



Transcription of a talk by Arts Council England and the Department for Education on the Capital Grant for Musical Instruments. The talk took place on 7th March 2024. Transcription has been completed manually to the best of our abilities but may contain some human errors.

Maria

It's really nice to see you all, it's really nice to have a room full of people to talk about the Capital Grant for Musical Instruments. Firstly, just to introduce myself, my name is Maria Turley, and I am senior manager at the Arts Council, and I'm here with my colleague Stefano Pozzi, who's going to introduce himself.

Stefano

Hi, I am indeed Stefano Pozzi, I am assistant director responsible for art, music and humanities. Education in schools' policy at the Department for Education. I lead the team responsible for the National Plan for Music Education.

Maria

Like I say, I'm a senior manager at the Arts Council. I work in the National Music Education Team in our organization as well as working more broadly on children and young people policy as well. And I'm really aware that we've got a mix of different kinds of representatives in the room today. So apologies to music education people you probably know us slightly better, the Arts Council, but I'm really glad that we're talking to suppliers and retailers and manufacturers as well. So just a bit of an introduction to who we are at the Arts Council, so we're the National Development Agency, for creativity and culture and we're a non-departmental body sponsored by the Department for Culture, Media and Sport.

And we have a ten year vision, if you haven't read our ten year vision, it's on our website it's called Let's Create and it runs to 2030. And through that vision and strategy, we want to support England to be a country in which the creativity of all of us is valued and given the chance to flourish. And for everybody, everyone has access to the opportunities and experiences that they want as well.

Right at the heart of Let's Create is Children and Young People. Children and Young People are really central to what it is that we do at the Arts Council and what we're really interested in, and we

want to make sure that children are able to participate in arts and creativity equitably. And we invest public money from government and also the national Lottery to be able to do that.

And because of that, because of how important children and young people are to us, we work very closely with the Department for Education. In particular, to support the delivery of the government's National Plan for Music Education, which I'm sure you've all read cover to cover. It includes our role as fund holder for the national programme of music hubs in behalf of the DfE, and we also co-invest in national youth music organisations as well, so we have a programme of national youth music organizations that we co-invest in. Right now, again which many people in the room will know, we are currently running an investment program for a new cohort of music hub lead organisations and announcements for that program are expected in April, and we're really excited to continue this journey with everybody and our friends and colleagues in the music education sector. But also what is a newer sector for us, suppliers and manufacturers and retailers as well. We're really glad to be working with you, we're really glad to be working with the MIA really closely on this particular fund and meeting with you and working with you in the future.

Stefano

So if anyone was at the Expo a couple of weeks ago, you might hear some things I've said before but I am going to try and move on quite quickly from that. For those who haven't read the National Plan for Music Education and that the Department published with DCMS in June 2022, essentially it sets out a strategy to 2030. That is, that is based on wanting every child, regardless of their circumstances, needs or geography, to make sure they have access to high quality music education so they can learn to sing, to play an instrument and indeed make music together and have an opportunity to progress their musical interests and talents, including professionally. So the basic idea is that sort of cradle to grave concept in effect that the main focus of the delivery is around the 5 to 18 and which is very much where we see the heart of change.

Another key concept that underpins the plan is the concept that if you're going to do good music, education, it certainly isn't like many other subjects, which is about really good curriculum teaching. We do always need to conceptualize of music education as going beyond a music lesson to extra curricular provision and indeed provision of music making and opportunities for working together to make music and understand music outside of school settings as well.

And that's very much trying to instill that concept, which is a hard concept for a lot of school leaders because it kind of makes it sound more complicated than just doing music well, but that's kind of what you have to do, and that's absolutely key. In that sense it's unashamedly ambitious, has been informed by the excellent practice we did talk to a lot of schools and a lot of Music Hubs and charities. We did a call for evidence which we issued about a month before the pandemic started. So timing wasn't great there, but we actually learned a lot still from from that and individuals that over the pandemic in terms of different ways of teaching music, it's set out over three chapters. The first focuses on music, on schools, as well as other educational providers, including the early years. And that sets out what good looks like and draws on other key aspects of what that might look like and what a good looks like, and Ofsted recently published their report from a study of 50 schools on the whys and wherefores and what's happening now. And the second chapter focuses on music hubs and more widely, the partnerships locally that need to be in place in order to realise the vision.

And the third one is about moving on. How do we support children as they as they move into adulthood and become young musicians or young people who want to build a career in music, which of course doesn't only involve being musicians. And that doesn't have to be special. It can be in an amateur setting and indeed part of the cultural heritage of this country and building and ensuring that we continue to build that cultural heritage is to keep those opportunities outside professional settings alive, because we know that's key to the cultural life of the country.

We made a series of commitments, of course, the first one and that Maria mentioned is a reform of the music hubs program but we have also created the 25 million we are going to talk about, on instruments and equipment. We've committed to 2 million additional funding for the Music Progression Fund which will be announced soon. We said every hub area should have lead schools and we're going to announce at some point four centers of excellence that are there to support music hubs in particular areas, including supporting pathways in to industry and on inclusion, absolutely key to the plan is making sure more and more young people who've been underrepresented in music making to be drawn into and supported to make music, particularly children with SEND, but also those from low income families. Because we know that income is a major barrier to access.

Maria

So we are here today to talk about the £25 million that Stefano just mentioned. So the investment by DfE into the instruments and equipment and music technology that children and young people need to be able to press that interests and music potential as far as they would like it to go. It's something that we collectively recognized as organizations the vital importance of every child being able to access what they need in that space.

And so that's why this funding is so important. What I just want to do very quickly is just acknowledge that this has been quite a long process in terms of developing this grant and thinking about what it could be. And we had a test and finish group right at the beginning when we were starting to think about designing what this could look like, of which the MIA were really helpful and committed partner. So we're really grateful for that input as we've been able to develop this.

Just in terms of just a few key bits of information about that grants and what it is. Applicants to the Music Hub investment program so the organizations that have applied to become hub lead organizations applied for both a core music hub revenue grant, and the capital grants for musical instruments as well. So that means that the capital grants will be distributed directly to the organizations that we're going to appoint as hub lead organizations to deliver from September 2024. Music hubs through their hub lead organizations will be required to report on how they invest that grant, and they will own the instruments and equipment and technology that is bought. But that doesn't mean that Hub Lead Organisations will directly purchase all of the assets that are bought using the capital grants, because music hubs are partnerships. And so the intention is that they will work with their partners to understand and respond to the needs and priorities of their local communities and for children and young people who live there and the schools that they go to, the teachers that they are working with, their families and other delivery organizations in the area as well.

And the role of the HLO, though, is going to be to ensure that those instruments are available for use by children and young people and schools and partners. And because of that, they can share

funding with their partners to purchase those assets. All of that means that children and people will be able to benefit from access to whatever is purchased through the capital grant where they need them and for years to come. And we have a QR code later on the slide pack but this week we published some updated FAQs about the capital grant, which are available on our website. And when we get to that slide, there is a QR code which you can follow and read them directly in a bit more detail.

Stefano

Okay. So I know there's been a lot of questions being asked at various events and discussions I've had one to one and in small groups, well what can we do with this money and so on. You can use any revenue buy capital equipment. The revenue flexibility is different and that's true in real life. You can use your money to buy a car or go to restaurants a lot if that is what you like to do. Capital lays out very specific constraints, which means there's things you can buy and things you can't buy. Those constraints aren't only set by government or Arts Council England. They will be very much based on the specific requirements of hub lead organizations and the extent to which assets can be capitalized on that. There are capitalization rules that need to be applied here, but we've sought to work within those constraints to provide as much flexibility as possible.

HERE!

And so, as Maria said, this capital grant is being made available to new hub lead organizations from September 2024. And I think you're going to talk about the timing and the money a bit later on, which is another set of key questions. All the bidders last year who wish to become a hub lead organization set out that initial thinking on their purchasing plans, which start with what assets are available already. Instruments, other equipment across different partnerships. How will capital be used to enhance those assets, improve those assets, provide a wider range of equipment and instruments? So that's key to the plan in the thinking that this is how this actually builds the asset base, that just a lot of organisations already we have. Another one is to make sure that they actually meet the needs of their hub area, their community of children, young people, and as well as supporting schools. And ultimately it has to benefit the children and young people themselves.

And that means thinking about a range of instruments and equipment for children, young people, and to enable them to progress their musical interests and potential, as set out when I spoke earlier. So we expect the capital grant will be used predominantly to buy acoustic, amplified, electric musical instruments, that's the general expectation that a lot of the money will go on that, but it'll be subject to the local plan. If an open area feels like it's got all of that already and it really doesn't need any more, it can set out a different way of doing it.

There will be some provision made for technology which is used for specific music making purposes, and we have sought to build in the flexibilities around that too. However, we will consider plans to include proposals to use a capital grant to buy musical technology specifically that will be considered. And through those purchasing plans, HLOs will need to demonstrate how the technology that they want to purchase will be used in ways that are specific related to music making by children and young people.

That's actually key to setting up those plans. So the main thing is in terms of when we get the detail of this, they will be published in April when we announce HLOs

Maria

So far as part of the application process for the investment process, applicants gave us some information about their plans to use this grant, it was some very initial information and what will be published in April, what we'll come out with in April alongside announcements to Hub Lead Organisations, is some more detailed information about this grant and what that means in terms of payment conditions and requirements, funding periods, and also the information that we will require from you in terms of things like purchasing plans as well.

What I want to talk to you just focusing a little bit on this is this has been a consistent question from the sector, so we're really happy to be able to offer a bit more clarity about this is about capital grant funding period itself. So what we're really pleased to be able to say out loud and is now in the FAQs is that we're going to be able to issue payments across two full academic years.

So that will be the 24/25 academic year, so from September, and then also 25/26 as well. And in addition to that, we will have information and guidance about how the capital grant can be used, when it can be used from April as well, so you'll have that additional planning period as well. And it's going to be a really obvious point, but I'm going to say it anyway, the capital grant and the revenue grant are two separate funding agreements that will mean that HLOs in the room that you will have two separate Grantium numbers as well. They will be allocated to HLOs once they've secured their funding agreements for the core revenue grant. So basically, once you have secured your revenue grant agreements from that point, you will be offered a conditional offer for the capital grant as well. As I've already said, we will clarify the details around that, so the exact period over which the grant can be spent as well as what the payment conditions are going to be against each of those payments and the timings of those payments as well. When the Hub Lead Organisations are announced in April and we publish our more detailed guidance.

Stefano

Just a little bit more on that. So then for the people who are anticipating being HLOs or key partners very soon, one might think, well, if we've only got revenue funding for one academic year and capital funding two academic years, how would work then. So in the application guidance, it says that we are committed to providing a first academic year funding with the expectation that we would be extending (subject to the next spending review) to 2028. That is the expectation. It says something a bit scary, like subject to performance as well as all of that, but that's only of things that relate to performance framework for that relevant year, you know, we have to build in risk into our thinking, so we have to, we have to say things like that. So it's therefore in anticipation that an HLO, with its partners, into academic year 25/26 that the capital can be drawn down over those two academic years. And there's two things that I think that people should be mindful of, for suppliers as well as manufacturers as well as HLOs and their partners, is that we don't want people to splurge this money quickly and make some poor choices. Right? We want them to make sure they got a good needs analysis. They may not feel like they've got good needs analysis yet. If they're bringing partners together, they may not even feel like they've got a grip on the asset base.

Yes, there's things that need to be done in time, not to splurge this money too quickly. So just be careful about purchasing arrangements so that's why it's partly built in. There's also supply chain issues and the big popular stuff that once we bought, we've bought in bulk, we want to make sure that we don't end up generating bottlenecks within the supply chain, whatever that might mean. I'm not technically minded, I don't know the music equivalents and instrument sector very well, but I understand from a conversation with Ant and others that we need to really think about that, that sort of supply chain dimension.

So as part of sort of thinking about making sure that we have an easier way as possible for HLOs and all their partners to buy instruments and equipment. We're developing a supplier framework to support suppliers, retailers and manufacturers to essentially engage with capital grant and the point of the framework is to support HLOs planning their purchases and to access a broad range of options.

It also has the potential to support collective purchasing, helping to deliver better value for money for the taxpayer. Some of us in the room are taxpayers, and through that get greater economies of scale as well as streamlining purchasing processes as well. So we want to ensure that the framework includes suppliers, retailers and manufacturers are drawn from across the country, and then able music hubs to make purchases that they need, and in response to the needs of children, young people, schools and families. Our intention is that the use of the framework will be mandatory when purchasing instruments, equipment and technology using the capital grant funding. The DfE have published a prior Information Notice in the QR code on the screen now. And it's important to note that the PIN is not a call for competition, it's not a call for people to submit anything. It's an information gathering exercise. And indeed that notice if you follow it, sets out some of the details. It sets out an invitation to come along to our online market engagement event on Wednesday 20th for an hour. So you need to register on our Janika system and be able to register and come along. That's the means by which you can come along to our engagement session. So with that in mind, the key thing is that framework is there to help, it's not meant to be a barrier. Obviously, we want to make every supplier who wants to contribute to this program is on it so long as they meet all the standard conditions. We want suppliers who meet certain conditions, basic ones like not contributing to modern slavery. And also we want to make sure that we have suppliers who we know we can be trusted to be in the sector a good long time. And there is the real importance of aftersales support that that comes through for a knowledgeable seller/reseller that we have to be really mindful of as well.

Maria

Thank you, so that's the key information we're going to share with you today. It's it is those three pieces really which are the kind of really additional information that we're happy to be able to share. So the funding period, we're talking about two academic years as the funding periods, the slightly more detail to the grants is that we are now saying music technology as part of that kind of overarching scope. And also the announcement about the supplier framework. So they are that they are the three key developments that we wanted to make sure that you all had and were aware of. We're really glad that we've been here today. Thank you so much for inviting us Music Mark, we're really glad to have been able to be here today and to talk to you all. We're really grateful for all the organizations have helped us as we talked about some thinking around this as well as have already said, there's a website link on the screen. There is also a QR code on the screen which will

now take you to our FAQs for more information. But as ever, please do get in touch with us directly at the Arts Council. There is the musichubs@artscouncil.org.uk email address on the screen. We love hearing from you, so please do email separate and get in touch with us. And I think that's it for now. I think we are ready for questions.

Stefano

I think we are, I feel like I'm going to get a question about software.

Maria

Would anybody like to ask any questions?

So the answer to the question about software and software subscriptions is that they are in scope. There are some caveats around that, which we will go into more detail around when the guidance is published. And I should say that we are still working through the details of this in terms of securing approval for it. So this is almost like advance notice that this is happening and essentially it needs to be hub lead organisations, when they're purchasing software or software subscriptions, will need to be able to demonstrate that it has been capitalized in line with their own accounting practices.

And the second caveat is that we anticipate that subsequent costs related to that software will not be applicable to capital grants. So, you know, refresh subscriptions, anything else that's related to that cost, you would not be able to use the capital grant for. But that initial purchase of an item of software or a subscription to software is in scope.

Stefano

We need to set out the details of what these things are and as Maria said before it's subject to the HLOs, to the organization's approach to capital, or should the HLO have an arrangement with another partner who may be better placed to do the purchasing that can be put in place, in which case it'll be their capitalization rules/

We have all been on a learning curve with capital and capitalization. So I hope that answers the question.

Are there any more questions about software?

Audience Member

Well, it is just the point. If you have an arrangement whereby schools are purchasing software in partnership with the hub, if we have to capitalize on it, we own it and therefore, this school, if you talk to the network manager in the secondary school, they say we can't implement it, we can't use it. So just flagging the thinking needed. You said about partners purchasing if as a hub you have a

sort of a school membership scheme and the school has bought into that. They are effectively a partner in the hub so I'm sure there's a way to do it, but it's just flagging it.

Stefano

It's those kind of ideas that we're very open to, so I don't have an answer to how you do that. But we're open to hearing how it might be done.

Maria

And I think the only thing I'd say is it sorts of parts of that just sits in the kind of clearer parameters around this, which is, you are right, anything that's purchased through the capital grants will be an asset that's owned by hub lead organisations. And so, you know, that doesn't mean that the grant can't be used by other organisations or other partners who are working within your partnership, which could include schools. with any auction marketplace. You would need to make sure that you would have all the steps in place to enable that to happen like legal agreements as you would absolutely do anyway.

Stefano

And the only thing I'd add which is beyond software, noting the point about schools. So in thinking about the framework and how it might be used it's essentially a framework for this £25 million capital, that's its purpose, but we were happy to test whether it becomes a framework for other education providers, including schools, if they wish to use it, if it becomes effective means by which no for them to buy instruments and music equipment that we want to test out to see whether it has that benefit, it is of course, would be as a government framework would be compliant in terms of routes to market and the public contract regulations of 2015. It means schools don't have to worry about the route to market type of compliance.

Audience Member

I have just two questions. With the licenses for the software, would you be able to put in, say, for example, as to the amount be for the four years, for example, as I'm asking you for £1,000 but is going £200 a year for five years.

Maria

That's a really interesting point, which I'll take away because we are literally still working through this. What I would say is its initial purchase of it, if you are then repurchasing again, if it's an update to a subscription, I think probably not. But we'll work that through and take that away.

Audience Member

Because if you looking at it over five years, it makes sense. And the second one was because they were going to be new organizations coming involved into the music hubs that haven't been involved yet, or so far on a regular basis. How are they going to know to have the relationship or what point to have a conversation with music hubs about what equipment they might need. Because they might not know that this is happening until September, for example, by which point I would imagine a lot of the music hubs would start having conversations about whether I need lots of guitars with a new MPC 2000 and if you haven't got that relationship, what might happen, how should we be informing those organizations to get involved at this point?

Maria

So that's a really good question. I think that sits into the kind of broader remit, of what it is, that we are going to be supporting hub lead organizations and through their music hubs to do. So, you know, announcements are being made in April. We will know from April who our refreshed cohorts of hub lead organizations are in our 43 areas and their job as part of their requirements is to start thinking about what is the local plan for music education in that place. You know, what's the need in that place? What do children and young people, schools and other deliverers need in that place in terms of a whole range of activity and equipment and support? And, you know, so it sits in that kind of broader remit of the hub. So I would imagine that ultimately that work starts, you know, once hub lead organizations are announced, they will be starting to move in that direction and think about what their local plan is. And you would hope that those conversations would happen through that process. Any more questions?

Audience Member

Yes, it is just round the inclusive instrument side of things. Access and inclusion is a huge part of this plan. I heard there was some talk around some funds being ringfenced for inclusive instruments. Is that still the case? And if so, what we're looking at.

Maria

You are absolutely right. Adapted and adaptive instruments and equipment are a real priority for this fund. They're a real priority in the national plan. And what it is that children of people with disabilities, additional needs need in order for them to be able to participate in music equitable is a really important focus in the national plan and we're all very pleased about that. And this is one of the means by which we can support that. And we also know that, you know, the world of adaptive and adapted instruments and equipment is a place of massive innovation. There's huge change there's lots of new things coming on to the market as well, which we're really pleased about. So there isn't money ringfenced as part of this fund, but it is a priority in this fund. It is absolutely, definitely in scope. And when information comes out and I told you will see that more information about what that means in terms oof how its broken down.

Audience Member

So you guys are supporting us to explore how music hubs can support children and young people to access scores in a different format. Yeah, I guess I just wanted to test the boundaries of this fund for something like a braille embosser that could create braille music? That's not something that would be used directly by the child or young person it would be the hub on their behalf. Would that be scope?

Maria

So the answer is at the moment, yes, it is in scope. It is on the scope. So but there's more information, as I say, when information comes out in April, I would read the guidance because there's some specific information about exactly that kind of need there. It is of course, not an instrument, but it is doing something very specific in terms of supporting a specific group of children and young people. So, yes, it is.

Audience Member

This is probably on the FAQs but I haven't read them yet. So if we're saying subscriptions are in scope and licenses, what about leasing or things like iPads? Because obviously to buy music tech, it would make more sense to lease rather than to buy something. Is that in scope?

Maria

It isn't. That was a very short answer.

Stefano

I think there's a more specific point about buying general tech. So it is a kind of, you know, can you buy general tech and put some software on it and effectively it comes in and adaptive instrument. So it is it is generally the case, the expectation that a lot of young people or children would have access to generic tech now. And it's about making best use of that generic tech with the right software on it and or with interfaces that allow you to connect to all of those things should be enabled. But the idea isn't here that if there's something you need in order for music making to happen, you have to look at what assets are available already. So there's a there's within reach set some parameters.

Maria

And I would just say just to follow that very quickly, it's it's in that point early on as well, which is around hub lead organizations and using this grant, being able to demonstrate that what it is that they're purchasing is being used specifically for music making and the benefit of children and young people. That is almost at the number one kind of idea around it, what is purchased here needs to be about music making. Now that's really obvious if it's a clarinet, and it's less obvious if

its and iPad, so kind of thinking through what that means. But again, more detailed guidance when it comes.

Audience Member

A question about the supplier for framework from the perspective of a potential HLO. So we are a traded service through the county council, which means we've got quite robust purchasing frameworks in place and it's just to really understand how that works from our perspective, from purchasing with that in mind.

Stefano

So we did anticipate that a lot of organizations that, you know, will be HLOs or key delivery partners may already have a framework. So the expectation, if there are in some senses two frameworks in the system, is that as a DfE grant, the expectation would be that one would use the DfE framework. The key thing in responding to the call for information is is, what would you want to be the case within the DfE frameworks. So it doesn't create unnecessary barriers. And also to tell all of your suppliers that there's a new framework out, get yourselves on to it, because that might be the group by which I end up having to find this out. At the same time we are mindful of the fact that there may be circumstances where exemptions need to be applied. So one of the other aspects of this is not thinking the framework is all for all possible purposes. So the feedback on us being made aware of where those exemptions might apply helps us define what those exemptions look like and how does exception work if necessary.

Maria

I'd say come along to their engagement event that the DfE are running as well. And you know it's an information gathering exercise so that will be helpful too.

Audience Member

So from what you said, the framework is going to grow with the process, it will adapt as the processes does to some extent.

Stefano

Yes, frameworks are live documents. Absolutely. I mean, if we learn a lot from this and it is seen to be a really good way of helping education providers and indeed suppliers make sensible purchasing decisions and really deliver good value for money and address the widest possible means to meet the needs of children, then I can imagine us having that in perpetuity in a way.

The general expectation that to provide good music education, one needs access to replenish and indeed an innovated stock of equipment to help music making happen.

Audience Member

Centers of excellence. How are they going to be allocated or chosen? Are they need to be an existing hub or HLO, or is it going to be something outside of that network? Is it going to be a business based system?

Stefano

So the way that is intentionally vague and when we published the plan on this, that the expectation remains, that all relevant organizations could apply to be a center or centers that would include existing HLOs it could include former HLOs. But that the expectation is that we wouldn't exclude other organizations from bidding and would exclude other organization being part of a consortium that might be to be one or any of the centers.

Audience Member

And is the application process open?

Stefano

So we haven't announced any details on this, you've spotted that. So we will be publishing details on all of that in due course. It won't be imminent. I know our public commitment is to have these centres in place in autumn, but we also made a commitment to have the music progression fund in place by autumn of last year and that hasn't happened yet has it. So, things do get delayed for various reasons. And so I anticipate that we will be able to publish what we're doing with regard to the centres later this year. So everyone knows what's happening. And it isn't in the plan but just everyone understands, that when we published the plan, the intention was to have a faster competition of the music hubs program and actually have new HLOs in place for September 23, but became clear that the sort of level of change that was expected, etc. made us rethink with Arts Council England what that was. So there is a sense in which the whole 2030 plan has shifted on a bit. And so we don't want centres in place before hubs are settled in a way, when they need to understand what their challenges are. So and I think that's quite hard to anticipate. So there is a bit of, it is not just good old fashioned delay, there is something about needing to think hard about what the hub lead organisations and their partners. What are they saying about what their needs are and what their capabilities gaps on technical sense and therefore thinking about [in audible]. So thinking slightly outside of the box in relation to the four pillars we set out in the plan.

Audience Member

Just on from that, those centers of excellence I imagine they should be offering support and advice and informing HLOs how to spend their money in the best possible way to get the best value for taxpayers money.

Stefano

I think. So obviously, if you're spending this money, if you're HLO or key partner from September and you're looking to spend this money over those academic years, then having good places to go to help advise on those choices would be absolutely key. So I'll take that one away. And I think it's a fair point about sort of, well, where do I go to get help with these things.

Maria

And I know you're from a supply aren't you? So I admit that that's a more general point as well. We have a mailing list, so like we are sharing information as it develops at the Hub Centers of Excellence, our DfE program but that doesn't mean that we're not sharing information as we get, so sign up to our newsletter. And also we keep talking to Ant at the MIA so we are funneling information by the MIA as well and Music Mark

Audience Member

I've got two questions, actually, one about the release of funding, one about capitalization. So funding's going to be released across two academic years. Is that two payments at the beginning of each year or spread?

Maria

We are announcing the payment split when we publish guidance in April.

Audience Member

And is there a deadline for the use of the funds?

Maria

It will need to be spent across two academic years. It'll need to be spent in that period.

Audience Member

My memory is when the first details came out that there's an expectation that all these and all of this equipment will be capitalized in the organizations accounts. How will this work when the expectations are different from the capitalization policy of the organisation?

Maria

That's a really hard question.

Audience Member

For instance, We don't capitalize any musical instrument under £10,000.

Maria

So and I mean, the kind of broad parameter here is that items purchased with the capital grant need to be capitalized in line with their accounting policy. So there is some stuff about grouping instruments as well and equipment which might help, that's more information in the guidance.

Audience Member

So with the grouping thing because 50 violins capitalized, one of them gets run over, so you've only got 49.

Stefano

So that stock is depreciated somewhat.

Maria

I'm sure you can imagine there is a whole section on capitalization in the guidance that's about to come out. It's helpful, I will take that away of course.

Stefano

It's not unknown for education capital grants to be spent on small claims. Yes, if organizations just say no way, we can't possibly put that on our asset register, then there's obviously a local constraint maybe make some choices insurmountable, we get that. It is amazing with a bit of imagination and good legal commercial advice can get you in terms of partnership arrangements with other organizations.

Audience Member

So if hub lead organisations are doing the purchasing, we can't expect every hub lead organisation to be an expert in what your technical instruments are really accessible. Will there be any extra guidance on what might be good options, or how will we ensure that the things that are bought are usable by the biggest range of people?

Maria

So I just to take you back to what we talked about earlier. So the assets purchased with the capital grant would be owned by HLOs, but the purchasing itself could happen by other partners as well. So HLOs are able to pass on part of the grant. So that partners in the music hub are able to purchase on their behalf, and that's where their expertise come. So again, I think it sits in that broader picture of a music hub with a partnership of organizations and a partnership of different kinds of expertise and interests and kinds of delivery. So there is something around understanding need understanding a collective view of pulling together your local plan and making best use of the expertise you have whether that's partnerships to support whatever you are doing as a music hub whether it's delivery of work or purchase of 50 violins.

Stefano

And the other side of this is some central of intelligence on this doesn't feel like in some sense any sense of perfect solution if the choice to make locally about assets are driven by your capacity and what their capabilities are, what your workforce's capabilities are so crudely, possibly slightly patronizingly, you wouldn't buy a whole bunch of clarinets if you had no one to teach the clarinet.

So there's a sense in which you have to really look at how you can use your people to make best use of that asset and or support schools so they make best use of that asset to drive those decisions in terms of improving the musical access.

Audience Member

Jay's provided an example here, if a machine was purchased to enable you to write music in braille was purchased by Kent hand. And there was also one purchased by south east London plus another one purchased by... Is there any coordination around kit that might not need to be purchased by every hub?

Maria

Not through the capital grants specifically. So arrangements of the capital grants are very specifically about the purchase of assets. But I know that you and I have a conversation before. It's a conversation that needs to be had, which is about what does the music hub program enable as a broad collaboration conversation about how we can think about exactly those kinds of issues and opportunities to think about what's needed and also what the market does in that space as well. Because I imagine, you know, this is a really fantastic conversation and fantastic forum to be engaging with suppliers and manufacturers as well. You know what their place is in that in terms of understanding how they can support that kind of coordination and understanding of what's where right and that kind of thing. It's an ongoing conversation, a really important one.

Audience Member

Can I just pick up on that point, because I think Stefano talked about collective purchasing agreements, right? So would that be an example where collective purchasing agreement might work, where something could be purchased collectively across hubs?

Stefano

One of the takeaways in terms of purchasing decisions by multiple HLOs and I haven't thought that through, the general concept of the framework is to manage the market in a way that minimizes friction and makes sure you manage the market to deliver value for money and as well as compliance and ensuring really good suppliers are used.

Audience Member

On that point, would the centres of excellence also be able to apply because that's the sort of thing that the Inclusion Center of Excellence, for example, it would be great if they had and held those assets that could be used across, because then it would mean that all of the hubs would be able to access that equipment and could still be owned within the system, but it could go where it was needed when it was needed.

Stefano

You could do you. We are committed to all that is money going to the HLOs, so yeah. So we're not looking to top slice or anything or intending to say anything to that end. And I mean if we do end up with an underspend perhaps that could happen but we don't anticipate that happening.

But that is of course you know the option pay on what happens one could seek to speculative may seek additional capital in the future. And so that might be an option going forward. What we what we're not doing in terms of there's a planning going on in relation to any concept of a national service, I know that has been explored and I do believe being implemented in some shape or form in Wales, and indeed when you look at Scotland, the scale of population one might seek to look at national governments do these kinds of things that England's system is, is so multi-layered, shall we say, in terms of its system and the range that we don't think a national service at this stage, it might start making these national decisions with money is viable at this stage.

Audience Member

So the announcement is in April, funding will be released in September (first payment in September). Will we be able to book ahead of what we want with the suppliers in that interim period, once we know we are going to have funding or not? Because what we want to avoid is Black Friday, John Lewis.

Maria

Black Friday for thousands of recorders. So guidance around the capital funds will be available when around when the hub leads organization announcements are made. So there will be clarity

at that point about what the expectation is, what timelines look like, what payment conditions look like, you know, in more detailed scope than we've been able to give you so far, will all be available from April, first payments will be drawn down from September onwards. There is a process that needs to happen at the point that announcements are made, which is around new cohorts of hub lead organizations, securing that revenue agreements. And there's a process to get that. At that point we will give the conditional offer the capital grants, and there will be some requirements around that. So I think basically what we're suggesting is that there is a period from April through to September, at the point that a hub lead organization knows it is a hub lead organization that planning and thinking would presumably start. What we can't do is spend the money until September. But that's not to say that you couldn't be negotiating and talking to suppliers.

Audience Member

That probably answers this question, but can purchases be made before September and then the fund be used retrospectively to reimburse reserves, for example, in order to fill the aims in September rather than ordering in September.

Maria

And no, it can't.

Stefano

Huge thanks Marie for organizing, with your colleagues, this event and thank you for coming and thanks for the great questions and a lot of it will be informing our thinking. Do get through Janika and do come along suppliers to input into the framework and all questions that are being answered at those events and/or subsequently will be published. So any supplier who isn't at those events will benefit from the answers to those questions

Maria

And please do email us if you've got a specific question that we haven't answered today and we will follow up.