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## Pension Contributions: Discussions and Response

### A Music Mark consultation of member Music Hub Leads and Music Services February 2019

Questions on the DfE Survey	Music Mark response
<p>Do you agree with the proposal to fund schools (as defined in 4.6) for these increased costs?</p>	<p>Music Mark agrees that all schools who will be required to increase the contributions they make for their employees in the Teachers' Pension Scheme (TPS) should be allocated funding from the DfE to manage this increased pressure on their budgets. As a Subject Association for Music Education we are fully aware of the challenges that already exist for schools to fund both curricula and enrichment music education provision. Therefore, the requirement to divert budget to cover increased pension contributions is likely to put further pressure on Head Teachers and governors who are already having to make difficult decisions. Music Mark surveyed its Music Service and Hub Lead Organisation Members and they have confirmed that the impact of this increase on schools is likely to reduce a school's ability to buy in their services. The consequence of that would be fewer opportunities for children and young people to learn music beyond what is provided as part of the school's curriculum.</p> <p>Equally, Music Mark agrees that all those listed within Point 4.6 of the consultation document – in particular Local authority Centrally Employed teachers and Music Education Hubs – should be allocated funding from the DfE to manage the employers contribution increase to the TPS.</p> <p>A simple quick survey of Music Mark Hub Lead Organisations and Music Services has demonstrated that the majority of them – approximately 70% to 80% - have music teachers who are in the TPS. This includes Trusts that have been set up outside local authorities but who agreed to continue to provide the TPS for some or all of their teaching staff. The impact of this increase in employers' contributions from 16.5% to 23.4% is punitive for the future delivery by the sector. Of those that responded to the survey, there were some reporting having to find over £100,000 to cover this increase in 2019/20 alone. They confirmed that were they not to receive government support they would be required to divert money allocated to programmes of delivery, cut staff and/or increase fees to schools and parents:</p> <p><i>Without the additional funding support the pension increase will place a significant additional cost burden on the service, ultimately resulting in us having to increase prices. This would likely impact the most disadvantaged children and young people the most as the current remission would also need to be re-assessed and raised.</i></p> <p><i>The increased contribution will need to be met by a range of cost cutting measures including price increases which is likely to have the impact of reduced buy back, hitting schools and pupils in areas of deprivation the hardest.</i></p>

	<p><i>This is a large amount for us to find and would result in us having to put up fees to parents and schools substantially. Prices are already too high for lots of our parents.</i></p> <p>One Music Service reported that as they are serving some of the most deprived wards in the country, increasing fees to parents/schools would not be possible, therefore the contribution increase would impact on that local authority music service would be on its ability to continue to deliver the DfE’s Music Education Hub Core and Extension Roles:</p> <p><i>I know that there would be huge resistance from the council [to increasing fees to parents and schools] because of the deprivation levels in the town. We would likely have to downsize our organisation in order to afford such a hike, meaning that we simply could not deliver the National Plan fully.</i></p> <p>Indeed it should be noted that this increase in contributions is likely to have an greater impact on the Music Services working in the deprived areas of the country more, as higher employment costs is likely to result in reduced remissions budgets and fewer inclusion programmes and projects which target the most hard to reach.</p> <p>It is noted that our Members are concerned about the ongoing financial burden of this increase in TPS contributions beyond March 2020 and hope that assurances can be made that the DfE will continue to support them into the new Financial year:</p> <p><i>It is good that DfE intends to fund [the employers contribution increase] in 2019-20 but we need to ensure that future funding is secured. If this isn't provided then we will be forced to increase fees to parents.</i></p> <p>Some have been looking – based on the impact now and into the future of this increase – at whether to remove the TPS from the contracts they provide for new teaching staff. However, it is recognised that this will create further divisions in the workforce and the ability to recruit a quality workforce:</p> <p><i>Being able to offer membership of the national Teachers' Pension Scheme is important in recruiting and retaining the right teachers to support the quality of work that we insist on.</i></p>
<p>Do you agree with the proposal to fund FE colleagues and other public-funded training organisations for these increased costs?</p>	<p>Music Mark would like to strongly recommend to the Department of Education that they support all organisations who have employees in the Teachers’ Pension Scheme. As with school budgets, all public-funded training organisations will find an increase in contributions from 16.5% to 23.4% a significant strain on their budgets and are likely to have to find cost savings elsewhere which will affect provision.</p> <p>We are also aware that the growing cost of employing music teachers appropriately – ie on Teachers Pay and Conditions with access to the Teachers’ Pension is resulting in Music Services having to make difficult decisions on their future staff contracting model:</p> <p><i>If Music Hubs are not supported to pay the increasing pension costs some are likely to be put under pressure from local authorities and other governing boards to move to self-employed (less expensive) terms of</i></p>

	<p><i>conditions. The immediate impact of this will be less support for schools, reduced capacity to develop music strategically across the Hub area and an increasing focus on transactional music activity as opposed to collaboration and development. The longer term impact is that musical opportunities for young people beyond the curriculum in schools will become less and less accessible to those who cannot afford to pay.</i></p> <p>For the Music Education Sector the impact may well result in fewer opportunities for young people to continue their musical studies. This would result in fewer skilled musicians entering the workforce. The UK has a strong cultural industry but anything that affects the talent pipeline will result in the weakening of this valuable industry. Specifically in Music Education the impact is likely to be fewer people training to become classroom and visiting music teachers – a profession which is already under resourced.</p>
<p>Please provide any additional evidence relating to the impact on all sectors which you think the Department should consider considering these proposals</p>	<p>In addition to the comments made above, Music Mark would like to highlight that there are additional concerns within its Membership with regard to Pension Schemes beyond the Teachers Pension Scheme such as the Local Government Pension Scheme. Contribution increases currently being implemented across a number of schemes is having a significant impact. As with the TPS, increases to employers’ contributions to these other schemes will have an impact on the financial resilience of Music Hub Lead Organisations and Music Services. Whilst in many areas of business any additional expenditure can be offset by increasing income through price rises, in education increasing prices creates further inequality of access to provision by young people.</p>
<p>To what extent will this proposal have an impact on people with one or more protected characteristics?</p>	<p>As clarified in the consultation paper (point 4.15) it appears that the proposed support of all providers of education for children and young people under the age of 18yrs ensures that those with protected characteristics within that age range, and their teachers will indirectly benefit from the support given to the organisations providing their education or employing them. By supporting those organisations required to pay increased employers’ contributions from September 2019, existing budget allocations given to ensure equality of access can continue to be used in this way.</p> <p>However, by not supporting ALL organisations who are required to increase their employers’ TPS contributions (ie those currently outside the scope as listed in the consultation under 4.13 and 4.14) may have an impact on the employees and students connected to those organisations including those with protected characteristics.</p>