

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: DIRECTOR OF PEOPLE AND COMMUNITIES
IN CONSULTATION WITH: EXECUTIVE MEMBER FOR CHILDREN'S SERVICES
AND LIFELONG LEARNING, CHIEF EXECUTIVE AND CHAIRMAN OF CHILDREN
AND YOUNG PEOPLE'S SERVICES POLICY AND SCRUTINY PANEL
DIRECTORATE: PEOPLE AND COMMUNITIES**



DECISION NO: PC116 (2019/20 SCHEME)

SUBJECT: Funding the cost of Music Service whilst schools remain closed

KEY DECISION: YES

REASON: Effects communities living in more than two Wards

BACKGROUND:

Context

The councils Music Service staff would normally be delivering tuition to pupils in schools and other settings throughout Terms 5 & 6. This provision is traded with the income generated largely meeting the staff costs. Whilst schools are closed to most pupils no significant income will be generated. This decision sheet sets out proposals regarding the provision and funding of salaries for music service staff until schools reopen.

Each LA area has a Music Education Hub registered with Arts Council England and the DfE, which is a stakeholder group involved in music education within the area and who work together to ensure all the Core and Extension Roles in the *National Plan for Music Education* are enabled. The lead organisation of each Hub, in this case North Somerset Council, receives a grant from the DfE administered by Arts Council England (ACE) to support these roles.

The Music Service consists of 46 staff (26.8 FTE) comprising a Service Leader, a Singing Strategy and Music CPD Manager and 44 teachers. Service provision includes; instrumental and vocal tuition for all ages of young people, a major singing programme for schools, ensembles and concerts and CPD and support for schoolteachers.

At its meeting of 19 March 2019, the Executive considered a report regarding the future options for the provision of the Music Service in light of previous decisions to transfer a range of education services to Somerset County Council. The Executive agreed that the Music Service should continue to be provided directly by North Somerset Council (NSC) and that this position would be reviewed if there were indications of a future significant reduction in income to the service. It also agreed that the Music Service should build upon its remit of delivering the National Plan for Music Education for young people and schools, including developing provision for adults and alternative and specialist provision for vulnerable young people.

To ensure our Music Service is resilient moving forward an agreement is being developed with Integra, the trading arm of South Gloucestershire Council for North Somerset to provide the strategic leadership of their Music Education Hub on a permanent basis which has been provided on a pilot basis since September 2019. In addition, it has been also been agreed that the Singing Co-Ordinator employed by NSC will in future be shared

Staffing

Music Service teachers are employed by the Council in one of three ways.

Salaried - Teachers Pay & Conditions: long serving teachers (8 members of staff/5.2 FTE)

Salaried – Local Government Terms & Conditions: teachers who work outside of the school day running extracurricular ensembles. (8 members of staff/0.6 FTE)

Hourly Paid Teachers: Employment costs claimed monthly for time worked and paid in arrears. They are allocated teaching/work 3 times a year and would normally be told in March what teaching they are required to do over the summer terms; in the light of school closures this has not happened. These staff have been paid for the last 2 weeks of the current term based on the teaching allocations made at the start of the term. (37 members of staff/21 FTE)

Funding

The Music Service is a fully traded service generating around 64% of its income from instrumental and vocal music lessons brokered by schools, 5% from selling services to schools, 5% selling provision directly to families and about 26% from grant funding (ACE grant - 2020-21: £280,766). NSC currently contributes no direct funding to the operation of the Music Service other than corporate overheads.

The majority of traded income comes from families through schools. Schools request provision three times a year dependent mostly based on parents booking lessons for their children and the Music Service schedules teachers to deliver this. Whilst schools remain closed the Music Service's ability to generate income reduces to a relatively insignificant amount and creates a financial risk for 2020/21.

Managing the financial risk

In order to manage the financial risks created by the loss of income a number of options have been considered by the Corporate Leadership Team including applying for funding under the Governments Coronavirus Job Retention Scheme. Under this scheme staff are furloughed and the employer is reimbursed (if their application is successful) an amount equivalent to 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage (3%).

It is considered the best option would be for the council to furlough the following staff who would be paid at their normal rate and apply for funding from the Coronavirus Job Retention Scheme.

- Hourly Paid Teachers (37 members of staff/21 FTE)
- Salaried - LG T&C's teachers (8 members of staff/0.6 FTE)

The salaried staff employed on teaching T & C's would not be furloughed and would focus on back office activities, developing the on-line and 2020-21 offer, liaising with ACE and finalising the emerging relationship with S. Gloucestershire. Should any staff be surplus to these tasks they would be available for redeployment until schools reopen.

For salaried staff the amount paid would be based on the current salary and subject to consultation with the staff. The amount paid to zero hours staff would be to subject to HMRC agreement and consultation with the staff concerned, however at this stage it recommended it is based on the pay they earned in the same month last year (or where the member of staff was not employed at this time last year a reasonable average amount).

Implementation of the option will adhere to LGA guidance and is more generous than the furloughing scheme offered by Government as this only provides for 80% of pay and minimum automatic enrolment employer pension contributions on that wage (3%). It will also protect staff incomes in a similar way to those working in the private sector and provide the opportunity for the council to benefit from the Government Coronavirus Job Retention Scheme reducing the overall financial impact if the application is successful. If the application for funding to the Coronavirus Job Retention Scheme were not successful, the council would need to meet the full costs.

Whilst implementation of the option will result in a small number of salaried staff being furloughed this is recommended in light of the small numbers of hours these staff work which are outside of normal working hours making it difficult to redeploy them.

DECISION:

1. Subject to consultation with the staff concerned and Trade Unions that hourly paid music teachers and salaried local government terms and conditions music teachers are furloughed for the period of time that schools remain closed due to coronavirus and are paid at their normal rate.
2. That rates of pay, dates of implementation and any other details of furloughing including any minor changes to the scope of inclusions are agreed by the Head of Performance Improvement and HR in consultation with the S151 Officer.
3. That the Head of Performance Improvement and HR in consultation with the S151 Officer is given delegated authority to apply for funding from the Coronavirus Job Retention Scheme in respect of the furloughed staff subject to a review of any financial risks when more details of the scheme are known.

REASONS:

To maintain staff income and avoid hardship and potentially reduce the financial impact to the council

OPTIONS CONSIDERED:

Details of the other options considered and a summary of the reasons why they were rejected are set out below:

Furloughing staff and paying at current pay minus statutory holiday pay - would not be consistent with CIPD/LGA guidance. Negative financial impact on staff concerned.

Furloughing staff and paying at 80% - would not be consistent with LGA guidance. Negative financial impact on staff concerned.

Do not contract post Easter with zero hours staff for the week's schools are closed – hardship caused to significant number of staff. Would not be consistent with LGA guidance.

Do not contract for teaching post Easter with zero hours staff and make all staff redundant – hardship caused to significant number of staff. Results in complete loss of capacity to deliver music education and would result in Arts Council England having to commission new service which would not be under the control of NSC and would have significant negative reputational impact. Negative impact on South Glos music service as it would not be possible to continue with the joint arrangement. Significant cost implications.

Do not furlough any staff and continue to pay all staff. Staff redeployed to other tasks where possible - Significant cost implications.

FINANCIAL IMPLICATIONS:

| | Schools Closed Until End May - | Schools Closed Until End Aug |
|---|---------------------------------------|-------------------------------------|
| | Adverse impact £ | Adverse impact £ |
| 1. Apply for funding from the Coronavirus Job Retention Scheme (80% of pay) and pay furloughed staff at normal rate | 23,419 | 77,760 |
| <i>Additional furloughing cost (to costs shown directly above) using Government methodology</i> | 15,573 | 44,890 |
| | | |
| 2. Continue to pay all staff and do not furlough. Staff redeployed to other tasks where possible | 91,865 | 221,248 |

If the application under the Governments Coronavirus Job Retention Scheme were unsuccessful the council would need to meet the full cost and the adverse financial impact would range from approximately £80,000 to £215,000 depending on when schools reopen.

If the council continued to pay staff and did not furlough the adverse impact would range from approximately £92,000 to approximately £222,000, depending on when schools reopen.

Costs

See above

Funding

An application would be made for funding under the Coronavirus Job Retention Scheme

LEGAL POWERS AND IMPLICATIONS

Furloughing would be a variation to the contract of employment and would need to be agreed with the staff concerned

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

No specific implications

CONSULTATION

Consultation has taken place with: The Executive, Head of Performance Improvement and HR, Head of Legal and Democratic Services, S151 Officer and P & C Finance Business Partner

RISK MANAGEMENT

The minimum financial implications have been calculated assuming the payment to furloughed staff is based on the pay they earned in the same month last year (or where the member of staff was not employed at this time last year a reasonable average amount). There is a risk that government will insist that we fully apply the formula referenced in the recent HMRC guidance i.e. the highest of average monthly earnings over the last year or pay earned at the same time in the previous year – the additional cost of this is shown in the table above. This would result in staff being paid as though they were working in holidays even though they do not normally work at these times.

There is also a medium/high risk that the council will not be successful in its application for funding under the Coronavirus Job Retention Scheme and will have to bear the full cost; this would amount to approximately £80,000 if schools remained closed until the end of May and £215,000 if they remained closed until the end of August. This would increase to £115,000 (end of May) to £320,000 (end of August) if for any reason the full Government methodology to calculate pay were used and then the application for funding were unsuccessful; this scenario would be more expensive than continuing to pay staff and not furloughing due to method of pay calculation. The risk of this occurring would be mitigated as far as possible by reviewing the financial risks of applying for funding once more details of the scheme are known.

There is also a risk that schools do not reopen by the end of June, but the Coronavirus job retention scheme is not extended, in which case the council would then bear the continuing costs.

There is also a risk that when schools reopen parents and/or schools do not buy the amount of service they had originally indicated and that there is a longer-term impact on trading volumes. This would be managed as far as possible by zero hours staff working less hours and therefore reducing costs.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes - see appendix 1.

CORPORATE IMPLICATIONS

No specific corporate implications

APPENDICES

Appendix 1 – Equalities Impact Assessment

BACKGROUND PAPERS

Options report to Corporate Leadership Team April 2020

Coronavirus job retention scheme Government guidance

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

This decision is being taken under the urgency/emergency powers provided in the officer delegations in the Constitution – General Director powers para 2.2:

To take emergency action on behalf of the Council on any matter in cases of urgency or emergency with, wherever possible, prior consultation with the Chief Executive and Director of Corporate Services and the Executive Member and the Chairman of the appropriate Policy and Scrutiny Panel or Committee and Subject to a report as soon as possible afterwards to the appropriate body.

SIGNATORIES:

DECISION MAKER:



Signed:

(Email from Director confirming decision and allowing use of electronic signature is provided)

Title: Director of People and Communities

Date: 27.4.20

Consultees:



Signed:

(Email from Chief Executive confirming decision and allowing use of electronic signature is provided)

Title: Chief Executive

Date: 21.4.20



Signed:
(Email from Executive Member confirming decision and allowing use of electronic signature is provided)

Title: Executive Member for Children's Services and Lifelong Learning

Date: 21.4.20



Signed:
(Email from Chairman confirming decision and allowing use of electronic signature is provided)

Title: Chairman of Children and Young People's Services Policy and Scrutiny Panel

Date: 22.4.20

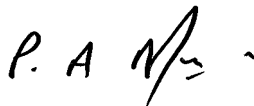
WITH ADVICE FROM:



Signed:
(Email from Head of Housing and Strategy confirming decision and allowing use of electronic signature is provided)

Title: Head of Housing and Strategy

Date: 25.4.20



Signed:
(Email from Head of Performance Improvement and HR confirming decision and allowing use of electronic signature is provided)

Title: Head of Performance Improvement and HR

Date: 21.4.20

Appendix 1

North Somerset Council - Initial Equality Impact Assessment



Overview

Service or project area:

Music Service

Description of the proposal:

Funding the cost of Music Service whilst schools remain closed

Summary of changes:

The council's Music Service staff would normally be delivering tuition to pupils in schools and other settings throughout Terms 5 & 6. This provision is traded with the income generated largely meeting the staff costs. Whilst schools are closed to most pupils no significant income will be generated. The decision sheet sets out proposals regarding the provision and funding of salaries for music service staff until schools reopen

It is proposed the council will furlough the following staff who would be paid at their normal rate and that the council will apply for funding from the Coronavirus Job Retention Scheme to help meet the financial pressure created by the loss of income.

- Hourly Paid Teachers (37 members of staff/21 FTE)
- Salaried - LG T&C's teachers (8 members of staff/0.6 FTE)

The remaining staff who are salaried and employed on teaching T & C's (8 members of staff/5.2 FTE) would not be furloughed and would focus on back office activities, developing the on-line and 2020-21 offer, liaising with ACE and finalising the emerging relationship with S. Gloucestershire. Should any staff be surplus to these tasks they would be available for redeployment until schools reopen.

For zero hours staff the amount paid would be subject to HMRC agreement and consultation with the staff concerned, however at this stage it is recommended in the decision it is based on the pay they earned in the same month last year (or where the member of staff was not employed at this time last year a reasonable average amount). The alternative would be to apply the formula referenced in the recent HMRC guidance i.e. the highest of average monthly earnings over the last year or pay earned at the same time in the previous year – this would be more expensive particularly if the application for funding from government is not successful as it would result in staff being paid as though they were working in holidays even though they do not normally work during those periods.

Implementation of this option will adhere to LGA guidance and is more generous than the furloughing scheme offered by Government as this only provides for 80% of pay and minimum automatic enrolment employer pension contributions on that wage (3%). It will also protect staff incomes in a similar way to those working in the private sector and provide the opportunity for the council to benefit from the Government Coronavirus Job Retention

Scheme reducing the overall financial impact if the application is successful. If the application for funding to the Coronavirus Job Retention Scheme were not successful, the council would need to meet the full costs.

Staff equality impact summary

| Will the proposal have an impact on any of these groups? | | | | | Impact (positive/ negative/ both) |
|--|------|--------|-----|------|--|
| Insert X into one box per row. | | | | | |
| | High | Medium | Low | None | |
| Disabled people | | X | | | Positive |
| People from different ethnic groups | | X | | | Positive |
| Men and women (including pregnant women or those on maternity leave) | | X | | | Positive |
| Lesbian, gay or bisexual people | | | | | Not known |
| People on a low income | | X | | | Positive |
| People in particular age groups | | X | | | Positive |
| People in particular faith groups | | | | | Not Known |
| People who are married or in a civil partnership | | | | | Not known |
| Transgender people | | | | | Not Known |
| Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify: | | | | | |

Explanation of staff impact

If the council were not to furlough staff, it would have to decide whether it could afford to continue to pay these staff whilst schools remained closed and redeploy them to other areas of work. This would be likely to prove difficult due to the number of staff involved and the variety of hours worked and is also an expensive option as there would be no income generated to meet the staff costs.

The greatest number of staff affected by this proposal are the zero hours staff. In the light of the above if the council chose not to furlough it could choose not to issue any work to zero hours staff whilst the schools remained shut as no services would be being provided to schools/parents. This would have a negative financial impact on those staff and would not follow the guidance from the LGA/ government on protecting staff incomes.

The staff affected by the proposal and Trade Unions would need to be consulted and as furloughing would be a variation to the contract of employment this would need to be agreed with the staff concerned

The proposals set out in the report will have a medium positive impact on the staff affected who might otherwise face hardship due to a loss of income arising from a reduction in traded income from the music service activities. No groups with protected characteristics are known to be overrepresented amongst the work group.

Customer equality impact summary

Are there any customer implications for this proposal?

Yes

No

Explanation of customer impact

The proposed approach will ensure that music services continue to be available to service users in North Somerset once schools reopen. This will avoid a negative equalities impact particularly on the following groups with protected characteristics who are over represented amongst service users; largely young people and their parents/carers with some services being targeted towards vulnerable/disabled young people.

Review and Sign Off

Directorate Equality Group

When was this assessment reviewed by the Directorate Equality Group?

N/A

Is a further detailed equality impact assessment needed?

Yes

No

If 'yes', when will the further assessment be completed? N/A

Service Manager: Mark Hughes, Head of Housing and Strategy
Date: April 2020

If this assessment identifies a medium or high risk then a Full Equality Impact Assessment needs to be completed