

Inquiry into funding of and access to music education

Briefing note provided by National Youth Arts Wales Limited

Context

1. National Youth Arts Wales Limited is a new company limited by guarantee and a registered charity. It was incorporated on 27 October 2016 and entered onto the register of charities on 8 December 2016.

[The name National Youth Arts Wales Limited is not to be confused with the brand National Youth Arts Wales. This is currently used as an umbrella brand by the existing management of the ensembles but in that usage, it has no legal or corporate status.]

2. It was set-up following a Welsh Government-commissioned task and finish group report into Wales's national youth ensembles. Currently, the six ensembles – orchestra, dance, theatre, brass band, wind orchestra, and choir, plus associated development projects are managed jointly by WJEC and Ty Cerdd.
3. The report recommended that going forward the ensembles should be managed by a single entity.
4. An interim Board was set-up to look into this and other recommendations from the report. The options considered for a single entity organisation were:
 - a subsidiary of WJEC;
 - a subsidiary of Ty Cerdd;
 - a subsidiary of an existing third party organisation;
 - a new company.
5. The interim Board considered that the most effective way forward for the ensembles would be through a new stand-alone organisation. The key benefits of this being:
 - clarity of mission through a single-focused approach;
 - the ability to build transparent and sustainable relationships with existing and future funders;
 - to enable a more strategic approach to the planning and delivery of activities for the benefit of young people across Wales;
 - the potential for economies of scale by a coordinated approach, for example for the audition process;
 - greater potential for fundraising as a stand-alone arts company, distanced from the umbrella of WJEC, and a clearer fundraising message.
6. Now that the new organisation has been established, the interim Board has become the substantive Board for the new company. This Board will continue to oversee the transfer of responsibilities from the current arrangements to the new organisation. This is expected to be a phased operation, with final transfer completed by the end of September 2017.
7. The current Board members are:

Christine Lewis, Co-chair

former Board member of Artes Mundi, National Dance Company of Wales, Welsh National Opera Partner, Darwin Gray, current Board member of Welsh National Opera

Anwen Fflur Jones, Co-chair

Marketing Consultant & Web Developer, former Head of Marketing & Communications at Theatr Genedlaethol Cymru

Lowri Johnston

Mathew Milsom
Mathew Talfan

Managing Director, Wales Millennium Centre
Branding & Communications Consultant, former
Head of External Relations at the Royal Welsh
College of Music and Drama

8. The Board will be recruiting further members shortly to provide a greater range of expertise.
9. The Board has appointed Peter Bellingham, of Peter Bellingham Arts Consulting Limited, and former Managing Director of Welsh National Opera, in a consultancy role of Transition Director to oversee and manage the transition process. Initially, this is for a period of 6 months.

Funding & budgets

10. The Arts Council of Wales has made an indicative offer of funding of £350,000 for the period April 2017 to March 2018. In addition, it has transferred £27,697 of 2016/17 funding initially earmarked for WJEC to NYAW Ltd for the period January to March 2017 to enable the transition process to begin.
11. By way of context, the combined funding for youth ensembles in England (Orchestra, Choirs, Theatre, Music Theatre, Brass Band – each of which is an independent organisation) for 2017/18 is £931,000; in Scotland (Orchestra, Choirs, Dance, Theatre – again independent organisations) is £733,000.
12. NYAW is committed to managing within the funding provided and to increase the budget through a strong fundraising approach. We have engaged Emma Goad of Blue Canary Fundraising to help us in the short term. In due course, we will also engage with the local authorities to try and convince them of the value of investing in Wales's most talented young artists through investment in the national youth ensembles. However, at the moment that is being done by WJEC (for the summer 2017 output) and by the Arts Council of Wales from a strategic perspective.
13. Fundraising is highly competitive, with many organisations chasing the same key pots of money, especially from Trusts and Foundations, and it will take some time to reach its potential, possibly three years.
14. It is clear that the new organisation will have to manage with less funds than have previously been available and this will inevitably mean that we must look at the level of provision and find different ways of meeting the needs of the young people. Activity will need to be balanced to anticipated income and this is likely to result in some difficult decisions in the next few months.
15. The Board has agreed a provisional budget for the transitional year, 2017/18, and an indicative annual budget for 2018/19. These figures provided the basis for the Arts Council's investment figure of £350,000.
16. The budget for April 2017 to March 2018 – the transition year – has income set at £613,700. This is based on the following assumptions:

ACW	£350,000
Participants fees	£146,200
WJEC / Ty Cerdd	£ 35,000
Fundraising or other income	£ 82,500

The indicative budget for 2018/19, which may need to be revised, sets income at £765,000 and is based on:

ACW	£350,000
other Public Sector funding	£100,000
Participant fees	£200,000

Fundraising

£115,000

2017 Programme

17. At its meeting on 8 February, the NYAW Board will consider a proposal to contract the delivery of the 2017 programme to WJEC (and, in turn, Ty Cerdd). The arrangements for this are that a specific, agreed programme should be implemented for a fixed fee, with any variances on income or costs being the responsibility of WJEC & Ty Cerdd. The programme and contribution levels were agreed in principle with WJEC and Ty Cerdd at the end of 2016.
18. Effectively, this means that there is a status quo delivery model for the 2017 programme, alongside budget certainty for the new NYAW Ltd.

New operational model

19. Over the next few months the NYAW Board will make decisions on how it can deliver the highest quality experiences for Wales's most talented young musicians, singers, dancers and actors, and how it can provide development opportunities for more young people so that they aspire to being members of the ensembles in future years. Decisions will be made following consultation with the current staff team as well as other stakeholders including possible artistic partners.
20. The Board will need to decide a staff structure that is appropriate to deliver the activity but is also affordable within the known financial framework. It will implement a consultation process with current staff and follow best practice arrangements and its legal obligations in moving from the existing arrangements to a fully operational NYAW.
21. It is too soon to have a considered view of what direction these issues will take but they will a priority for the Board in the next few weeks.