



Music Hub Capital Grant for Musical Instruments, Equipment and Technology

Essential Information
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**ARTS COUNCIL
ENGLAND**

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1. About the Music Hub Capital Grant for Musical Instruments, Equipment and Technology

1.1. The National Plan for Music Education

In June 2022, the Department for Education (DfE) and the Department for Culture, Media and Sport (DCMS) co-published the National Plan for Music Education (NPME) – [The power of music to change lives: a national plan for music education](#) – setting out the government’s priorities up to 2030 for music education for children and young people, including alignment with the DfE’s [Model Music Curriculum](#).

The NPME sets out a vision to *‘enable all children and young people to learn to sing, play an instrument and create music together, and have the opportunity to progress their musical interests and talents, including professionally.’* As part of this, the plan recognises the vital importance of all children and young people having access to the musical instruments, equipment and technology they need to progress their musical interests and potential. This includes supporting increased access by children and young people with Special Educational Needs and Disabilities (SEND).

To achieve this vision, DfE commissioned Arts Council England to lead an Investment Programme to identify and appoint new Hub Lead Organisations (HLOs) that will lead Music Hubs across new, larger areas. This will allow Hubs to become more strategic, building and strengthening a wider range of partnerships, so that all children and young people receive high quality music education in every local area.

The DfE has made £25 million of capital funding available to HLOs for the purchase of instruments, equipment and technology (where used specifically for music-making and to benefit children and young people). This includes adapted/adaptive instruments and equipment for children and young people with SEND, and provision for music technology.

Through the Music Hub Investment Programme, prospective HLOs applied for a **core revenue grant**, to coordinate and support the delivery of music education provision through a Music Hub partnership from September 2024, and for the **Music Hub Capital Grant for Musical Instruments, Equipment and Technology** (‘the capital grant’).

This essential document provides information which specifically relates to the capital grant. We reserve the right to make changes to the information shared within this document and/or programme after its launch. We will communicate any changes as quickly and as clearly as we can.

1.2. The aims of the capital grant

It is intended that the capital grant will support Hubs to deliver against the vision and aims expressed for them in the NPME. Specifically, it aims to:

- increase the volume, range, relevance, and accessibility of musical instruments, equipment and technology available to children and young people
- ensure that the provision of instruments, equipment and technology is more equitable, responding to the circumstances and needs of children and young people, and specifically improving the supply of instruments, equipment and technology for those with SEND

- support a more strategic approach to instrument and equipment provision, with the development of economies of scale and collaboration, and underpinned by delivery across the expanded geographic areas supported by Hubs
- maximise the impact of the investment through partnerships and connection with the broader music education infrastructure including Lead Schools
- support a strategic approach to understanding and measuring the impact of this investment, informing future need, and supporting the ongoing sustainability (including environmental sustainability) of instrument and equipment stock

2. Who is this essential information for?

This essential information is for organisations that have been appointed to lead a Music Hub from September 2024 ('Hub Lead Organisations' or 'HLOs') and are therefore responsible for the administration and deployment of the capital grant in their Hub area.

Its purpose is to provide information and guidance that will enable HLOs to effectively plan for the deployment of their capital grant to support the aims and objectives of the Music Hub's Local Plan for Music Education (LPME).

It provides more detailed information on:

- the scope of the capital grant (ie, what the grant can and cannot be spent on)
- the value and funding period of the capital grant
- the funding agreement, including the conditional offer stage
- the payment schedule, monitoring and reporting arrangements
- other considerations related to planning purchases including:
 - needs analysis
 - capitalisation
 - asset ownership
 - Subsidy Control
 - the DfE's Musical Instruments, Equipment and Technology Framework
 - impact and evaluation
 - management and maintenance of instruments, equipment, and technology

The essential document should be shared by HLOs with Hub partners, consortium members (where appropriate) and members of the Hub board (or equivalent oversight group). This is because it is important that HLOs work closely with Hub partners to consider how the capital grant will enable them to meet and respond to the needs of all children and young people in their area through the provision of instruments, equipment, and technology.

It may also be useful for suppliers, manufacturers and retailers of items within the scope of the capital grant, supporting them to understand and respond to the needs and requirements of Hubs.

3. The value and duration of the grant

The value of the capital grant received by each HLO, to administer on behalf of their Music Hub, has been determined using the same funding formula as the revenue grant.

Capital allocations will be administered via a specific capital funding agreement between Arts Council England and the appointed HLO for each Hub. The duration of the funding agreement is for five years, but funding is expected to be drawn down by HLOs via four payments between September 2024 and August 2026 (the 'Funding Period').

- The capital grant allocations for each Hub are provided [here](#).
- Information on how grant allocations are calculated is available on our [website](#) and will be added to the [LPME guidance](#).
- Further information about these arrangements is available in [Section 5](#).

4. The scope of the grant

4.1. What can be purchased using the capital grant?

4.1.1. Eligible instruments, equipment and technology ('Project Assets')

The following table illustrates the scope of the capital grant, outlining the range of instruments, equipment and technology (also referred to as 'Project Assets') on which it can be spent in order to support all learners, from beginners through to more advanced learners, across a range of genres, musical traditions and practices. This is not intended to be an exhaustive list – we have included examples to support your thinking and planning:

Definition	Exemplars
Acoustic instruments Instruments that likely do not require electricity, amplification, or technology to produce a sound.	Including, for example: <ul style="list-style-type: none">• stringed instruments• woodwind instruments• brass instruments• percussion (tuned and untuned)• drum kits• pianos• recorders, ocarinas, etc• ukeleles and guitars• accessible and first access instruments including pBuzzes (eg, pTrumpet, pTrombone etc)• specialist acoustic instruments relevant to a range of genres, musical traditions and practices
Amplified, electric or digital instruments and equipment Instruments, equipment, or technology that produce or modify sound through electric, electronic, or digital means.	Including, for example: <ul style="list-style-type: none">• keyboards and synths• digital pianos• electric guitar and amplification• electric bass and amplification• effects pedals, loop stations and multi-FX units• electronic drum kits• percussion and sample pads• midi keyboards, instruments and controllers• turntables, mixers, controllers and all-in-one systems

Definition	Exemplars
<p>Acoustic adapted instruments and adaptive equipment</p> <p>Instruments and equipment that likely do not require electricity, amplification, or technology to produce a sound, and which have been specifically developed or adapted for use by children and young people with SEND.</p>	<p>Including, for example:</p> <p>Adaptive string instruments and equipment including:</p> <ul style="list-style-type: none"> • prosthetic bow holders • cello stands • lap guitar <p>Adaptive woodwind instruments and equipment including:</p> <ul style="list-style-type: none"> • Aulos Finger Accessible Recorders • slings, straps and stands • thumb/finger rests and cushions • adapting keys • the 'Claritie' (a sling-based clarinet support) • floor stands <p>Adaptive brass instruments and equipment including:</p> <ul style="list-style-type: none"> • stands • slings and straps • foot operated trumpet tuning slides • pivoting mouthpiece
<p>Amplified, electric or digital adaptive instruments and adaptive equipment</p> <p>Instruments, equipment and technology that produce or modify sound through electric, electronic, or digital means, and which have been specifically developed for use by children and young people with SEND.</p>	<p>Including, for example:</p> <ul style="list-style-type: none"> • Artiphon • AudioCubes • Beamz • Clarion • Cmpsr • Jamboxx • LinnStrument • iBone/iTrump • Mi.Mu Gloves • MotionComposer • Skoog • Skwitch • Soundbeam

Definition	Exemplars
<p>Other technology and equipment used to enable or support music-making</p> <p>Additional equipment and software needed to produce, amplify, augment, or record sound, or in other ways support children and young people to create and perform music.</p> <p>This includes additional equipment or software that is used in conjunction with, or to support the use of, items outlined in other sections of the table. This is likely to include additional equipment or software for specific use by children and young people with SEND.</p> <p>Your Purchasing Plan should demonstrate how items of this kind meet the following conditions:</p> <ul style="list-style-type: none"> • They are intended to be used specifically to benefit children and young people. • They have been purchased in exceptional circumstances and based on specific need. • They are intended to be used specifically for the purpose of making or creating music with or by children and young people, and not as part of broader learning (to support other subject areas across the school day, for example). 	<p>Including, for example:</p> <ul style="list-style-type: none"> • audio equipment for the purposes of sound reinforcement including microphones, amplifiers, mixers and speakers (powered or passive) • equipment for the purposes of sound capture for composition/creation such as digital recorders, audio interfaces, microphones, monitor speakers and headphones • general IT equipment including laptops, desktop computers, or tablets and hard drive/USB storage • additional items relevant to the use of adaptive instruments and equipment for children and young people with SEND including eye-tracking devices, motion sensors, webcams and haptic controllers • braille music machines (to support creation of sheet music) • storage including instrument and equipment cases, racks and lockers • software and software subscriptions including products designed specifically for children and young people with SEND. HLOs are required to confirm via Purchasing Plans that software and software subscriptions will be capitalised according to their accounting policy. After initial purchase of software or software subscriptions, any further costs (including, but not limited to, running costs, software updates, maintenance costs, etc) will not be allowable using the capital grant.

4.1.2. The Musical Instruments, Equipment and Technology Framework

To enable HLOs to purchase eligible instruments, equipment, and technology, the DfE is developing a supplier framework which will reflect the scope of the capital grant, and will enable retailers and manufacturers of musical instruments, equipment and technology to engage with this important investment into the musical lives of children and young people.

Use of this framework will be **mandatory** for all purchases made using the capital grant, except in exceptional circumstances where the required items are not available through this route. The framework aims to attract a range of businesses – including small to medium enterprises capable of sourcing and providing different instruments, equipment and technology – with good reach across the country. It also aims to achieve value for money for both HLOs and the DfE, providing items of good quality to ensure longevity of use.

Please note that the ‘lots’ included in the framework may not be set out using the same format as the table included in Section 4.1.1 but will reflect the scope of the grant as described here. Further information about how HLOs (and their partners, if applicable) should use the framework will be made available by the DfE, prior to it going live.

- Further information about planning your purchases, including detail about Purchasing Plans and capitalisation is available in [Section 6](#).

4.2. What can't be purchased using the capital grant?

The capital grant comes from the DfE's Capital Departmental Expenditure Limit (CDEL). This means it can only be spent on instruments, equipment and technology that meet one or more of the categories outlined above and can be capitalised on an HLO's balance sheet.

Examples of ineligible purchases include, but are not limited to:

- 'ordinary' repairs (eg, restringing instruments)
- consumables (eg, reeds, bows, strings, cables, etc)
- programming costs (eg, lessons, gigs, workshops, etc)
- records, CDs and/or audio files
- vehicles for cultural use
- building projects
- management of stocks of instruments, equipment and technology
- insurance including warranty extensions

Each HLO should have their own accounting policy, which will include what they consider eligible for capitalisation. If you are unsure, please seek appropriate advice from your accountant and/or an accountancy professional.

4.3. Management and maintenance of instruments, equipment and technology

Through arrangements for the revenue grant, HLOs are required to submit an instrument management and maintenance policy as part of their LPME, demonstrating that they have put in place measures to securely store (in secure locations and with access limited to authorised personnel), maintain, and keep records about the assets held by the Music Hub (by the HLO or a Hub partner on behalf of the Hub). This includes the musical instruments, equipment and technology purchased using the capital grant.

The capital grant cannot be used to pay for these arrangements, but you will be required to evidence in your Purchasing Plan that these arrangements are in place.

In addition, most accounting policies do not allow for minor repairs (known in accounting parlance as 'ordinary repairs', such as restringing instruments) to be capitalised. Only 'extraordinary repairs' (those over the de minimis limit that extend the usefulness of a major asset for more than one year, such as the replacement of an engine or repair of a roof) can be capitalised.

As such, it is highly unlikely any repairs would meet the criteria for eligible expenditure under the scope of this grant.

- Further information about planning your purchases is available in [Section 6](#).
- Please refer to revenue grant additional conditions 2024-25 for detailed requirements around the management and maintenance of instruments, equipment and technology.

4.4. Asset ownership

HLOs will be responsible for owning all instruments, equipment and technology purchased with the grant (ie, Project Assets) and for ensuring they are used for the specific purposes set out in the funding agreement.

HLOs can make the grant available to partners to enable them to purchase Project Assets on behalf of the Hub. Partners may also store, manage and/or maintain instruments, equipment and technology bought with the capital grant, but the HLO will own all assets purchased with the grant and be responsible for any loss or damage.

If the capital grant is being used by a partner to purchase Project Assets for the benefit of the Hub, then the HLO must put in place an appropriate, legally binding agreement to confirm how the assets purchased with the grant will be procured, managed and maintained.

As part of their responsibilities, HLOs will also be required to maintain up-to-date records of instruments, equipment and technology held across the Hub, including by partners, and to specifically hold a Register of Assets for items purchased with the capital grant.

The Arts Council will publish guidance for HLOs on developing Asset Purchase and Management Agreements (APMAs) with their partners. However, HLOs can use (or update) existing partnership agreements with Hub partners to cover asset purchase and management, where appropriate.

When partners are involved in procuring, storing, or maintaining assets purchased with the capital grant, then HLOs will need to provide evidence that an APMA (or similar partnership agreement) is in place as a condition of payment.

- Further information about registering assets is available in [Section 6.2](#).
- Further information will be available in the Asset Purchase and Management Agreements Guidance which we expect to publish in **July 2024**.

4.5. Asset transfer

The Arts Council and the DfE reserve the right to request that you transfer ownership of any instruments, equipment and technology purchased with the grant to another organisation during the funding period and/or on early termination and/or on expiry of the funding agreement. The HLO will act reasonably and without delay to put this to effect within a period of two months of receiving such a notification.

5. How the capital grant works

The capital grant is administered via a separate funding agreement to the revenue grant. An organisation cannot hold a funding agreement for the capital grant without having a funding agreement for the revenue grant at the same time.

Please note that the capital grant and the revenue grant are subject to separate funding agreements and will have two separate project numbers on Grantium.

5.1. The conditional funding offer

Once you have secured your revenue grant, you will receive a conditional offer of funding for the capital grant – we expect to issue these in **July 2024**.

The conditional offer sets out the conditions you will need to meet before a funding agreement for the capital grant can be issued. A Purchasing Plan template and a Register of Assets template will also be published at this stage.

To meet the conditional offer, you will be required to submit the following information and documentation via Grantium:

<p>A Purchasing Plan for the Music Hub, for the period September 2024 to August 2026, using the template and guidance published in July 2024.</p>	<p>This will consist of:</p> <ul style="list-style-type: none">• evidence of needs analysis and how it has informed your plans• your outline purchasing plans for the whole funding period with detailed information to support your first payment request• a procurement method statement (if applicable)• evidence of arrangements to manage and maintain Project Assets• information on partners involved in the delivery of the grant (if applicable)
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<p>Information about your Music Hub’s current stock of instruments, equipment and technology.</p>	<p>This information should cover all upper tier Local Authority areas covered by your Music Hub and may be in the form of a current Register (or Registers) of Assets, or equivalent. This should include the HLO and key strategic/ delivery partners, in particular former HLOs.</p> <p>It should include:</p> <ul style="list-style-type: none"> • the number and type of instruments, equipment and technology, mapped against the grant scope • locations (if known) <p>By exception, it may be possible to provide estimates, particularly where information about a category of instruments, equipment, or technology is being collected for the first time, or because of the impact of evolving partnership arrangements.</p> <p>Where estimates are provided, HLOs will be required to provide updated information about current assets as part of future payment conditions.</p> <p>You can choose to use the Register of Assets template published in July 2024 to provide this information.</p>
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We expect your Purchasing Plan to be aligned to the payment dates outlined in the Monitoring Schedule ([see Section 5.2.3](#)), as far as is practically possible, though you will have until the **30 November 2024** to meet the conditions of the conditional offer.

We will aim to review submitted documents within four weeks and may request further information or amendments before plans are approved. You should not expect to make any purchases until you have secured a funding agreement for the capital grant.

Once your Purchasing Plan is agreed, we will issue you with a funding agreement for the capital grant and you will be able to draw down your first grant payment from September 2024, subject to meeting relevant payment conditions outlined in [Section 5.2.3](#). Your approved Purchasing Plan will form part of your funding agreement with us (Schedule 2).

Please note that the information you submit in your Purchasing Plan and Register of Assets may be shared with the DfE or a third party designated on behalf of the DfE to support evaluation.

- Further information about the Purchasing Plan is available in [Section 5.2.5](#)
- Further information about the Register of Assets is available [Section 6.2](#)
- Further information about impact, evaluation and performance is available in [Section 7](#)

5.2. The funding agreement

The funding agreement for the capital grant is made up of the following components:

5.2.1. The offer letter

The offer letter will be available to view within Grantium and sets out the capital investment you will receive for the period of this grant. You must spend your allocated funds within the fixed term specified in the funding agreement.

5.2.2. Our terms and conditions for the Capital Grant for Musical Instruments, Equipment and Technology

Terms and conditions for the capital grant outline the legal rights and obligations of both the Arts Council and HLOs. They are available [here](#).

5.2.3. Monitoring Schedule and Payment Conditions

The capital grant will be paid in four instalments and will be subject to the HLO meeting relevant payment conditions associated to each payment request.

The dates outlined below are the earliest points at which payments can be requested. You should try to ensure your Purchasing Plans are aligned to these payment dates, as far as is practically possible, noting:

- first payment requests must be submitted no later than **3 January 2025**
- future payment requests will be subject to evidence of expenditure against the agreed Purchasing Plan
- any changes to the Purchasing Plan will need to be reviewed and approved by the Arts Council before a payment is released

In the event that an HLO wants to request earlier payments, it should be noted that no more than 90% of the capital grant can be drawn down before the end of **March 2025**. Earlier payment requests will still be subject to all necessary payment conditions being met by the HLO, as outlined below:

Payment	Payment available from	% of total grant allocation	Payment conditions
Payment 1	01/09/2024	30%	<ul style="list-style-type: none">• A completed bank details form• Completed and signed Asset Purchasing and Management Agreement(s), where partners are purchasing and managing assets on behalf of the Music Hub• Evidence of insurance certification, if applicable

Payment	Payment available from	% of total grant allocation	Payment conditions
Payment 2	01/04/2025	30%	<ul style="list-style-type: none"> • An updated Register of Assets, using the template provided • Confirmation that purchases made using any other procurement method, if applicable, comply with the requirements set out in the Terms and Conditions • A completed interim activity report form, including an expenditure report with supporting narrative for the Agreed Project • An updated Purchasing Plan (Schedule 2), if applicable • Updated copies of completed and signed Asset Purchasing and Management Agreement(s), or equivalent, where applicable • Evidence of your insurance certification, if applicable
Payment 3	01/09/2025	30%	<ul style="list-style-type: none"> • An updated Register of Assets, using the template provided • Confirmation that purchases made using any other procurement method, if applicable, comply with the requirements set out in the Terms and Conditions • A completed interim activity report form, including an expenditure report with supporting narrative for the Agreed Project • An updated Purchasing Plan (Schedule 2), if applicable • Updated copies of completed and signed Asset Purchasing and Management Agreement(s), or equivalent, where applicable • Evidence of your insurance certification, if applicable
Payment 4	31/08/2026	10%	<ul style="list-style-type: none"> • A final Register of Assets • A final activity report form • A statement of income and expenditure that has been certified by an independent qualified accountant, including confirmation that all grant expenditure will be capitalised on your balance sheet

In addition to the schedule outlined above, HLOs will also need to attend a **Grant Closure Meeting** at least three months prior to the end of the funding agreement period.

- Further information about registering assets is available in [Section 6.2](#).
- Further information about the Grant Closure Meeting is available in [Section 7.5](#).

5.2.4. Schedule One – Agreed Project

Schedule one provides confirmation of the Agreed Project for which the capital grant can be used to support.

5.2.5. Schedule Two – Purchasing Plan

HLOs are required to develop and submit a Purchasing Plan for the Music Hub at the conditional offer stage using the template provided. Your approved Purchasing Plan will form part of your funding agreement with us (Schedule Two). It is expected that the Purchasing Plan will cover all intended purchases from 1 September 2024 to 31 August 2026, but that it will be updated across the period of the grant.

Through the Purchasing Plan, you should provide a description of the specific items that will be purchased using the capital grant including:

- type or category
- the number of items purchased
- the expected (or agreed) cost per item
- the expected purchase date
- the procurement method or route to market
- the purchaser of assets and where they are held
- Further information about the Musical Instruments, Equipment and Technology Supplier Framework is available in [Section 4](#)
- Further information about procurement is available in [Section 6.4](#)
- Further information about value for money is available [Section 6.3](#)

You are also required to demonstrate the following in your Purchasing Plan:

- How your understanding of need and the evidence you have collected through Music Hub needs analysis processes is being used to inform your plans.
- Further information about needs analysis is available in [Section 6.1](#)
- That appropriate plans are in place to store and maintain assets purchased using the capital grant.
- Further information about management and maintenance of instruments, equipment and technology is available in [Section 4.3](#).

- Include a procurement method statement which provides further information on the procurement method used to secure and purchase eligible instruments, equipment and technology with the capital grant. We expect that DfE's Musical Instruments, Equipment and Technology Framework will be mandatory for all purchases made using the capital grant, except in exceptional circumstances where the required items are not available through this route.
- Further information about procurement is available in [Section 6.4](#).

We recognise that needs will change in line with these considerations and that Purchasing Plans will need to evolve accordingly. HLOs are therefore expected to submit updated Purchasing Plans as part of interim grant payments. You must try to ensure that plans reflect the level of funding being requested at each payment point.

We will review updated Purchasing Plans and, if we have any concerns or recommendations, we will contact you to discuss any suggested changes or amendments.

We also recognise that in certain circumstances, payment dates may need to be amended to support your proposed purchasing arrangements. In the first instance, you should speak to your Relationship Manager about flexible payment dates and/or amounts, noting the payment dates and restrictions outlined in the Monitoring Schedule.

- Further information about the Monitoring Schedule and Payment Conditions is available in [Section 5.2](#).
- We expect to publish the Purchasing Plan template in **July 2024**.

5.3. The monitoring relationship

The Arts Council is delivering this capital grant through a ring-fenced grant from, and on behalf of, the DfE, and alongside revenue grant funding for the Music Hub programme. As fund holder for both programmes, we are responsible for providing advice, assessment, decision-making and the monitoring of performance of HLOs against agreed delivery plans.

The monitoring and reporting arrangements for both the revenue and capital grant will be set out in the Relationship Framework for the Music Hub programme, to be published in summer 2024.

This will include information about our relationship with you and how we will review your payment submissions, ensuring that you are spending the revenue and capital grants appropriately and effectively, and offering support where needed over the duration of the funding period.

As part of your funding agreement, you will also be required to submit interim and final activity reports with supporting evidence relating to your capital grant activity. We will also carry out a grant closure meeting prior to the funding agreement period ceasing.

- Further information about the monitoring schedule and payment conditions is available in [Section 5.2](#).

- Further information about the interim and final reports is available in [Section 7.3](#).
- Further information about the grant closure meeting is available in [Section 7.5](#).

5.4. Termination

If you breach any of the Terms and Conditions of the funding agreement, then we may withhold or demand repayment of all or part of the capital grant.

Furthermore, if you have breached any of the terms and conditions of your revenue funding agreement, or your revenue funding agreement has expired, this may lead to the termination of your capital funding agreement. This is because an organisation cannot hold a funding agreement for the capital grant without holding a funding agreement for the revenue grant.

6. Planning your purchases

6.1. Needs analysis

Through ongoing Music Hub needs analysis processes, Hubs are expected to draw on both qualitative and quantitative evidence to provide an overview of need in the Hub area. You will need to demonstrate through your Purchasing Plan for the capital grant how your understanding of need and the evidence you have collected through these processes is being used to inform plans to purchase instruments, equipment and technology.

Please note the following:

- Purchases made using the capital grant should respond to local need, aligning with the aims and objectives of the Music Hub's LPME, and with any identified gaps or priorities for provision including:
 - areas of lower engagement, under-served genres or musical traditions or practices
 - specific curriculum/programme requirements or needs
 - support for progression or more advanced learning
 - support for children and young people with SEND through access to adapted/adaptive instruments, equipment and technology
- Evidence related to the purchases of instruments, equipment and technology may be collated through consultation with a range of stakeholders including children and young people, schools, partner organisations, families, and specialist suppliers, manufacturers, and other experts, particularly where this might support gaps in expertise, stock, and provision.
- You should consider the instruments, equipment and technology that are already available to children and young people, including stock already held by the HLO and Hub partners. This should include any excess and/or depreciated instruments, equipment and technology.
- Please refer to revenue grant additional conditions 2024-25 for requirements around needs analysis.
- Further information and guidance about needs analysis will be made available on our [website](#)

6.2. Registering Assets

6.2.1. Conditional offer

At the conditional offer stage, HLOs are expected to provide us with information about the instruments, equipment and technology already held by the Hub. This could be a current Register (or Registers) of Assets or equivalent information.

By exception, it may be possible to provide estimates, particularly where information about a category of instruments, equipment, or technology is being collected for the first time, or because of the impact of evolving partnership arrangements. Where estimates are provided, HLOs will be required to provide updated information about current assets as part of future payments.

- You can choose to use the Register of Assets template to provide this information. This will be published in **July 2024**.
- Further information about the conditional offer is available in [Section 5.1](#).

6.2.2. Funding Agreement

As part of your funding agreement, HLOs will need to maintain a Register of Assets using the template provided, which contains information about Project Assets purchased using the capital grant.

You will need to provide an updated Register of Assets as a regular condition of payment. We will use this to check against Purchasing Plans, alongside other evidence of purchases (e.g. quotations or tender reports).

When completing the template, you will need to provide:

- description of the asset(s)
- the date of purchase
- the price paid
- any serial numbers (as relevant)
- if the asset(s) is proposed to be disposed, the date of our written permission
- the date of disposal (in due course)
- the value of the disposal
- the number of assets purchased
- the procurement method used
- supplier information
- details of purchasing organisation (if different to the HLO)
- the location of the asset (ie, where it is stored)

You may wish to use the Register of Assets template to record all of the assets held by the Hub, but as a minimum it should include all assets purchased using the capital grant.

- We expect to publish the registers of assets template in **July 2024**.

6.3. Ensuring value for money

To ensure value for money when purchasing, HLOs should consider:

- the cost
- the quality of the design/build/performance
- the number required
- the expected lifespan
- the different potential suppliers and their offers/costs
- any warranties or guarantees
- the impact for end users
- contribution to the desired outcomes of the Music Hub programme and to the aims and objectives of their LPME.

Decisions should be based on providing the best impact for the lowest investment possible. This does not necessarily mean buying the cheapest instruments, or the best quality ones. Ensuring value for money can often be found in purchasing large collections of stock with discounts being applied to bulk purchases. This will also help with capitalising purchases on balance sheets.

6.4. Procurement

As part of your funding agreement for the capital grant, you must comply with all relevant conditions relating to the procurement of eligible instruments, equipment and technology as set out in our terms and conditions for funding. This includes, but is not limited to the following:

- HLOs must use the DfE's Musical Instruments, Equipment and Technology Framework for all purchases, except in exceptional circumstances where the required items are not available through this route.
- If by exception, the DfE's Musical Instruments, Equipment and Technology Framework is not used to purchase eligible instruments, equipment and technology, HLOs must ensure their purchasing arrangements are compliant with Public Contracts Regulations 2015 as amended (PCR) or the Procurement Act 2023 (PA2023) when this law comes into force, including seeking competitive tenders for all purchases of £12,000 or more (including VAT) and to show that you have selected the option that provides best value for money in a tender review report. Please note that any procurement activity that commences after the PA2023 comes into force will be governed by the PA2023 and not the PCR.
- HLOs must provide the Arts Council with any information we request in order to evidence that you have followed the correct procedures.

These conditions will also be applicable to any Hub partner making purchases using grant funding on behalf of the Hub – these requirements should be set out accordingly in relevant partnership agreements.

- Further information will be available in the Asset Purchase and Management Agreements Guidance which we expect to publish in **July 2024**.

If you are unsure about your obligations, we advise you to take professional or legal advice. If you cannot evidence that you (or your partners) have appointed suppliers and/or contractors in accordance with the correct procedures, we may not be able to pay a grant.

6.5. Capitalisation

The capital grant can only be spent on instruments, equipment and technology that can be capitalised on the HLO's balance sheet. Each HLO will have their own accounting policy, which will include what they consider eligible for capitalisation.

This usually includes:

- a de minimis limit – a cost threshold above which purchases can be capitalised (for example, this may be £1,000 or £2,500)
- a useful life limit – a time threshold above which purchases can be capitalised (this is a minimum of one year across almost all organisations)
- policy on grouping low-cost assets for the purposes of capitalisation
- guidance on how assets should be recorded and accounted for in the annual accounts and Register of Assets
- guidance on repairs and maintenance
- guidance on fixed asset classes and depreciable life

As such, we would expect all purchases to have a useful life over one year and to exceed a HLO's de minimis limit.

If a single item does not meet the criteria for capitalisation, bulk purchases or similar items can be grouped (if the HLO's accounting policy allows). For example, if an organisation's policy denotes a de minimis limit of £1,500 and a useful life of one year or more, then a £200 violin would not meet the criteria and could not be capitalised, but a bulk purchase of 10 violins costing £2,000 would qualify.

Where making bulk purchases and grouping for the purposes of capitalisation, HLOs will only be permitted to spend the capital grant on assets (instruments, equipment and technology, including items which are adapted/adaptive), not on lower value consumables (such as strings, reeds or bows) as these are usually ineligible for capitalisation due to their low cost and short useful lifespan.

As a payment condition, HLOs are required to submit a statement of income and expenditure that has been certified by an independent qualified accountant, including confirmation that all grant expenditure will be capitalised on your balance sheet.

HLOs should therefore consider their own organisation's capital policies when setting out plans for purchasing instruments, equipment and technology, as any uncapitalised spending of the capital grant may need to be repaid.

The capital grant cannot be spent on storage, maintenance, or repairs. Insurance premiums paid to insurance companies cannot be capitalised but should be expensed in profit/loss statements in line with insurance policy terms and capital policy.

- Further information about the management and maintenance of assets purchased using the capital grant is available in [Section 4.3](#).

6.6. Subsidy Control

Arts Council England has considered whether this investment meets the definition for a subsidy to ensure compliance with the Subsidy Control Act 2022. The grant is not considered to be subsidy as defined by the Act.

The Subsidy Control rules regulate financial assistance given by public authorities (including Arts Council England) to organisations engaged in economic activity. The UK subsidy control regime enables UK public authorities, including devolved administrations and local authorities, to give subsidies that are tailored to their local needs, and that drive economic growth, while minimising distortion to UK competition and protecting our international obligations.

Arts Council England has a duty to ensure all awards made comply with the Subsidy Control rules. We have assessed the capital programme using the criteria and eligibility and believe eligible programme activity and costs would not be considered economic under the Act.

Any awards made through the capital grant programme are not considered to be subsidies. Should this position change, we may add additional conditions to any successful awards as required.

Further information on the UK Subsidy Control Regime can be found on the [UK government website](#). The Subsidy Control statutory guidance can be found [here](#).

7. Evaluation, Impact and Performance

7.1. Music Hub programme evaluation

HLOs are required to comply with requests made by either the DfE or a third party designated on behalf of the DfE to support evaluation. An independent evaluation will be undertaken, under the instruction of the DfE, to measure and assess the impact of the Hub programme against the Key Hub aims, to track how the programme meets the overall aims and objectives as set out in the NPME, and to inform how to improve delivery over the life of the programme. This evaluation will include the capital grant.

Please note that the information you submit in your purchasing plan and register of assets may be shared with the DfE or a third party designated on behalf of the DfE to support evaluation.

7.2. Alignment with revenue grant arrangements

Through revenue grant arrangements, HLOs are expected to coordinate a Music Hub partnership which will develop and deliver their LPME. This includes commissioning activity which utilises assets, appropriately managing, storing and maintaining them, and making them available and affordable for children and young people.

By making capital investment available to HLOs, the DfE intends to increase the volume, range, relevance, and accessibility of musical instruments, equipment and technology available to children and young people. This is to further enhance the effectiveness and impact of Music Hubs in delivering against the vision and aims for Hubs as set out in the NPME, and the aims and objectives of their LPMEs.

Alignment between revenue and capital grant arrangements with respect to considering and measuring the performance and impact of a Hub is therefore valuable. HLOs should consider how their use of the capital grant is supporting them to deliver against the aims and priorities they have identified through their LPME and may wish to articulate this where relevant and appropriate within relevant SMART objectives.

We require that you complete an annual survey for Music Hub activity delivered in the 2024-25 academic period (the exact deadline will be confirmed with you in writing). This will include considering the impact of the capital grant.

The data must be submitted in accordance with our reporting requirements and expectations for data capture and analysis which are published annually via [annual survey templates and guidance](#). We require confirmation that all the data in your annual reporting is accurate, verifiable and acknowledged by your Hub Board (or equivalent oversight group). The Arts Council will publish information from the annual survey on its [website](#).

We will share more information about these arrangements in the 2024-25 Relationship Framework.

- Further information about the Relationship Framework is available in [Section 5.3](#).

7.3. Interim and final reports

As part of your funding agreement, you are required to submit standard activity reports with supporting evidence relating to your capital grant activity as follows:

Interim activity report	Condition of second and third payments	<ul style="list-style-type: none">• Update on activity delivered to date, with a summary of progress against the activity plan. Your summary of progress should be informed by the instrument, equipment and technology needs of children and young people in your Hub area as set out in initial and updated Purchasing Plans.• Information on issues / challenges encountered and any actions taken.• Financial reporting – an update on project expenditure, with supporting narrative.
Final activity report	Condition of final payment	<ul style="list-style-type: none">• Update on activity delivered and what was achieved compared with the original aims of the activity. This should be informed by the instrument, equipment and technology needs of children and young people in your Hub area as set out in initial and updated Purchasing Plans.• What you learned and how the activity has helped your organisation to develop.• Information on issues / challenges encountered and any actions taken.• Financial reporting, including a certified statement of final expenditure

7.4. Certified statement of final expenditure

By 30 September 2026, you must provide a certified statement of final expenditure for the capital grant (and underspends of this grant, as applicable). The document must verify that:

- the accountant is independent and not an Employee of the HLO (unless the organisation is a local authority) or have a conflict of interest with the HLO they are providing assurance for.
- the accountant is a qualified member of one of the CCAB (ICAEW, ACCA, CIPFA, ICAS, or Chartered Accountants Ireland) and holds a current Practising Certificate.
- the grant funding award was used in accordance with the terms and conditions set out in the Grant Offer letter.
- the percentage and value of transactions were checked back to source documents as part of the accountant's review.

7.5. Grant closure meeting

The duration of the funding agreement is for five years. A grant closure meeting will be held at least three months before the expiry of the grant. This meeting will be used to:

- finalise any outstanding monitoring, reporting and/or evaluation requirements associated to the grant
- confirm any arrangements associated to the transfer of assets purchased with the capital grant to another organisation that is carrying out the project activities, or to the DfE.

7.6. Data Protection and Freedom of Information Acts

Any information we receive from you will be subject to the Freedom of Information Act 2000. By law, we may have to provide your information to a member of the public if they ask for it under the Freedom of Information Act. For further details, see the [Freedom of Information](#) section of our website.

Please let us know if you consider that any of the information you have provided to us is commercially sensitive or confidential. We will take this into account when processing any requests for information, but any decision to release information is at our absolute discretion in accordance with the Freedom of Information Act legislation.