

MUSIC AND DANCE SCHEME (MDS): NATIONAL GRANTS FOR MUSIC AND DANCE

NOTES OF GUIDANCE FOR PARENTS 2019/20

Please read this guidance carefully before filling in NGMD1. The guidance covers a variety of circumstances but if you have difficulty answering any of the questions, **please consult the Centre for Advanced Training (CAT) from which you obtained the form.**

Part 1: Information about the child

1. Please enter all the details requested. All the information will be kept confidential and will not be made publicly available without the parents' or guardians' consent.
2. Children applying for a national grant for the first time for training in music must normally be between 8 and 16 years old. Those applying for dance training for the first time must normally be no younger than age 11 and usually no older than age 16. These ages include those who have not yet attained age 8 or 11 (as the case may be) but who will do so during the school year in question. Children are not eligible for support after the end of the school year in which they reach the age of 20.
3. Information about the child's ethnic origin is optional and will be used for monitoring purposes only. Please enter one of the following abbreviations:

W = White (including British and Irish)

WBC = White and Black Caribbean

WBA = White and Black African

WA = White and Asian

OM = Other Mixed

BC = Black Caribbean

BA = Black African

OB = Other Black

I = Indian

P = Pakistani

B = Bangladeshi

OA = Other Asian (including Korean, Malaysian, Japanese)

C = Chinese

O = Other Ethnic Group

4. By 'disability' we mean a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. Information about whether or not the child has a disability is optional and will be used for monitoring purposes only.
5. To qualify for a national grant the child must satisfy certain residency conditions. These are that the child must either:
 - a) have been resident in the British Islands throughout the three years before taking up the grant; or
 - b) be a national of a member state of the European Economic Area (EEA) or Switzerland who has been resident in the EEA or Switzerland throughout the prescribed period **and** who is the child of a migrant worker; or
 - c) be a refugee or the child of a refugee who has not been ordinarily resident outside the British Islands since being recognised as a refugee or granted leave to enter or remain in the British Islands; or
 - d) be a child granted special "Calais Leave" following their transfer from Calais in October 2016; or
 - e) be a child who relocated to the UK under section 67 of the Immigration Act 2016.
6. The term "British Islands" refers to England, Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands. The member states of the European Economic Area (EEA) are Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and (at the time of issuing this guidance) the United Kingdom. For the purposes of paragraph 4b) UK nationals should continue to be treated as nationals of a member state of the European Economic Area.
7. The term 'Calais leave' is a special type of leave granted to those were brought to the UK as part of the Calais clearance exercise between October 2016 and July 2017, who were under the age of 18 at the time, and who had recognised family ties in the UK.
8. Section 67 of the Immigration Act 2016 provided for unaccompanied refugee children to be relocated to the UK.

Part 2: Information about the school or college

9. Applicants for grants should normally be full-time registered pupils at a maintained or independent school, FE or 6th form college in the UK or be educated at home by parents. Please enter the information requested about the school or college the child currently attends and the school or college they will attend from September 2019 (if different). For home-educated children please enter 'Home Educated'.

Part 3: Information about the child's parents or guardians

10. Please fill in this respect of both parents (if applicable). The definition of "parent" for the purposes of the MDS scheme is set out in Annex 1.

On the form, for the sake of simplicity, any male parent, step-parent or guardian as defined above is referred to as "father" and any female parent, step-parent or guardian as "mother". For same sex marriages and civil partnerships, please feel free to replace references to "mother" and "father" with any alternative terms you prefer.

11. Parents should state whether they are married or have formed a civil partnership, or they are divorced, separated or widowed, provide details of their employment or self-employment, and state whether either or both parents receive the blind person's tax allowance.

Part 4: Parents' Income

12. The amount of the grant depends on the gross (before tax) family income. Please enter all details as appropriate and provide documentary evidence of income.
13. Actual income should be declared for the financial year ending 5 April 2019. Self-employed persons and others who have not finally agreed their incomes for that year with Her Majesty's Revenue & Customs (HMRC) should provide an estimate of income in that year. Persons who normally use an accounting year other than the "tax year" ending 5 April should state this fact and give the dates to which income declared refers. In these cases, the previous financial year would be the accounting year which ended before 5 April 2019. Please see para 24 if some or all of the entries in Part 4 are estimates and complete Part 6. If you know or suspect that your income will be appreciably lower in 2019-20 than it was in 2018-19, please see para 23.
14. As a general principle, gross income before tax should be declared.
 - a) Income from ALL sources must be declared, including any from sources outside the UK. **No deductions** should be made in respect of allowances made for tax purposes - specifically: personal

allowances; pension or superannuation contributions; donations direct to charities; covenants; loan interest that qualifies for tax relief; redundancy payments; and income from abroad. The amount declared must include any amounts received as profit-related pay or foregone by virtue of a salary surrender scheme.

- b) Members of the clergy must include any monies received for which they receive separate payments in addition to their stipend, e.g. for weddings, funerals etc. Members of the clergy are advised to contact the CAT from which they received NGMD1 for specific advice on the treatment of allowances and accommodation.

15. The amounts quoted for **earned income** should include:

- a) the **GROSS** amount of salaries and wages, including any earnings from profit related pay, part-time employment and any sum received as bonus, commission etc, or paid by the employer as statutory sick pay, statutory maternity pay;
- b) profits from a business or profession - at the amount of **GROSS** income as shown on a self-assessment return or as agreed by HMRC for the year in question (deductions should be made only in respect of capital allowances, losses and stock relief). The amount of any balancing charges or stock relief recovery charges should be included;
- c) benefits in kind (free or subsidised housing, cars, mobile telephones or meals etc);
- d) grants or allowances made toward boarding school fees.

16. If parents enter an amount for earned income which is **NET** of employee's superannuation or other pension contributions, including additional voluntary contributions paid during the year, the total of those employee's contributions should be entered. Separate documentary evidence of those contributions may also be required.

17. The total amount received from any occupational pension(s) should be declared, except for any tax-free lump sum payments made from pension funds.

18. The total amount received from the following **taxable social security benefits** should be entered:

- the State Pension;
- Bereavement Allowance (replaced Widow's Pension from 9 April 2001);
- Widowed Parent's Allowance (replaced Widowed Mother's Allowance from 9 April 2001, although this is still paid to widows whose entitlement arose before 9 April 2001);

- TAXABLE Incapacity Benefit;
- TAXABLE Income Support;
- Carer's Allowance Supplement;
- Contributions based Employment and Support Allowance;
- Pensions payable under the Industrial Death Benefit scheme;
- Carer's Allowance (formerly Invalid Care Allowance before 1 April 2003);
- Jobseeker's Allowance;
- Graduated Retirement Benefit;
- Statutory Parental Bereavement Pay;
- Statutory Sick Pay;
- Statutory Maternity Pay;
- Statutory Paternity Pay;
- Statutory Adoption Pay;
- Welfare Supplementary Payment payable pursuant to the **loss** of carer's allowance, contributory employment and support allowance (ESA), **loss or reduction** of income support, or **reduction** in Job Seekers Allowance (JSA);
- Widow's Pension paid to widows whose entitlement arose before 9 April 2001).

19. Sums received from the following **non-taxable social security benefits** should be entered separately, but will **not** count towards parents' relevant income:

- Attendance Allowance;
- Back to Work Bonus;
- Bereavement Payment (replaced Widow's Payment from 9 April 2001);
- Bereavement Support Payment;
- Best Start Grant;
- Discretionary Housing Payment;
- Discretionary Support Award;
- Child Benefit;
- Child's Special Allowance;
- Child Tax Credit;
- Cold Weather Payments;
- Council Tax Benefit;
- Constant Attendance Allowance;
- Disability Living Allowance;
- Flexible support fund payment;
- Funeral expense assistance;
- Income related Employment and Support Allowance;
- Exceptionally Severe Disablement Allowance;
- Guardian's Allowance;
- Health in pregnancy grant;
- Housing Benefit;
- Incapacity Benefit for first 28 weeks of entitlement;

- NON-TAXABLE Income Support;
 - Industrial Injuries Benefit;
 - Invalidity Benefit (replaced by Incapacity Benefit from April 1995 but still payable where invalidity commenced before April 1995);
 - In-work credit;
 - In-work emergency discretion fund payment;
 - In-work emergency fund payment;
 - Maternity Allowance;
 - Payment under a council tax reduction scheme;
 - Payments out of the Social Fund to people on low income;
 - Pensioner's Christmas Bonus;
 - Personal Independence Payment;
 - State Pension credit;
 - Reduced Earnings Allowance;
 - Retirement Allowance;
 - Return to Work Credit, including the Self-employment Credit;
 - Severe Disablement Allowance;
 - Universal Credit;
 - War Widow's pension;
 - Welfare supplement
 - Supplementary Payment payable pursuant to the **loss** of disability living allowance, or **reduction** in housing benefit, non-contributory employment and support allowance (ESA), state pension credit, working tax credit, state pension tax credit;
 - Winter Fuel payment;
 - Working Tax Credit;
 - Young Carer Grant.
20. Income from letting or sub-letting of **property** should be declared at the amount of the **NET** profit agreed with HMRC.
21. Some interest from savings in Building Societies and banks is taxable. The **GROSS** amount of any interest from savings actually received during the financial year should be entered.
22. All other **investment income** (eg interest on National Savings & Investments deposits; dividends; annuities should be entered **GROSS** of tax. If tax was deducted at source, parents should add in the amount of tax paid or tax credit notified. The taxable amount only should be included where **income** is received under an insurance policy.
23. Parents receiving **maintenance payments** or child support under a court order or separation agreement or arrangements made by the Child Maintenance Service (CMS) or any predecessor body should enter the amount required to be paid in the year. If parents receiving such payments recover tax on the payments made, this should be declared. Any voluntary maintenance or child support payments received **do not** need to be declared.

24. Amounts entered as **redundancy payments** should include any sums received as redundancy payments (in excess of £30,000), “golden handshakes”, etc.
25. The following types of income should be declared in Part 4 or 5 (row m) but will **not** be included in the calculation of relevant income:-
- a) redundancy payments of up to £30,000. If payments exceed that amount, please declare £30,000 in row m) and the remainder in row l);
 - b) the amount of any income in the form of a tuition fee loan, maintenance loan, maintenance grant, special support grant or disabled students’ allowances that is received by a parent who is a student;
 - c) any allowance paid by an adoption agency under the Adoption and Children Act 2002 or previous similar enactment;
 - d) custodianship, residence or other allowances paid by the local authority under the Children Act 1989;
 - e) capital gains up to £11,700 (for each parent) for tax year 2018-2019;
 - f) any amount paid in respect of foster children;
 - g) awards, scholarships, prizes and expenses including any received from the National Youth Dance Company or a National Youth Music Organisation.

Part 5: Current Year Assessment (CYA)

26. If you know or suspect that your gross income will be appreciably lower in the 2019-20 financial year than it was in the 2018-19 financial year, you may wish to contact the CAT to ask for a CYA. This would mean that any contributions will be assessed on the basis of your expected income for 2019-20 rather than your actual income in 2018-19. The CAT may need to ask for documentary evidence of the circumstances that are expected to lead to the reduced income and agreement is not automatic. If the CAT agrees to allow a CYA, you should complete Part 5 **instead** of Part 4.

Part 6: Estimates of Income

27. If any of the figures you have quoted in Part 4 are estimates, please complete this Part to make clear which of the figures are estimates, supply the most recent actual figures, and say when more up to date figures for the 2018-19 financial year will be available.

Part 7: Income of Dependent Children

28. For the purposes of calculating the size of the grant, if any, to which the child is entitled, any unearned income of the child and of any other dependent children who are wholly or mainly financially dependent on one or both of the parents is taken into account.
29. Please enter the names of all dependent children who receive any unearned income. You should not include children with no unearned income. Unearned income means any income that does not arise from gainful employment. Parents need not declare dependent children's income that is in the form of:
- a) support from the 16-19 Bursary Fund (in England) or Education Maintenance Allowance (in Scotland, Wales or Northern Ireland);
 - b) student finance e.g. tuition fee loan, maintenance loan, maintenance grant, special support grant or disabled students' allowances;
 - c) awards, scholarships, prizes and expenses including any received from the National Youth Dance Company or a National Youth Music Organisation.
30. Then enter the gross amount of all income received by those dependants, including bank and building society interest and income received under deeds of covenant. Where the parents are divorced and maintenance by the parent who does not have custody is paid directly to a child, the amount of maintenance should be declared.

Part 8: Allowances in respect of dependent children and other relatives who normally live in the same household as the parents

31. An allowance will be made for each relative (including the child in respect of which this application is made) who is wholly or mainly financially dependent on one or both of the parents and who normally lives in the same household as the parents. The allowance for 2019/20 is £2,114 for each dependant listed in Part 8. Please note that relatives are not regarded as dependent if they are in receipt of any of the benefits mentioned in para 15. Spouses, civil partners and foster children are also not regarded as dependent.
32. Children should be included here if they normally live in the household but live temporarily away from the household while studying e.g. at university.

Part 9: Maintenance payments to dependants not living in the household

33. Deductions from parents' income are also made for payments made under a court order or separation agreement or through the CMS (or predecessor body). Please record the GROSS amount paid during the year and any tax recovered on these payments. No deductions are made in respect of voluntary payments, and such payments should not be entered here.

Part 10: Verification

34. Please record all the documents that you are, or will be, providing to the CAT in support of your application. If you are not enclosing them with your application, please say by when you will do so. The following documentary evidence of the earned income figures entered in Part 4 of the form must be enclosed.

- a) **Where income is derived from salary, wages, etc** - a copy of Form P60 (or similar document) supplied by employers at the end of the financial year, and a copy of the parent's last March pay advice. **If pension contributions are not shown on P60 or pay advice some verification of these from employers must be produced.**
- b) **Salaried directors of private limited companies** - a form P60 and an appropriate self-assessment return using the supplementary pages for employment.
- c) **Where a parent is self-employed** - a copy of the completed self-assessment return made to HMRC or, if this is not yet available, a copy of the audited business accounts for the 2018-19 financial year or for the business accounting year which ends in that financial year, or a statement by your accountant. The actual profits for that year must be computed. Where final figures for the 2018-19 financial year are not available, centres will undertake provisional assessments of income pending the submission of final accounts. To validate the figures submitted, CATs will later require sight of a HMRC letter or notification confirming the amount of tax due and paid.
- d) **Benefits in kind** should be shown as an amount i.e. the figure on which they are taxed. This will be found on an appropriate Notice of Coding issued by HMRC, or on a form P11D issued by an employer, although from 6 April 2018 not all benefits in kind will be reported to HMRC on a P11D.
- e) **Profit related pay** should be verified by means of a letter provided by an employer which should set out details of any income received as profit related pay or by virtue of a salary surrender, or similar, scheme.

35. You should also provide evidence of other income, including proof of taxable and non-taxable social security benefits listed in Parts 4g and 5g, of the income of the dependants listed in Part 7, evidence of dependants (for example birth certificates) listed in Part 8 and evidence of any payments included in Part 9. The CAT reserves the right to seek additional evidence if it deems it necessary.

Part 11: Declaration

36. Both parents (where appropriate) must sign the declaration. Failure to do so will delay or invalidate your application. Parents may enter an address for correspondence under this Part where this is different from the child's address entered in Part 1. In any event, please enter a contact telephone number and, if you wish, your email address.

GENERAL GUIDANCE FOR PARENTS

Individual Training Plans (ITPs)

37. The CAT will ask you and your child to sign up to an ITP which will set out the programme of training, study, work and related activities that the grant holder will undertake. There will be opportunities to review progress and help your child achieve their best. The Department will ask CATs for progress reports on individual grant holders to ensure that they are receiving the training they need and that the grant is being used in the way for which it is intended.

Amount of Grant

38. The full amount of grant for the school year starting in September 2019 will be £3,798. You will not have to make any contribution to the CAT fees if your total relevant income is £31,139 or less in the financial year ended 5 April 2019. If your family income is more than £31,139 you will receive a smaller grant and you may have to make a contribution to the cost of your child attending the CAT.
39. It is important to note that, even if your child receives the maximum grant, it may not cover every activity that you would like your child to do at the CAT. For example, if your child is a multi-instrumentalist the grant may not be enough to cover lessons on every instrument that they play as well as membership of every ensemble they would like to join.

<u>Relevant income</u>	<u>Maximum amount of grant</u>
Up to £31,139	£3,798
£31,140 to £35,292	£3,417
£35,293 to £39,444	£3,037
£39,445 to £43,596	£2,658

£43,597 to £47,748	£2,278
£47,749 to £51,899	£1,899
£51,900 to £56,053	£1,520
£56,054 to £60,205	£1,140
£60,206 to £64,357	£761
£64,358 to £68,506	£382
£68,507 or more	Nil

You may be able to get help with your contribution (if needed) either from the CAT itself or from other sources.

REFERENCES TO PARENTS

1. For the purposes of this scheme, the term “parent” means the child’s father (or a parent by virtue of section 42 or 43 of the Human Fertilisation and Embryology Act 2008), and mother where they live together (whether or not they are married to each other or have formed a civil partnership with each other), and the child normally lives with them in the same household.
 2. If paragraph 1 does not apply, the parents are either the father or mother of the child with whom the child normally lives, and any spouse or civil partner of that parent who normally lives with the parent and child.
 3. If neither paragraph 1 nor 2 applies, the parents are the child’s guardian appointed in accordance with section 5 of the Children Act 1989 and any spouse or civil partner of that guardian who normally lives with the guardian and the child.
 4. If none of paragraphs 1 - 3 applies, the parents are the person with whom the child lives in accordance with either a residence order made under section 8 of the Children Act 1989 or any court order (other than a residence order) which specifies who is to have actual custody or care and control of the child, and any spouse or civil partner of that person who normally lives with the person and the child.
 5. If none of paragraphs 1 – 4 applies and where the child is not looked after by a local authority for the purposes of section 22(1) of the Children Act 1989, the parents are the person with whom the child normally resides in accordance with any informal care or fostering arrangement, and any spouse or civil partner of that person who normally lives with the person and the child.
 6. If none of paragraphs 1 – 5 apply and the child
 - a) either has no parents as defined above, or the school or centre for advanced training is satisfied that no such parents can be found, and
 - b) the child is either looked after by a local authority or provided with accommodation within the meaning of section 105(1) of the Children Act 1989,
- any reference to parents means the authority or organisation which looks after, or provides accommodation for, the child. In these cases, the child is treated as one whose parents have no income for the purposes of this scheme.
7. Where a child has been adopted, references to “father” and “mother” mean the adoptive parents and not the natural parents.
 8. In all cases, the relevant date for deciding who should be considered as a parent of the child is the date on which the application form is signed.