

Young Concert Artists Trust
A public benefit assessment report by the Charity Commission



The Charity Commission

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public confidence and trust. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 180,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with an annual income over £10,000 must provide annual information to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about the Commission together with a range of guidance for charities can be found on our website **www.charitycommission.gov.uk**.

All Commission publications referred to in this publication may be viewed on, or downloaded from, our website.

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The Charity Commission is the independent regulator of charities in England and Wales. In November 2009 we started a public benefit assessment in relation to Young Concert Artists Trust (YCAT). This is a report of our findings.

Section A: The purpose of this report

This report sets out the Charity Commission's findings from its public benefit assessment for the Young Concert Artists Trust ('the charity'), registered charity number 326490. You can find further information about what public benefit assessments are, how we carry them out, a glossary of terms used and other details on the public benefit pages of our website.

Section B: Key details about the charity

Charity registration details

The charity (also referred to in this report as 'YCAT') is incorporated as a company limited by guarantee. It was registered as a charity in 1984. Its objects are:

'To promote the arts and sciences and in particular the art and science of music by assisting young musicians of moderate or limited means ('beneficiaries') in such ways as to enable them to become self supporting.'

Location and operation

The charity is located in Covent Garden, London. YCAT's mission is to identify, nurture, support and promote outstanding young classical soloists and chamber ensembles at the outset of their professional careers at a time when commercial management is difficult to secure. Artists are identified through an audition process. Those who are selected are already talented musicians, and YCAT provides them with the support and management, typically over a period of three to five years, to establish themselves professionally. During this time they receive coaching, administrative and managerial support and promotion, and they give performances and participate in workshops, family concerts and master classes aimed at inspiring and developing a younger audience.

There is capacity for 16 artists and ensembles to benefit from the charity's services in any one year. Since it was first established, YCAT has supported over 80 artists/ensembles, of whom 24 have gone on to have careers as soloists, 13 are professional freelance musicians and 25 are international chamber musicians.

As a separate strand of work, the charity acts as an adviser and mentor to the finalists of the BBC Young Musician Competition.

Over 50% of the charity's income is derived from charitable donations and personal supporters through its Friends scheme.

Fees and Charges

Fees charged by the charity fall into two categories:

- *Charges to YCAT Artists*

Applicants for audition are charged a set fee of £40, which is refunded in full if the artist is not invited to audition. The charity does not help with the cost of these fees itself, but can direct applicants towards financial assistance if they need it.

Whilst under YCAT management, artists pay the charity 10% – 15% commission on fees for engagements organised for them by YCAT. This is only charged where the fee exceeds £250.

- *Charges to the general public*

Charges are made to the general public for most of the concerts given by artists. Ticket prices vary and are set by the individual concert promoters, but are typically between £6 - £20.

The charity arranges regular Wigmore Presentation Concerts at the Wigmore Hall, for which a set price of £8 is charged (£6 concessionary rate for senior citizens). Access to these concerts is free to students, and also to some care and residential homes with whom the charity has developed a relationship.

Financial summary. The charity has changed its year end from 31 December to 31 August. The figures below show the 8 month period ending 31 August 2009, and the full year ending 31 December 2008.

	8 months ending 31 August 2009	12 months ending 31 December 2008
Total income	£123,502	£310,035
Total expenditure	£127,845	£230,046
Net incoming / (outgoing) resources	(£4,343)	£79,989
Total net assets	£235,685	£235,849

Section C: Does the charity have aims which are capable of being charitable?

In this section, we report on the charity's aims and whether they fall within the descriptions of purposes within section 2(2) of the Charities Act 2006 that are capable of being charitable purposes.

The charity's objects* are as follows:

'To promote the arts and sciences and in particular the art and science of music by assisting young musicians of moderate or limited means ('beneficiaries') in such ways as to enable them to become self supporting.'

Using the information gathered during the assessment about the charity's activities, we considered that these objects encompass two aims, the advancement of the arts and the advancement in life of young persons. The provision of concerts and classes for the public, and the support and management of talented young musicians of moderate or limited means, are the primary means by which the charity achieves these aims.

The provision of training and support to young people to help them enter into a trade or profession (or 'advancement/establishment in life') is a means of relieving need which arises by reason of youth and is a purpose which is capable of being charitable.

Our assessment found that the charity's operation was fully within both of these aims.

We concluded that the charity's aims fall within two of the purpose descriptions in s2(2) of the Charities Act 2006:

- s.2(2)(f) - the advancement of the arts, culture, heritage or science; and
- s.2(2)(j) - the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

and are capable of being charitable.

* set out in its articles of association, incorporated on 7th December 1983

Section D: Are the charity's aims for the public benefit?

Having established in section C that the aims fall within the descriptions of purposes at s2(2) of the Charities Act 2006, we consider here whether those aims are for the public benefit and, consequently, whether YCAT is a charity. We also consider whether the trustees are complying with their duty to administer YCAT for the public benefit.

We considered these issues against the two public benefit principles. These are:

Principle 1: There must be an identifiable benefit or benefits

Principle 2: Benefit must be to the public, or section of the public

We looked at the sub-principles within each of these.

- Sections D1 and D2 set out our findings for those relating to principle 1.
- Sections D3 – D6 set out our findings for those relating to principle 2.

We set out at Section D7 our conclusions on whether the aims of YCAT are for the public benefit and whether the trustees are administering it for the public benefit.

Section D1

We looked at the first two sub-principles together:

- **sub-principle 1a - it must be clear what the benefits are**
- **sub-principle 1b - the benefits must be related to the aims**

The charity's identifiable benefits fall into four main categories:

- *The advancement in life of young artists.* The charity identifies, supports and promotes talented young artists to help them establish themselves professionally, usually through securing a contract with a commercial agent. It provides them with ongoing advice and mentoring about artistic and career development, and arranges engagements to give the artists appropriate opportunities to perform. It also offers guidance on the commercial aspects of their performing career which includes finding and liaising with suitable future management. Artists usually receive this support from YCAT for three years: the maximum period for support is five years, and some artists have been ready to move to commercial management within a year of being selected by YCAT.

The services provided by the charity to finalists in the BBC's Young Musician competition include providing advice and guidance on career development, concert engagement, repertoire and teachers and contractual negotiations. These also provide benefits which are relevant to the charity's advancement in life aim.

- *The maintenance and improvement of the arts by training musicians to the highest standards.* The charity trains musicians, principally through performance but also through individual training such as master classes. By training musicians who might not otherwise succeed professionally, the charity helps to sustain and develop the pool of the most highly talented performers of classical music which contributes to the cultural life of the country.

- *The benefit to the public arising from high quality public performances of music by artists whilst they are supported by YCAT.* As well as contributing to the development of the artists themselves, the concerts in which they perform bring the wider benefits that flow from the public presentation of high quality art. The repertoire is drawn from works by recognised classical artists and performances are reviewed in the national and sector press. The public presentation of high quality art, including music, is well established as a means of promoting art for the public benefit.
- *Educational benefits to participants at workshops and classes run by YCAT artists.* The charity encourages and trains its artists to participate in activities that engage the interest of the wider public in classical music. These include educational workshops, family concerts and master classes. Educational merit derives from the quality of the artists and the provision of information which enables members of the public to learn about classical music. These activities help to advance the arts.

Taken together, these benefits indicate that the charity carries out its aims (advancement in life and advancing the arts) through a combination of support and development of its artists, promoting performances of artistic merit, and educational activity about classical music. These are all relevant to the charity's aims.

We concluded that there are clear, identifiable benefits that are related to the charity's aims. The benefits are sufficient to enable us to conclude that the charity does meet sub-principles 1a and 1b.

Section D2

Sub-principle 1c: Benefits must be balanced against any detriment or harm

We explain in *Charities and Public Benefit* our approach to assessing this sub-principle.

Based on this, we found no evidence or indication of detriment or harm in relation to this charity.

We concluded that there was nothing under sub-principle 1c that would affect the assessment of public benefit in this case.

Section D3

Sub-principle 2a: The beneficiaries must be appropriate to the aims

The charity's objects define the term 'beneficiaries' as young musicians who are of moderate or limited means. This restriction applies to artists supported by the charity under its advancement in life aim. It is interpreted broadly by the trustees to include those who do not have either:

- the full set of skills needed for professional musicianship; and/or
- the financial resources which would otherwise enable them to afford the sort of support provided by YCAT.

The charity does not establish the financial means of applicants, but it reports that in practice the age and status (usually student) of applicants means that they are of moderate or limited means financially. In these circumstances, the beneficiaries are appropriate to the aim of advancement in life. We have included a recommendation in section F that the trustees take additional steps to satisfy themselves that the young artists it selects for support are of moderate or limited financial means.

The beneficiaries of the charity's aim to advance the arts are the general public and no restrictions apply to this beneficiary class in the aims. They are appropriate to the aim of advancing the arts.

We concluded that the beneficiaries are appropriate to the aims and that this sub-principle is met.

Section D4

Sub-principle 2b: Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted

In this section we consider geographical and other restrictions. In section D5 we consider restrictions arising as a result of the fees charged.

Geographical restrictions

The charity operates in central London. The only geographical restriction on the artists who are supported by YCAT is that they must be based in the UK. This restriction is not imposed by the charity's aims, but is a policy decision of the trustees which takes into account the practicalities of carrying out the charity's aims.

Other restrictions

The benefits arising from the advancement in life aim are restricted to artists who meet all the following criteria:

- *Youth.* The charity sets an upper age limit of 28 years for instrumentalists and 30 years for vocalists at the time of the auditions. The charity explains that these reflect the music industry's definition of 'young artist' and that in practice the average age of artists who are taken on by YCAT is below these limits.
- *Musical ability.* This is established through the selection process, which consists of a written application and three rounds of audition, the final of which is judged by leading festival and venue directors, performers and the charity's chief executive.
- *Moderate or limited means.* This requirement is considered further in section D5 below.

There are no other restrictions applied to the opportunity to benefit that are relevant to this element of the criteria.

These restrictions on who has the opportunity to benefit are rational and justifiable and **we concluded that** the opportunity to benefit is not unreasonably restricted by geographical or other factors outlined above and that the charity does meet sub-principle 2b in relation to restrictions other than fees.

Section D5

We considered the remaining element of sub-principle 2b together with sub-principle 2c:

- **sub-principle 2b (the opportunity to benefit must not be unreasonably restricted by ability to pay any fees charged); and**
- **sub-principle 2c (people in poverty must not be excluded from the opportunity to benefit)**

Taken together, these sub-principles mean that the charity must be able to show that there is sufficient opportunity to benefit in a material way that is related to the charity's aim for those who cannot afford the fees, including those in poverty.

We describe in section C of *Public Benefit and Fee-charging* the principal factors derived from case law which we use to assess this.

Our assessment of these sub-principles looked at whether the level at which fees and ticket prices are set has the effect of preventing people who are unable to pay the fees from benefiting from the services or facilities. We took into account the nature of the benefit, including whether it was a one-off service or facility, or one that people would want to use regularly or that is usually provided on a longer-term basis.

Charges to YCAT artists

The charity has a set application fee of £40 for each individual application for audition. This is refunded in full if the applicant is not invited to audition. The charity advertises the application process widely across colleges and universities which include music as a specialism.

Whilst artists are under YCAT's management they are charged 10% - 15% commission on concert work that is organised for them by YCAT

The charity provides or brokers assistance for those artists who may otherwise be deterred from applying because they are of moderate or limited means. For example, those of limited or moderate means may be deterred from applying to YCAT because the relatively limited income they stand to earn may not cover their living expenses: this may act as a restriction. Although the charity's resources do not enable it to provide financial help towards meeting these costs, it is able to direct artists who need it towards potential sources of assistance.

Charges to the general public

For most of the concerts given by YCAT artists entry is by ticket, at prices set by the venue itself. These are typically in the range £6 - £20.

Tickets for YCAT's regular Wigmore Presentation Concerts have a set price of £8 (£6 for senior citizens). Tickets for students are free, to generate a younger and wider concert going audience. The charity has also developed relationships with several care and residential homes who are offered free tickets to these events. There are generally seven presentation concerts a year.

Opportunity to benefit on the basis of fees charged

The fees and charges (where paid) are affordable by most people and would therefore fit the description of 'low fees' in *Public Benefit and Fee-charging*.

The availability of opportunities to benefit for which there is no charge, including concerts given by YCAT artists, educational workshops and family concerts, mean that there are opportunities for the general public, including people in poverty, to benefit from the services of the charity at no, or low, cost.

Although the charity does not actively test the financial means of applicants seeking support from it, it was clear from the information it provided to us that people in poverty are not excluded from the opportunity to benefit and that the costs to be borne by them whilst with YCAT do not act as an unreasonable restriction.

Taken together, this means that the fees do not prevent people from having the opportunity to benefit from the charity's services.

We concluded that, taking into account what is reasonable and appropriate in the circumstances of this charity, it does provide sufficient opportunity to benefit in a material way for those who cannot afford the fees, including people in poverty, and that the charity meets sub-principles 2b (in relation to fees) and 2c.

Section D6

Principle 2d: Any private benefits must be incidental

There are a number of instances of private benefit associated with the charity carrying out its aims.

Benefits to artists whilst with YCAT

Whilst under YCAT management, artists are paid performance fees. This can be as little as £7,000 in the first year of support rising to around £20,000 in their third (and usually final) year, before deducting expenses. Although administered by the charity, the fees do not form part of the charity's income, and therefore the artists receive these payments as private individuals, rather than as beneficiaries of the charity.

The artists are also promoted individually by the charity to venues, promoters and agents. There are benefits that arise for YCAT artists personally in terms of profile and reputation, which could in turn lead to an increase in the fees they can command.

Benefits to artists who move to commercial management as a result of support by YCAT

Enabling young concert artists to succeed professionally is at the heart of what YCAT does. Inevitably this leads to a significant number of them (around 75% since the charity was established) finding professional careers as musicians, and a very few becoming internationally known artists. Of these a significant number will move to commercial management.

Benefits to commercial agents

If an artist is taken on professionally by a commercial agent, the agent may benefit from YCAT's services in terms of being given access to the marketable artists. They do not, however, acquire the right to the income from bookings already made by YCAT for the artist concerned. To ensure that they are acting in the best interests of the artists, YCAT has no formal arrangements with any agents.

Friends Scheme

As part of its fund raising and audience building activities YCAT has a Friends scheme. All Friends receive YCAT literature and open invitations to the Wigmore Lunchtime series, final auditions and a presentation concert. There are various levels of support from YCAT Friends (up to £75 per year) to YCAT Patron Friends (over £500 per year). All benefits to the Friends are within the Gift Aid limits.

The private benefits described above are all linked to the charity's advancement in life aim. In preparing classical concert artists for entry into careers as professional performers, private benefit will almost inevitably arise.

In this case, we concluded that these private benefits are incidental to the charity carrying out the aim of advancement in life. The bases of our findings are:

- the payments received by artists whilst with YCAT are justified on two counts. Firstly, they provide the artists with income which they would otherwise have to earn from other non-musical employment and which would reduce the amount of time available for rehearsal and artistic development. Secondly, the payments flow from concerts which are an integral part of the artists' development into professional concert artists;

- the promotion of living artists by YCAT is not an aim in its own right (and would not be charitable other than in the most exceptional circumstances which are not applicable here); rather, the charity's promotional activity provides artists with the opportunity to perform, which is an essential element of the support provided by YCAT in carrying out its aims of advancement in life, and advancement of the arts;
- the progress of a YCAT artist to commercial management is not guaranteed, but represents the working out of the charity's advancement in life aim;
- the benefit to musicians of having enhanced performance skills which improves the practice of their profession is incidental to the charitable purpose of promotion of the arts;
- there is no evidence that the charity operates to develop artists primarily for the financial gain of commercial agents, nor anything to suggest that the charity is influenced or controlled by the interests of commercial agents with whom it works on behalf of its artists. Any benefit to these agents, therefore, is incidental to the charity carrying out its aims;
- the benefits to the members of the Friends Scheme are incidental to the charity carrying out its aims.

We concluded that although there are a number of private benefits which arise from the charity carrying out its aims, these are incidental to the achievement of YCAT's aims and therefore this sub-principle is met.

Section D7

Conclusion: Are the charity's aims for the public benefit?

We concluded that all of the sub-principles are fulfilled, that YCAT's aims are for the public benefit and that the trustees are administering it for the public benefit.

Section E. Overall conclusions and required or recommended actions

We concluded that Young Concert Artists Trust is a charity and that the trustees are administering it for the public benefit.

We have not identified any additional required actions. However, we have recommended that, as a matter of good practice, the trustees:

- introduce into the process of selecting young artists for support suitable measures to satisfy themselves that applicants are of moderate or limited financial means;
- consider, when they next review the charity's objects, whether to amend them to reflect the two separate aims;
- review how they manage the risks associated with private benefit that inevitably attach to this type of operation. This should include a review of conflicts of interest and their links with private agents and how they are managed and reported in the Trustees' Annual Report;
- consider establishing a formal fee strategy with venues so that the charity can readily demonstrate that it has a planned system for ensuring that its benefits are widely accessible to those who cannot afford its fees, including those in poverty;
- consider publicising more clearly what assistance is available with the cost of attending auditions.

This publication can also be accessed at the Charity Commission's website: www.charitycommission.gov.uk

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