NCS TRUST ROYAL CHARTER BODY INTERIM MANAGEMENT AGREEMENT
Dec 2018 - Mar 2019

This document is without prejudice to the requirements of the NCS Charter, 2017 Act and any other legal requirements, which the NCS Trust is expected to comply with in full.

Part A: Milestones and KPIs until April 2019, Funding, and Engagement

1. NCS Priorities
   1.1. As per the NCS Act 2017 and its accompanying Royal Charter, the NCS Trust’s primary functions are:

   (a) to provide or arrange for the provision of programmes for young people in England with the purpose of—

   (i) enabling participants from different backgrounds to work together in local communities to participate in projects to benefit society, and

   (ii) enhancing communication, leadership and team-working skills of participants, and

   (b) to promote the programmes to—

   (i) young people in England,

   (ii) parents and carers of young people in England,

   (iii) schools and other educational bodies, and

   (iv) local authorities and other public bodies.

2. Financial allocation
   2.1. The NCS Trust’s financial settlement for 2018-20 is as set out in its 2016 Revised Spending Review Settlement letter.

3. Performance Measures
3.1. Key Performance Indicator/s

a) NCS Trust to increase demand to fill places and improve retention of participants
b) NCS Trust to ensure delivery of high quality and socially mixed NCS programmes
c) NCS Trust to ensure the programme is impacting participants positively
d) NCS Trust to secure sustainability by building a broad base of support
e) NCS Trust to increase value for money for taxpayers

3.2. High level milestones:

a) NCS Trust to comply with milestones agreed with DCMS on annual business activity, transformation, and seasonal delivery.

4. Engagement

4.1. The Department and the NCS Trust have agreed an engagement calendar as set out below. This contact will be in addition to routine and policy led contact between the Department and the NCS Trust. Other DCMS Teams may agree a separate calendar of engagement with NCS Trust teams.

| Review meeting between the Secretary of State and the Chair of the NCS Trust Board | Annual |
| Sponsor meeting, Chaired by DCMS Permanent Secretary | Twice yearly |
| Management meeting, followed by SRO/CEO review conversation | Monthly |
| All other fora | As required |

Part B: FINANCIAL CONTROLS
1. Delegated Financial Limits

All delegations are subject to the requirement that spending proposals falling within Managing Public Money Annex 2.2, box A.2.2C should be referred to DCMS. These are:

- items which are novel, contentious or repercussive, even if within delegated limits
- items which could exceed the agreed budget and Estimate limits
- contractual commitments to significant spending in future years for which plans have not been set
- items requiring primary legislation (e.g. to write off NLF debt or PDC)
- any item which could set a potentially expensive precedent, and
- where Treasury consent is a specific requirement of legislation.

Unlimited (unless otherwise specified)

1.1 Capital Expenditure

<table>
<thead>
<tr>
<th>Expenditure on new construction, land, extensions of, and alterations to, existing buildings and the purchase of any other fixed assets (e.g. machinery, plant, and vehicles) with an expected working life of more than one year. Also includes exchanges of fixed assets.</th>
<th>£1m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on the signing of new leases, renewals of existing leases, the non-exercise of lease break options, any new property acquisitions (including those made through a Public Finance Initiative Provider), new build developments, sale and leaseback, and any freehold sales as part of national property controls</td>
<td>£100,000 Approval for leases over £100,000 can only be given by the Chief Secretary to the Treasury and must provide value for money for Government as a whole or demonstrate exceptional circumstances.</td>
</tr>
</tbody>
</table>
1.2 Gifts

<table>
<thead>
<tr>
<th>Gifts received by the NCS Trust</th>
<th>Unlimited</th>
</tr>
</thead>
<tbody>
<tr>
<td>In a financial year, any one gift or total of gifts by the NCS Trust:</td>
<td>£1000</td>
</tr>
<tr>
<td>• to one person/organisation</td>
<td></td>
</tr>
<tr>
<td>• to staff.</td>
<td></td>
</tr>
</tbody>
</table>

Proposals for making gifts outside this delegated limit must have the prior approval of DCMS. The NCS Trust must keep a record of gifts given. Details of gifts to one person/organisation should be noted in the annual accounts if individually, or collectively, they exceed £1000.

1.3 Fraud, financial difficulties and criminal conduct

No delegation. All cases of attempted, suspected or proven fraud, irrespective of the amount involved, must be reported by the NCS Trust to the Department as soon as it is discovered.

This Agreement does not affect the obligation of the NCS Trust under section 7 of the NCS Act 2017 (which is about notification of financial difficulties and criminal conduct) to notify promptly to the Secretary of State any matter falling within section 7(2) of that Act.

1.4 Non-Statutory Contingent Liabilities

A checklist is required to be completed at the point of initiating a contingent liability with a maximum exposure of £3 million or more which fall under any of the following:
- novel – the contingent liability is new for the organisation concerned, even if others have done it before
- contentious – the contingent liability is likely to raise debate or criticism in Parliament or more widely
- repercussive – the contingent liability may have consequences elsewhere in the public sector

The completed checklist should be sent to your usual finance and policy contact and copied to the Smart Finance mailbox. We will liaise with Treasury to obtain
approval for the contingent liability on receipt of the checklist; the Treasury approval process is likely to take 5 working days. **Please be aware that you should not make any commitments that will give rise to the contingent liability until Treasury approval has been confirmed.**

### 1.5 Losses and Special Payments

The write-off of losses or approval of special payments should only be carried out by staff authorised to do so by and on behalf of the NCS Trust’s Accounting Officer. The NCS Trust should consult DCMS where cases:

- involve important questions of principle
- raise doubts about the effectiveness of existing systems
- contain lessons which might be of wider interest
- are novel or contentious
- might create a precedent for other departments in similar circumstances, and
- arise because of obscure or ambiguous instructions issued centrally.

Costs written off due to unfilled places will not be included as a loss incurred in this context.

#### 1.5.1 Classification of Losses

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Delegation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Losses</td>
<td></td>
</tr>
<tr>
<td>(i)</td>
<td><strong>Cash losses:</strong> Physical losses of cash and its equivalents (e.g. banknotes, credit cards, electronic transfers, payable orders)</td>
<td>£100,000</td>
</tr>
</tbody>
</table>
| (ii) | **Bookkeeping losses:**
  - unvouched or incompletely vouched payments, including missing items
  - charges to clear inexplicable or erroneous debit balances. | £100,000   |
<p>| (iii)| <strong>Exchange rate fluctuations:</strong> Losses due to fluctuations in exchange rates or revaluations of currencies. | £100,000   |</p>
<table>
<thead>
<tr>
<th>(iv)</th>
<th>Losses of pay, allowances and superannuation benefits paid to civil servants, members of the armed forces and NDPB employees</th>
<th>£100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>overpayments due to miscalculation, misinterpretation, or missing information</td>
<td>£100,000</td>
</tr>
<tr>
<td></td>
<td>unauthorised issues, e.g. inadmissible payments</td>
<td>£100,000</td>
</tr>
<tr>
<td></td>
<td>losses arising from other causes, e.g. non-disclosure of full facts by the beneficiary, short of proven fraud.</td>
<td>£100,000</td>
</tr>
<tr>
<td>(v)</td>
<td>Losses arising from overpayments of social security benefits, grant, subsidies, etc. arising from miscalculation, misinterpretation or missing information.</td>
<td>£100,000</td>
</tr>
<tr>
<td>(vi)</td>
<td>Losses arising from failure to make adequate charges for the use of public property or services.</td>
<td>£100,000</td>
</tr>
</tbody>
</table>

**B. Losses of accountable stores:**

(i) because of proven or suspected fraud, theft, arson or sabotage, or any other deliberate act (including repairable damage caused maliciously to buildings, stores; etc. even where a legal claim is not possible). unlimited

(ii) losses arising from other causes. £100,000

**C. Fruitless payments and constructive losses** £100,000

**D. Claims waived or abandoned** £100,000

A record of losses should be maintained and if the total of losses or special payments in the year exceeds £100,000, the annual accounts should include a statement, with any individual losses and special payments exceeding £100,000 specifically identified.

1.5.2 Special Payments
Special severance payments: There is no delegation for special severance payments (payments made to the employee outside their statutory or contractual entitlement upon termination of their employment contract). Each payment, regardless of value will require HM Treasury approval before an offer can be made.

Redundancy payments: All redundancy payments outside contractual terms, require DCMS and Cabinet Office permission in all cases.

<table>
<thead>
<tr>
<th>Special payments:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) extra-contractual and ex gratia payments to contractors</td>
<td>£100,000</td>
</tr>
<tr>
<td>(ii) other ex gratia payments</td>
<td>£100,000</td>
</tr>
<tr>
<td>(iii) compensation payments</td>
<td>£100,000</td>
</tr>
<tr>
<td>(iv) extra-statutory and extra-regulatory payments.</td>
<td>£100,000</td>
</tr>
</tbody>
</table>

1.5.3 Disposal of Assets

The NCS Trust should arrange for the efficient and effective use, maintenance, acquisition and disposal of the assets under its control. The NCS Trust should draw up, and keep up to date, a register of all the tangible and intangible assets it owns and uses, and develop an asset management plan which is reviewed at least annually by the Board.

The NCS Trust should take professional advice when disposing of land and property assets, and take account of the protocol set out in the Managing Public Money Asset Management Annex.

The delegated limit for the disposal of assets is set at £20,000.

The NCS Trust requires the Secretary of State’s approval for any disposal of land, including purchasing or relinquishing leases.

All assets disposals, regardless of value, should be notified to DCMS through the routine monthly financial reporting processes.
2. Spend controls

2.1 The NCS Trust is subject to the latest Cabinet Office spend controls set out at https://www.gov.uk/government/publications/cabinet-office-controls and the DCMS thresholds for spend controls, as set out in the latest DCMS Spend Control Guidance.

2.2 All Cabinet Office spend controls apply to the NCS Trust except where exemptions have been obtained. There are currently no exemptions.

3. Procurement

3.1 The NCS Trust must comply with the Public Contracts Regulations 2015 (PCR) in its procurement activity. Further, as a Central Government Authority as set out at Schedule 1 of the Public Contracts Regulations 2015, the NCS Trust is subject to certain thresholds when tendering for a procurement opportunity, as detailed in Procurement Policy Note - Reforms to make public procurement more accessible to Small and Medium Enterprises (Information Note 03/15) and https://www.ojec.com/thresholds.aspx

3.2 The NCS Trust shall:
- Acquire goods and services through fair and open competition, using LEAN methodology where appropriate, delivering value for money through procurement, and operating in line with European law, including restrictions on state aids and current best practice, inclusive of open procurements for requirements under £100,000 where appropriate and restricted use of Pre-Qualification Questionnaires.
- Comply with current requirements on additional spend controls, delegated authorities and authorisations on procurement and leases as notified to them by the Department.
- Support collaborative procurement and commercial efforts across DCMS and its family of other ALBs.
- The ALB has flexibility to opt in or out of central procurement on a case by case basis. However, where possible and appropriate, the ALB shall utilise whichever Crown Commercial Services frameworks are relevant to its needs.
3.3 The NCS Trust will submit the total value and number of Single Tender Contracts it has awarded (where the individual contract value exceeds £50,000) on a quarterly basis to DCMS and commit to an annual meeting with DCMS to discuss procurement activity over the year. The NCS Trust must notify DCMS a minimum of 2 weeks in advance of its intention to award a single tender contract the value of which exceeds the relevant OJEU threshold (if applicable).

4. Management Information

4.1 The table below sets out the management information that the Department expects the NCS Trust to provide in the course of a 12 month period. These may be subject to change depending on future information requirements.

<table>
<thead>
<tr>
<th>Timescale</th>
<th>What</th>
<th>How</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly (9th working day of each month)</td>
<td>Grant-in-Aid requests</td>
<td>Via Finance Partnership Webpage</td>
<td>To get the ALB’s latest forecast income and expenditure for reporting to Board and HM Treasury. Also the mechanism for paying GIA to the NCS Trust.</td>
</tr>
<tr>
<td>Monthly</td>
<td>Consultancy return (including nil returns)</td>
<td>By e-mail to DCMS Procurement and Commercial Team</td>
<td>To enable Cabinet Office to keep track of the number of public sector consultancy contracts.</td>
</tr>
<tr>
<td>Monthly (by 9th working day of each month)</td>
<td>Cash management figures within GBS and non-GBS accounts</td>
<td>By e-mail to Finance</td>
<td>To supply HM Treasury with forecast for cash management inside GBS</td>
</tr>
<tr>
<td>Monthly</td>
<td>Spend over £25,000</td>
<td>On the ALB’s website</td>
<td>Transparency: to inform public how public money is spent</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Key metrics (total procurement)</td>
<td>By e-mail to DCMS</td>
<td>Benchmarking of procurement spend and</td>
</tr>
<tr>
<td>Frequency</td>
<td>Item</td>
<td>Responsible Body</td>
<td>Purpose</td>
</tr>
<tr>
<td>-----------</td>
<td>------</td>
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<td>---------</td>
</tr>
<tr>
<td>Quarterly (30th June, 30th Sept, 31st Dec, 31st March)</td>
<td>Exchequer funds held in commercial bank accounts</td>
<td>By e-mail to Finance</td>
<td>To supply HM Treasury with details of how much government funding is held outside GBS</td>
</tr>
<tr>
<td>Quarterly (30th June, 30th Sept, 31st Dec, 31st March)</td>
<td>Medium Term Financial Model returns</td>
<td>By e-mail to Finance</td>
<td>To get the ALB's latest capital profiles for internal management and reporting to Finance Committee</td>
</tr>
<tr>
<td>Annually</td>
<td>Publication of senior salaries and organograms</td>
<td>On the ALB's website or hosted on DCMS website</td>
<td>Transparency: to inform public how public money is spent</td>
</tr>
<tr>
<td>Annually</td>
<td>Alignment/WGA</td>
<td>Alignment consolidation packs, WGA transactions and balances exercise</td>
<td>Alignment: to consolidate the ALB's resource accounts within the DCMS resource accounts WGA: to gather counter-party details for consolidation.</td>
</tr>
<tr>
<td>Annually</td>
<td>Sustainability data</td>
<td>By e-mail to Finance and DCMS Sustainability Champion</td>
<td>To meet HM Treasury requirement to supply centre with sustainability data (NCS currently exempt - can provide evidence)</td>
</tr>
<tr>
<td>Annual</td>
<td>EU public procurement statutory return (Schedule 1 or</td>
<td>By e-mail to Cabinet Office</td>
<td>Legal requirement to provide data on number of tenders advertised in the European Journal</td>
</tr>
<tr>
<td>Frequency</td>
<td>Activity Description</td>
<td>Frequency Details</td>
<td>Purpose</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Annually - Mid August</td>
<td>Schedule 2 as appropriate)</td>
<td>By e-mail to Finance</td>
<td>HM Treasury requirement - feeds into the Core Tables for the Annual Report and Accounts</td>
</tr>
<tr>
<td>Annually</td>
<td>Country and Regional analysis data</td>
<td>By e-mail to Finance as per timetable (separate guidance is issued on this)</td>
<td>Statutory obligation</td>
</tr>
<tr>
<td>Annually</td>
<td>Annual report and accounts</td>
<td>By e-mail to ALB Team (for publication on Cabinet Office website)</td>
<td>Transparency: to inform public how public money is spent</td>
</tr>
<tr>
<td>Annually</td>
<td>Publication of salaries over £150k</td>
<td>By e-mail to ALB Team</td>
<td>Transparency: to inform public how public money is spent</td>
</tr>
<tr>
<td>Six-monthly</td>
<td>Sharing of Strategic Risk Register as per paragraph 13.1 of the Governance framework.</td>
<td>At twice yearly Sponsor meetings with DCMS Permanent Secretary</td>
<td>Enable timely and appropriate response to risk</td>
</tr>
<tr>
<td>Ad hoc immediate as required</td>
<td>Completion and updating of e-Pims™ database</td>
<td>Directly into e-Pims™ system</td>
<td>To ensure accurate property and estate information is maintained at all times</td>
</tr>
<tr>
<td>On request</td>
<td>Sharing of audit strategy, and annual audit report, including the Internal Audit Lead's opinion on risk</td>
<td>With Finance and Head of, on request</td>
<td>Assurance of financial management</td>
</tr>
</tbody>
</table>
Part C: NCS Trust Governance Framework

1. Introduction

1.1. This agreement has been drawn up by the Department for Digital, Culture, Media and Sport ("DCMS") in consultation with the NCS Trust. This document sets out the broad framework within which the NCS Trust will operate. The document does not convey any legal powers or responsibilities. It is signed and dated by DCMS and the NCS Trust. Copies of the document will be placed in the Libraries of both Houses of Parliament and made available to members of the public on the NCS Trust’s website, with a link to it on the DCMS site.

1.2. The agreement will remain in place until it is superseded by a new agreement. The agreement should be treated as a living document and reviewed by both sides annually in March. Any changes to ministerial priorities, policy requirements and KPIs will be made by exchange of letters between the Minister and the NCS Trust Chair; all other changes will be made by exchange of letter between the DCMS Permanent Secretary and the NCS Trust Chief Executive.

1.3. Legislative changes will take precedence over any part of this document. Significant variations will be cleared with the Treasury or the Cabinet Office as appropriate.

1.4. Nothing under this agreement shall prevent the NCS Trust from carrying out its legal duties under its founding legislation or under any other legislation which impacts on its functions, activities or powers.

2. Governance and accountability

2.1. The statutory and other duties of the NCS Trust derive from the National Citizen Service Act 2017 and National Citizen Service Royal Charter 2017.
2.2. The Secretary of State for Digital, Culture, Media and Sport and other members of the DCMS ministerial team will account for the NCS Trust's business in Parliament.

2.3. The respective responsibilities of the DCMS Principal Accounting Officer and Accounting Officers for NDPBs and other arm’s length bodies are set out in Chapter 3 of Managing Public Money which is sent separately to the Accounting Officers on appointment and summarised below.

2.4. The terms of appointment of the Chair and Board members are as set out in the NCS Trust's founding legislation or other founding documents. Where such appointments are made by Ministers, they will comply with the Governance Code for Public Appointments.

2.5. In line with the NCS Royal Charter 2017 and, where applicable, the Government's Corporate Governance Code for central government departments, the NCS Trust is governed by a Board of not less than 10 and not more than 12 Board Members, including the Chair and Chief Executive Officer. The Chair is appointed by the Queen-in-Council on the recommendation of the Prime Minister. The Chair makes recommendations for the appointment of non-executive Board members to the Prime Minister, who in turn advises the Queen-in-Council.

2.6. The Chief Executive is appointed by the NCS Trust on the recommendation of the nominations committee of the NCS Trust Board. The Chief Executive reports to the Board on the day-to-day running of the NCS Trust and its performance against objectives, which are set by the NCS board in agreement with DCMS. In addition to this, the Chief Executive will be the Accounting Officer for the NCS Trust and will have specific duties in this regard, which are set out in section 5 below.

3. **DCMS Principal Accounting Officer’s responsibilities**

3.1 The DCMS Permanent Secretary, as Principal Accounting Officer for the DCMS family of ALBs, is accountable to Parliament for the issue of any grant-in-aid to the NCS Trust and is also responsible for ensuring arrangements are in place to:
   - monitor the NCS Trust's activities on a continuous basis
• address significant problems in the NCS Trust, making such interventions as are judged necessary
• periodically carry out an assessment of the risks both to the department and NCS Trust objectives and activities
• inform the NCS Trust of relevant government policy in a timely manner, and
• bring concerns about the activities of the body to the full NCS Trust Board; requiring explanations and assurances that appropriate action has been taken.

3.2 Matt Hudson, or their nominee in DCMS, is the primary contact for the NCS Trust within the Department.

4. **NCS Trust Accounting Officer’s responsibilities**

4.1. The DCMS Principal Accounting Officer will normally appoint the Chief Executive to be the Accounting Officer for the body. The duties of the NCS Trust’s Accounting Officer are set out in full in the Permanent Secretary’s appointment letter to him/her. The Accounting Officer is responsible for accounting to Parliament, DCMS, the NCS Trust’s Board and other stakeholders.

4.2. The NCS Trust’s Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and, reporting to the Board of the NCS Trust, for the day-to-day operations and management of the NCS Trust and the achievement of its strategic aims. In addition, he or she should ensure that the NCS Trust as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 to Managing Public Money (at the time of writing).

4.3. The key accountabilities are:

• signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with HM Treasury guidance and with any directions issued by the Secretary of State
• signing a Statement of Accounting Officer’s responsibilities, for inclusion in the annual report and accounts
• signing a Governance Statement concerning the organisation's management and control of resources during the year and setting out how risk has been managed, for inclusion in the annual report and accounts
• ensuring that effective procedures for handling complaints about the NCS Trust are established and made widely known within the body
• acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office, and
• giving evidence, normally with the Accounting Officer of the sponsor Department, when summoned before the PAC on the NCS Trust's stewardship of public funds.

4.4. Particular responsibilities to DCMS are:
• informing the Department of progress in helping to achieve DCMS's policy objectives as defined in the single Departmental plan and in demonstrating how resources are being used to achieve those objectives
• ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion; and
• to work collectively with the Department and other members of the DCMS 'family' of arm's length bodies in support of each other and the group as a whole.

4.5. The duties of the Accounting Officer with respect to the Board of the NCS Trust are:
• advising the Board on the discharge of its responsibilities as set out under the founding legislation, in this document, and in any other relevant instructions and guidance that may be issued from time to time
• advising the Board on the NCS Trust's performance compared with its aims and objectives
• ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed
• taking action as set out in paragraphs 3.8.5 and 3.8.6 of Managing Public Money if the Board, or its Chair, is contemplating a course of action involving a transaction which the Director considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

5. The NCS Trust Board

5.1. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

5.2. As set out in the NCS Royal Charter 2017, the Board must establish an Audit and Risk Committee chaired by a non-executive member and including a Government representative. The Audit and Risk Committee should support the Board and Accounting Officer by:
   (a) developing and reviewing the principles and standards to be applied in reviewing the financial and other management functions of the NCS Trust, and
   (b) making recommendations to the NCS Trust about the exercise of those functions.

5.3. As set out in the NCS Royal Charter 2017, the Board must establish a Remuneration Committee chaired by a non-executive member and including a Government representative. The Remuneration Committee should support the Board and Accounting Officer by:
   (a) making recommendations to NCS Trust about its remuneration policy (but not about individual pay decisions), and
   (b) determining whether or not to approve a remuneration policy prepared by the NCS Trust and submitted by it to the committee for approval.

5.4. Where the NCS Trust submits a remuneration policy to the remuneration committee for approval:
(a) a simple majority of the members of the committee present and entitled to vote is required to approve the policy, but
(b) the policy is not approved unless the Government representative votes to approve the policy. In the event of a tie, the Government representative has a casting vote.

5.5. The Board is specifically responsible for:

- ensuring that the NCS Trust fulfils the aims and objectives set out in its founding legislation and within the policy and resources framework determined by the Secretary of State
- determining the steps necessary to deal with any developments which are likely to affect the NCS Trust's ability to fulfil its aims and objectives and keeping the responsible DCMS Minister informed if any such developments arise
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority, within the resources framework determined by the Secretary of State and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor department;
- ensuring that the Board receives and reviews regular financial information concerning the management of the NCS Trust; is informed in a timely manner about any concerns about the activities of the NCS Trust; and provides positive assurance to the Department that appropriate action has been taken on such concerns
- demonstrating high standards of corporate governance at all times, including using its Audit and Risk Committee to help the Board to address key financial and other risks
- appointing a Chief Executive and setting remuneration terms linked to performance against objectives, and
- ensuring that any public functions of the NCS Trust are carried out in compliance with statutory duties.

6. The Chair's responsibilities

6.1. The Chair is responsible to the Secretary of State for ensuring that the NCS Trust fulfils its statutory purpose as set out in its founding legislation, that where appropriate the NCS Trust's policies are consistent with those of the
Secretary of State, and that the NCS Trust’s affairs are conducted with probity. The Chair is also responsible for good governance and for ensuring that the principles set out in the DCMS Guidance on Board Appraisal Processes for ALBs are followed.

6.2. In addition, the Chair has the following leadership responsibilities:
- formulating the Board’s strategy for discharging its statutory duties
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the Department
- supporting the Accounting Officer in promoting the efficient and effective use of staff and other resources
- supporting the Accounting Officer in delivering high standards of regularity and propriety, and
- representing the views of the Board to the general public.

6.3. The Chair also has an obligation to ensure that:
- the performance of the Board and its individual members are reviewed annually and operate effectively and to instigate remedial action should this not be the case
- the Board has a balance of skills appropriate to directing the NCS Trust business, as set out in the Corporate Governance Code for Central Government Departments
- Board members are fully briefed and understand their terms of appointment, duties, rights and responsibilities
- when required, he or she, together with the other Board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the responsible minister is advised of the NCS Trust needs when Board vacancies arise
- he or she assesses the performance of individual Board members when being considered for reappointment, and
- there is a code of practice for Board members in place consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies.

7. Individual Board members’ responsibilities

7.1. Individual Board members should:
• comply at all times with the Board members’ code of practice and with the rules relating to the use of public funds and to conflicts of interest
• not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations
• comply with the Board’s rules on conflicts of interest and the acceptance of gifts and hospitality, and
• act in good faith and in the best interests of the NCS Trust.

8. Publications and information strategy

8.1. The NCS Trust will have responsibility for contributing to the Government’s system of democratic accountability by making information available to the public on the quality and productivity of its services, value for money, performance and progress on delivery. The NCS Trust will:

• provide timely and accurate information required for Parliamentary Questions, responses by Chief Executives to Parliamentary Questions and contributions to Ministerial and public correspondence. The NCS Trust will be responsible for responding in a timely way to requests made to it by DCMS to assist DCMS to respond to requests under the Freedom of Information Act within the statutory time limit.
• publish, or cause to be published, an annual report of its activities (in accordance with section 6 of the NCS Act 2017) together with its audited resource accounts after the end of each financial year. The NCS Trust shall provide the Department with its finalised (audited) accounts in accordance with the annual guidance produced by DCMS, and
• publish other information as required by the Department in the interests of transparency and as communicated from time to time.

8.2. Should DCMS wish to contact a participant of the NCS programme, the department will notify the Trust and the Trust will obtain the consent from the participant. If the participant does not consent the Trust can withhold the information from the Department.

8.3. Whilst DCMS will attempt, as far as reasonably practical, to notify the Trust of requests for information, the Trust acknowledges that DCMS may be required to disclose information under the Information Acts without obtaining prior
consent from the Trust (but if the information is relating to a young person, DCMS must gain consent from that young person).

8.4. The Trust will ensure it has obtained appropriate consents from providers so that the data it collects can be shared with DCMS or any body which might, at some point in the future, take over responsibility for delivery of the Programme.

8.5. The annual report must meet the requirements set out in the NCS Act 2017, which includes covering where relevant the activities of any corporate, subsidiary or joint ventures under the control of the NCS Trust (but nothing in this Agreement indicates DCMS approval for the establishment of any particular subsidiary or joint venture arrangements). In addition the report must:

- comply with HM Treasury’s Financial Reporting Manual (FReM)
- contain a governance statement, setting out the ways in which the Accounting Officer has managed and controlled the resources used in the organisation during the course of the year, demonstrating how well the organisation is managing risks to the achievement of its aims and objectives, and
- set out in summary form forward plans of the NCS Trust for achieving its objectives in the next financial year.

8.6. In accordance with the NCS Act 2017 the report and accounts shall be laid in Parliament by the Secretary of State and by the Comptroller and Auditor General respectively. In addition they will be made available by the NCS Trust on the NCS Trust’s website and GOV.UK, in accordance with the guidance in the Government Financial Reporting Manual (FReM). The NCS Trust should aim to submit a draft of the report to the Department in May/early June. The final version should be submitted for Ministerial approval at least two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Department as well as the FReM.

8.7. Additionally the NCS Trust will be expected to publish information relating to the delivery of its services and policies. In particular this should include information that will help the public to: (i) see progress against activity which the NCS Trust has made a public commitment to deliver; (ii) judge if the
services and/or outputs offer value for money; and (iii) consider whether the way in which the body operates gives rise to any issues around fairness.

8.8. Where the NCS Trust conducts or commissions social or economic research, relevant professional standards should be applied to ensure that research is impartial, of sufficient quality, legal and ethical. The NCS Trust should nominate a lead contact for research of this type and share their programme of planned and published research with the Head of the DCMS Evidence and Analysis Unit for information purposes. Further guidance on conducting research can also be obtained from the DCMS Evidence and Analysis Unit.

9. Internal Audit

9.1. The NCS Trust shall:
- establish and maintain arrangements for internal audit in accordance with the Treasury’s Government Internal Audit Agency (GIAA)
- ensure DCMS is satisfied with the competence and qualifications of the lead of the internal audit and the requirements for approving appointments in accordance with GIAA
- set up a Risk and Audit Committee of its Board in accordance with the Cabinet Office’s Guidance on Code of Practice for Public Bodies and the government Audit Committee Handbook
- forward the audit strategy, periodic audit plans and annual audit report, including the Internal Audit Lead’s opinion on risk management, control and governance to the sponsor department on request
- have effective controls to prevent fraud and theft, and
- report all cases of attempted, suspected or proven fraud, irrespective of the amount involved, and notify the Department of any unusual, novel or major incidents as soon as they are discovered, irrespective of the amount involved.
- As there is a Govt. rep on the ARC, there is no need to share internal audit plans in advance, but the NCS Trust must share the output of internal audits with DCMS.

9.2. DCMS’s internal audit service has a right of access to all documents prepared by the NCS Trust internal auditor, including where the service is contracted out, for the purpose of obtaining assurance as to the NCS Trust’s handling of public funds and effectiveness of financial controls.
10. **External Audit**

10.1. The Comptroller & Auditor General (C&AG) audits the NCS Trust annual accounts. Ministerial approval must be given before the C&AG can sign off the accounts.

10.2. In the event that the NCS Trust has set up and controls subsidiary companies:

- the NCS Trust will ask (or will have asked) HM Treasury to designate the company as either profit making or non-profit making
- where HM Treasury determines that the company is non-profit making, it will be (or will have been) included in a Government Resources and Accounts Act Order, which will make (or will have made) the C&AG its statutory auditor. The company should appoint the C&AG as auditor by agreement until such time as the GRAA Order is issued, and
- where HM Treasury determines that the company is profit making, it should either appoint the C&AG when its audit contract next comes up for renewal or, where they are required to go out to tender for audit services, the C&AG should be invited to compete. Where the C&AG is not appointed, the company must clearly explain the reasons for selecting a different auditor to DCMS.

10.3. The C&AG:

- will consult the Department and the NCS Trust on whom – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the NCS Trust
- will share with DCMS information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within the NCS Trust, and
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.
10.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the NCS Trust has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the NCS Trust shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

11. Right of access

11.1. Subject to any overriding legal rights or obligations, the NCS Trust will provide access to the Department to all the NCS Trust's records and personnel for all purposes including, for example, operational investigations.

12. Managing Public Money and other government-wide corporate guidance and instructions

12.1. Unless agreed by the Department and (as necessary) HM Treasury, the NCS Trust shall follow the principles, rules, guidance and advice in Managing Public Money and the Government Financial Reporting Manual, referring any difficulties or potential bids for exceptions to DCMS in the first instance. A list of guidance and instructions with which the NCS Trust should comply is in Annex A.

12.2. Once the overall budget has been allocated by DCMS and subject to any restrictions imposed by statute, the responsible Minister's instructions and this document, the NCS Trust shall have authority to incur expenditure approved in the budget without further reference to DCMS, on the following conditions:
- the NCS Trust shall comply with the delegated financial limits agreed with the Department. These delegations shall not be altered without the prior agreement of DCMS
- the NCS Trust shall comply with Managing Public Money regarding novel, contentious or repercussive proposals
• inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits

• the NCS Trust shall provide DCMS with such information about its operations, performance individual projects or other expenditure as the sponsor department may reasonably require, and

• the NCS Trust shall comply with any additional requirements notified to them by the Department, for instance on spending controls or delegated authorities subject to the Trustees' obligation to fulfil their primary charitable duties.

13. Risk management

13.1. The NCS Trust shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with Treasury guidance. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with meeting the Government's Functional Standards on Fraud. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid. The NCS Trust must also share their Strategic Risk Register twice-yearly.

14. Business Planning

14.1. To operate its business effectively, the NCS Trust should produce management planning and information documents covering at least three financial years ahead. These may take the form of strategic or corporate plans (for three years ahead), and should include a business plan (one year ahead). The first year of the planning document can include the business plan incorporated as a single document.

14.2. The Department should be sent copies of each of the completed planning documents. The business plan should be made available to the public and should be published before 1 June in the financial year concerned. The Secretary of State will lay a copy of the published business plan before each House of Parliament.
14.3. The business plan should include a forecast of income and expenditure suitably classified by activity and key objectives, taking account of guidance on resource assumptions and policies provided by the Department at the beginning of the planning round. These forecasts should represent the NCS Trust's best estimate of its available income, including any grant or grant in aid or any other funding within the NCS Trust.

15. **NCS Trust Employees**

15.1. As per the Charter, NCS Trust members and employees are not regarded as servants or agents of the Crown.

15.2. Within the arrangements approved by the responsible minister, the NCS Trust will have responsibility for the recruitment, retention and motivation of its employees. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of employees create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit; there is no discrimination on grounds of disability, age, ethnicity, married or civil partnership, gender reassignment, sexual orientation, religion or belief, pregnancy and maternity and gender, and
- the level and structure of its staffing, including grading and employee numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness

15.3. The NCS Trust may pay remuneration to its employees. It may also pay, or provide for the payment of, such pensions, allowances or gratuities as it decides, to or in respect of a person who is or has been an employee of the NCS Trust, as long as it does not breach approval limits/controls set out elsewhere in the management agreement.

15.4. To pay any redundancy or compensation for loss of office requires the prior approval of the Cabinet Office. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money and will require Treasury approval.

15.5. The NCS Trust will determine the terms and conditions of employment of its staff in line with the remuneration policy agreed by the Remuneration Committee, but are expected to be affordable, realistic and responsible.
15.6. The NCS Trust shall operate pay restraint, particularly in terms of senior salaries. In accordance with the NCS Charter, for any proposals to pay an individual the same or more than the Prime Minister, the NCS Trust must seek approval from the Chief Secretary of the Treasury. The NCS Trust will also seek approval for any such proposal from the Secretary of State.

15.7. The NCS Trust is subject to the Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees, and any guidance that may supersede it. The NCS Trust shall not remunerate employees via special purpose companies or by means of any other tax avoidance devices. Senior staff with significant financial responsibility must be on the payroll, unless there are exceptional temporary circumstances, which must be agreed by the NCS Trust Accounting Officer and not exceed a period of six months. The NCS Trust is also responsible for ensuring that any temporary off-payroll workers employed are meeting their tax obligations.

16. Review

16.1. The NCS Trust may be reviewed periodically, by DCMS in accordance with:
- the business needs of DCMS and of the NCS Trust

17. Budgets and Grant-in-Aid

17.1. Expenditure against resource and capital budgets must be recorded and monitored by the NCS Trust in accordance with HM Treasury’s Consolidated Budgeting Guidance (or its successor). These are the net expenditure limits for the NCS Trust in each year - including any use of reserves for which budgetary cover has been given - and must be adhered to. Net expenditure above these limits may not be committed until or unless a revised budget has been agreed in writing by the Department.

17.2. The NCS Trust may not breach the component parts of the capital and resource budgets (e.g. core capital). Approval must be sought in advance and in writing if the NCS Trust wishes to spend more in one category and less in another. In all these matters, the Department may be required to refer a decision to HM Treasury before granting approval.
17.3. Grant in Aid is the amount payable by the Department to the NCS Trust in each year and is independent of the budget figures, although derived from them. It does not include depreciation or any budgetary cover allocated by the Department for the NCS Trust's use of its own reserves.

18. Grant-in-aid and any ring-fenced grants

18.1. Both the grant-in-aid provided by the Department and the overall budgets set by it for the year in question will be voted in the Department's Supply Estimate and be subject to Parliamentary control.

18.2. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The NCS Trust will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the NCS Trust. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the Department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

18.3. As a minimum, the NCS Trust shall continue to provide the Department with monthly information via its grant-in-aid claims that will enable the Department satisfactorily to monitor:
   - the NCS Trust's cash management
   - its draw-down of grant-in-aid
   - forecast outturn, and
   - other data required for the Treasury's Combined On-line Information System (COINS) or its successor.

19. Reporting performance to the Department

19.1. The NCS Trust shall operate management information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The NCS Trust's performance shall be reviewed by the Department periodically in accordance with the engagement
strategy. The certificate of exemption from Employers' Liability Insurance issued in September 2002 remains valid.

20. **Delegated authorities**

20.1. The NCS Trust shall obtain the Department's prior written approval before:
- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the NCS Trust's annual budget as approved by the Department;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
- redirecting funding provided by the Department for one purpose to other purposes;
- making any change of policy or practice which has wider financial implications that might prove repercussions or which might significantly affect the future level of resources required, and/or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

21. **Capital projects**

21.1. All capital projects, whether already underway or beginning during this period, are subject to the Department's investment appraisal processes. Any capital expenditure that exceeds the NCS Trust's delegated capital limit must be referred to the DCMS Finance Committee for approval at three stages of development, as set out in guidance issued by the Department. The figure used in calculating whether the costs exceed the delegated limit is the lifetime cost of the capital project, including non-exchequer funding and any increased running costs ensuing from it.

21.2. Where projects are reliant on donations or sponsorship that have yet to be confirmed, demonstration of a staggered approach to completion (i.e. that takes account of the funds secured to date before proceeding with each stage) will be more likely to receive approval to proceed.
21.3. When considering the case for capital projects, the NCS Trust is expected to use the Treasury’s Green Book methodology (or its successor), as modified or enhanced by guidance from DCMS. This is the case for evaluating a capital project regardless of whether the project requires DCMS Finance Committee approval. The Department reserves the right to receive copies of business cases for projects below the NCS Trust’s delegated limit or elements of it, such as the Net Present Value calculation.

21.4. New non-capital spend projects that are not covered by the NCS Trust budget and are a new type of spend also require the production of proportionate business cases using Treasury guidance.

22. Compliance with the Equality Act 2010

22.1. In exercising public functions the NCS Trust is subject to the public sector equality duty in section 149 of the Equality Act 2010, requiring the NCS Trust to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- advance equality of opportunity between people who share a relevant protected characteristic (age; disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation) and people who do not, and
- foster good relations between people who share a relevant protected characteristic and people who do not.

23. Cyber Security

23.1. As part of its approach to risk management and information assurance the NCS Trust should ensure the robustness of its cyber security to protect itself against data breaches, service disruption, loss and reputational damage. The level of provision should be proportionate to the NCS Trust’s size and the level of risk it carries in terms of cyber vulnerability. A range of relevant Government advice and guidance can be found at:

23.2. As a minimum, the NCS Trust should take steps to ensure it has basic cyber security controls in place. These should be at least at the level set out in the Cyber Essentials scheme. Further details of this scheme can be found at www.cyberstreetwise.co.uk/cyberessentials. Departmental officials can offer further guidance and support.

24. Safeguarding

24.1. In order to maintain a robust approach to safeguarding, NCS must follow its Crisis and Incident Reporting Guide whenever a safeguarding incident occurs. The guide is attached at Annex X.

25. GDPR

25.1 The NCS Trust must comply with the Data Protection Act 2018.

Signed by: 

Secretary of State for Digital, Culture, Media and Sport  
Date: 9/1/19

Chair of the NCS Trust  
Date: 20/12/18

Accounting Officer of the NCS Trust  
Date: 20/12/18
Annex A: Compliance with guidance and instructions

The NCS Trust shall be aware of and, where necessary, comply with the following general guidance documents and instructions:

- Appropriate adaptations of sections of the Corporate Governance Code for Central Government Departments;
- Managing Public Money (MPM);
- Consolidated Budgeting Guidance (issued annually);
- Government Internal Audit Standards;
- Appropriate adaptations of the Audit Committee Handbook;
  http://www.hm-treasury.gov.uk/audit_committee_handbook.htm
- Management of Risk: Principles and Concepts;
- Government Financial Reporting Manual (FRem);
- If applicable, the Charities SORP;
  http://www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_charity_accounts/sorpfront.aspx
- Fees and Charges Guide, Chapter 6 of MPM;
- Banking guidance, annex 5.6 of MPM;
- Relevant Dear Accounting Officer letters;
  https://www.gov.uk/government/collections/dao-letters
- The Parliamentary Ombudsman’s Principles of Good Administration;
  http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration
- Consolidation Officer Memorandum, and relevant DCO letters;
- Relevant Freedom of Information Act guidance and instructions;
  https://ico.org.uk/for-organisations/guide-to-freedom-of-information/
• Model Code for Staff of Executive Non-departmental Public Bodies: Chapter 5 (Annex A) of Public Bodies: A Guide for Departments (Cabinet Office);

• Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;

• Guidance on major projects issued by the Infrastructure and Projects Authority;
http://www.cabinetoffice.gov.uk/content/major-projects-authority

• The Statistics and Registration Services Act 2007;

• The Code of Practice for Official Statistics;

• Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees;
Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees

• Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the NCS Trust.