



NATIONAL CITIZEN SERVICE TRUST

Minutes of a meeting of the board of directors held at the Pembroke Building, Kensington Village, London at 3:00 pm on Thursday 28 March 2019

Present:	Brett Wigdortz (Chairman) Paul Cleal Dame Sally Coates Tristram Mayhew Ashley Summerfield	Michael Lynas (CEO) Dame Julia Cleverdon Flick Drummond Ndidi Okezie
	Rob Bellhouse (Secretary)	Jermain Jackman (Youth Board Representative)
In attendance:	John Enstone (items 1 to 7) Tom Meakin (item 5) Steve Lyons (item 7) Amanda Best (item 7)	Jeroen Sabbe (items 4 to 6) Louis Chambers (item 5) John Kerslake (item 7)
Apologies:	Ian Livingstone Lord Iain McNicol	John Maltby

1. Welcome and apologies for absence

The chairman welcomed everyone to the meeting, noting that apologies for absence had been received from Mr Livingstone and Mr Maltby and, shortly before the meeting, from Lord McNicol who had unexpectedly been called to a vote in the House of Lords.

The chairman explained that, as a one-off exception to normal practice, the members of the National Youth Board had not been invited to this meeting as the 'deep dive' was focused on the performance of our RDPs and the internal reorganisation of the Trust to deliver the new Target Operating Model and implement the post-recommissioning contracts.

2. Minutes and matters arising

- 2.1 Freedom of Information - Mr Bellhouse outlined the impact of the Freedom of Information Act 2000 on documents 'held' by the Trust, and practices in other DCMS arms' length bodies (ALBs). After discussion, the board agreed that the minutes of board meetings, once approved, should be published on the Trust's website.
- 2.2 Previous meeting - the minutes of the meeting of the directors held on 28 January 2019 were approved by the board as a correct and complete record and signed by the chairman as authentication.
- 2.3 Committee meetings - the board noted the minutes of the meetings of the meetings of the Impact & Safeguarding Committee (on 10 January), the Audit & Risk Committee (on 17 January) and of the People and Remuneration Committees (both held on 7 February).

The committee chairs provided a verbal update on the key matters discussed at these meetings and, in the case of the ARC, the meeting held on 20 March 2019.



Mr Wigdortz noted that the DCMS representative at the ARC had signalled that the funding commitment under the Comprehensive Spending Review (CSR) might not enable the Trust to deliver the targeted growth in participation numbers, without making significant changes to the programme format and/or content. This would only be the case for the duration of the new CSR settlement (expected to be between one and three years), but created a significant threat to the board's ambitions and would be discussed at the strategy session in June.

Action: Michael Lynas

2.4 Critical organisational policies - subject to amendments to the Health, Safety & Security policy recommended by Mr Mayhew, the following policies were (on the recommendation of the relevant board committees) approved:

- Diversity and Inclusion Policy (People Committee)
- Gifts and Corporate Hospitality Policy (Audit & Risk Committee)
- Health, Safety and Security Policy (People Committee)
- Travel and Expenses Policy (Audit & Risk Committee)
- Whistleblowing Policy (People Committee)

Mr Cleal and Ms Okezie reminded the board of the importance of taking action in delivering the intended outcomes of these policies. Mr Lynas outlined the steps taken in the search for a new CFO, which he hoped could be an opportunity to boost diversity in the senior leadership team in line with the goals of the Diversity & Inclusion policy.

2.5 Brought forward actions - Mr Bellhouse confirmed that all of the actions arising from the previous meeting were being addressed or were to be considered at this meeting.

2.6 National Youth Board - Mr Jackman provided an update on the discussions at the NYB meeting in Manchester earlier in the month, which had been healthy, helpful and insightful. There were two key points arising:

- The NYB members felt that some of the thematic variations being explored (music, theatre, sport and others) may have the unintended consequence of prioritising fun over challenge, and reducing the impact of the NCS programme on participants. Dame Julia advised that the experience of the Prince's Trust was that the physical and psychological challenges of an Outward Bound-type setting were hugely influential in developing young people's confidence
- The NYB wanted to give young people a voice on some of the key national issues confronting them, including homelessness, food poverty and gaining a foothold on the housing ladder. To do so, they intended to work with other bodies representing young people. This would include young people who had not participated in NCS and would enable them to speak for some of the least engaged and least heard young people in our society.

The board strongly supported both points.

3. **Board Committee membership**

The board resolved to appoint Deborah Tavana as an external member of the People Committee, with immediate effect. It was noted that this would automatically result in her becoming a member of the Remuneration Committee. The board further agreed that these appointments would be for a three year term, which could be extended (by mutual consent) for up to a further three years and that she would be unremunerated in this role.

It was further agreed that the term of appointment of Darren Xiberras as a member of the ARC, approved by the board at the January meeting, should also be for a three year term, which could be extended (by mutual consent) for up to a further three years.



4. Management reporting

Mr Sabbe joined the meeting.

4.1 CEO's report - the board received a report from Mr Lynas.

He confirmed that the number of **summer 2019 programme participants** signed up was currently 96,079, 4% ahead of the same point in the prior year. A degree of attrition was inevitable and a project was underway that sought to mitigate this long-standing challenge.

A ministerial meeting was due to be held later in the week as we continued to seek an overall exemption from **Cabinet Office controls**, and he outlined the rationale that would be advanced.

Finally, he outlined the possible **outcomes of the CSR** and the challenges that could flow from the current political climate. It was crucial that the Trust was able to demonstrate the impact of the NCS programme to an increasingly divided nation and he intended to ask the board to endorse action plans at the June strategy meeting.

The board discussed a range of points arising from the CEO's report. There was a clear opportunity for the Trust to participate in the national debate around knife crime, with Mr Jackman reminding the board that the voice of young people was notably absent at present. Mr Lynas supported this, but cautioned that the NCS programme should not be perceived as a panacea for all of society's challenges.

4.2 KPIs for 2019/20 - Mr Lynas confirmed that the board's feedback had been reflected in the revised proposals being tabled. As previously discussed, management's preference was for the bulk of operational KPIs to be measured on a school year basis, reflecting the realities of the annual recruitment and delivery cycle.

Action: Michael Lynas

The board discussed various aspects of the proposals, particularly in relation to impact, cost and value for money. They felt that:

- it was crucial to understand (with appropriate evidence) the societal value that could be delivered from a programme costing £1,700 per participant and to be able to compare this to the value from a lower-cost programme variation
- we should continually reinforce the message that the value delivered from the NCS programme exceeded the costs and asked that the September proposals focussed on a value-added metric rather than a unit cost number. Mr Lynas was also asked to consider using data from the DCMS Community Life survey, and consider adding a question to this if necessary.

Action: Michael Lynas

The board approved the KPI metrics and targets for 2019/20 as tabled.

4.3 Budget for 2019/20 - Mr Sabbe confirmed that the budget had been reviewed by the DCMS civil servants and by the relevant minister. One change arose from the officials' review, a reduction of around 10% (£1 million) in the marketing budget, which we were able to accommodate due to increased efficiencies. DCMS had also requested that we drop the request for contingency funding from the budget and instead make a second submission once the recommissioning process was completed. We had been assured explicitly that this was purely a matter of process and should not be seen as introducing financial risk into the 2019/20 year. Mr Cleal confirmed that the revised budget had been reviewed by the ARC members and was recommended by them.



The board approved the budget for 2019/20 as tabled, noting that a resubmission would be needed once the recommissioning procurement processes had been completed.

- 4.4 Management Agreement - Mr Sabbe confirmed that the negotiations over the management agreement (which was intended to run for the duration of the forthcoming CSR settlement) were substantially complete, with only the issue of the applicability of Cabinet Office controls remaining outstanding. However, though we had been close to agreement with DCMS on the inter-related matter of the ownership of intellectual property relating to the NCS programme, an issue had been raised at a late stage by the Government Legal Department. Having taken our own advice on this matter, we believed that a solution was possible but this was a nuanced situation that would require further negotiation.

The board reaffirmed its determination that the Trust should own all of the intellectual property relating to the NCS programme (at a minimum, in England) and that it was not prepared to enter into a longer term management agreement until this matter was resolved to its satisfaction. Accordingly, the board resolved that the term of the existing interim management agreement should be extended until the earlier of (i) its next scheduled meeting on 7 June 2019 or (ii) the date on which a documented agreement with DCMS in terms acceptable to the board was available for signature.

- 4.5 Management accounts - accounts for the month of (and eleven months to) February 2019 were noted by the board.

5. **Strategy development**

The chairman welcomed Tom Meakin and Louis Chambers of McKinsey to the meeting. They outlined the aims of the work which they were performing on a pro bono basis, working in conjunction with the in-house strategy team and other functions. The aim was to build on the board's existing 3-5 year strategy and develop a vision for 2035, when a child born today would be undertaking the NCS programme. McKinsey felt that the current strategy was expressed in very high-level terms and while there was buy-in from some stakeholders, this did not currently amount to overly broad support and could benefit from further clarification of the 'what'. They believed there was scope for some bold choices to be made in 'how' NCS could be delivered once there was clearer alignment on prioritising what needed to be achieved.

The first phase of their work involved gathering perspectives from a wide range of stakeholders on these points to inform the board's discussions and decision-making in June. The board was asked that the list of proposed interviewees should be even more widely-drawn and include more known critics of the programme and the Trust, plus youth organisations and the YPs themselves and prospective employers. Dame Sally also urged the team to extrapolate from known and emerging societal issues and trends (our divided society, the impact of social media on young people's mental health and other issues) and identify groups who could provide a perspective on the value NCS could deliver. It was also recommended that the regional and national youth board members be encouraged and supported in carrying out their own small-scale research projects, to provide a wide range of youth voices.

Ms Okezie was keen that the Patrons had a voice in this project and that the Trust should continue to work with these important stakeholders.

Mr Chambers and Mr Meakin left the meeting.

6. **Possible use of the CIC reserves**

Mr Sabbe noted that the Community Interest Company (CIC) that previously delivered the NCS programme held significant cash reserves, being largely derived from the accumulation of



parental contributions over a number of years. As a private sector company, the CIC required a financial ‘cushion’ as it would not necessarily receive government financial support in adversity. DCMS had therefore allowed it to retain these funds to mitigate the operational and financial risks of the NCS programme that were carried by the CIC. He clarified that none of the CIC’s reserves was government money, which had been confirmed in writing by DCMS.

He outlined proposals for the future of the CIC company and the application of its funding. Mr Lynas had discussed these conceptually with the chair of the CIC board, who was interested in potential suggestions from the Trust board. While a number of directors strongly supported the proposals, other directors voiced a range of questions and concerns. The chairman thanked Mr Sabbe for his work. Given the clarity over our strategic ambitions and the funding of these that was expected to arise from the McKinsey work, he asked that the proposals be brought back in September before any suggestions were shared with the CIC board.

Action: Jeroen Sabbe

Mr Sabbe left the meeting.

7. Strategic pillar deep dive - “Network”

The chairman welcomed Ms Best, Mr Lyons and Mr Kerslake to the meeting.

- 7.1 Recommissioning - Mr Lyons provided an update on the status of the recommissioning procurement processes, which were on track. All of the bids received had been within the parameters of the Outline Business Case and the process was expected to result in a marked widening of the supplier base. The team expected to meet all of the objectives set by the predecessor board and endorsed by the current board. We would shortly enter the final phase of the project, the governmental governance processes leading to approval of the Full Business Case (FBC), expected to take around three months. We anticipated advising the bidders of the outcomes in May, to enable mobilisation from July onwards, though the governance processes would not have been completed at that time. He felt that the critical requirement was now the approval of the FBC. He confirmed that this had been an EU-compliant procurement process and there were no other material risks that he felt needed to be specifically flagged to the board.

Mr Lyons confirmed that, in the event of a delay in achieving approval of the FBC, the normal commercial challenges would be likely to arise, but we currently have excess capacity in the bid responses and could weather the withdrawal or loss of some suppliers. Only a handful of our current partners were likely to finish up with no ongoing involvement, and there was a detailed plan for how we would communicate this and look to find opportunities for them to become involved with successful bidders by way of mitigation.

In response to board questions, Mr Lyons confirmed that the risk of delay in the government’s approval of the FBC had been explored in depth. Some suppliers may lose faith or be forced to withdraw if the cashflow impact was unacceptable, and we intended to make DCMS and HM Treasury aware of these risks. While ‘Plan B’ options were being considered, these should not in any way detract from the pressure that we should be exerting on the decision makers.

- 7.2 Target Operating Model - Mr Kerslake confirmed that the TOM had been developed over a period of around nine months, including a rapid ramp-up over the last two to three months. Work was now ongoing at pace and scale in readiness for mobilisation from July onwards and in readiness for full commencement on 1 September 2019.

He outlined the structure of the project to enable the delivery of recommissioning in both the direct and indirect delivery regions and the non-financial benefits that were expected to accrue from this. Crucially, the Trust would become less London-centric and more decentralised as our centre of gravity moved closer to the point of delivery. We would also gain a foothold and



voice in local communities that was not available to us under the current delivery model. The opportunity was also being taken to make the programme more standardised (with the goal of participants' experience being more consistent), without losing the ability to take advantage of the unique local opportunities that were sometimes available. The overall aims of improved efficiency and value for money would be prioritised through strengthened partnerships and rigorous cost focus, underpinned by collaboration and a culture of continuous improvement.

Ms Best previously worked for an RDP and had, at one stage, been responsible for the delivery of around one third of the national NCS programme. She outlined the management structures to be implemented in the direct and indirect delivery regions, and how learning from our management of the SW2 region and all other available knowledge of best practice had been incorporated into the organisational design. She confirmed that planning for the network mobilisation aspects of recommissioning were well advanced and confirmed that these would enable us to be ready for 1 September 2019. We would then continue to develop and perfect the organisation through the recruitment phase and the delivery of the 2020 programme. Responding to Mr Summerfield, she confirmed that there would be a forum for sharing best practice between regions, including between the direct and indirect regions.

The board did not underestimate the enormity of the challenges that would be faced and wished to be given regular updates on the implementation of recommissioning and the TOM.

Action: Michael Lynas

It was also anticipated that providers who felt they had lost out through the recommissioning process would lobby any board members they knew, and it would be helpful for the directors to be briefed prior to the procurement outcome communications being issued.

Action: Rob Bellhouse

The board also wished to receive reassurance ahead of the 2019 summer programme delivery on partner motivation and specifically that the quality of delivery and safeguarding would in no way be compromised by the changes that would flow from recommissioning. It was agreed that board conference calls could be convened as necessary to discuss the network's readiness to deliver the summer 2019 programme.

Action: Rob Bellhouse

7.3 Delegation of authority - the board resolved to create an ad hoc committee of the board, to be known as the Recommissioning Committee, to which the full powers of the board would be delegated in order to:

- a) approve the contracts flowing from the recommissioning process (variously relating to the Accommodation Partners, the Management Partners, the Delivery Partners and the Recruitment Partners) (collectively, the Contracts) on such terms as that committee may see fit;
- b) execute the Contracts (with either manuscript or soft signatures); and
- c) take such other decisions and actions (including entering into additional agreements) as the Recommissioning Committee may judge necessary, conducive or incidental to those main aims.

The members of the Recommissioning Committee shall be Brett Wigdortz, Paul Cleal and John Maltby (the Named Members), failing whom any Named Member plus any other non-executive director.

Quorum for a meeting of the Recommissioning Committee shall be any two Named Members, failing whom any Named Member plus any other non-executive director of NCS Trust.

Ms Best, Mr Lyons, Mr Kerslake and Dame Julia left the meeting.



8. Private session

The non-executive directors met in private session, with Mr Bellhouse in attendance.

The meeting closed at 7:15 pm.

These minutes were approved as a correct and complete record of the proceedings by the board at its meeting on 7 June 2019 and signed by the chairman as authentication.

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Chairman



NATIONAL CITIZEN SERVICE TRUST

Board meeting 28 March 2019 - Action schedule

Min	Action	By whom?	By when?
2.3	Discuss with the board the risk that the CSR settlement might not enable the Trust to deliver the targeted growth in participation numbers, without making significant changes to the programme format and/or content	Michael Lynas	7 June 2019
4.2	Proposals for KPIs on a school year basis to be brought to the September meeting.	Michael Lynas	11 September 2019
4.2	Societal value that could be delivered from a programme costing £1,700 per participant compared to a lower-cost programme variation	Michael Lynas	11 September 2019
4.2	September proposals to focussed on a value-added metric rather than a unit cost number.	Michael Lynas	11 September 2019
4.2	Consider using data from the DCMS Community Life survey, and consider adding a question to this if necessary	Michael Lynas	11 September 2019
6	Revised suggestions on the use of CIC reserves to the September meeting	Jeroen Sabbe	11 September 2019
7.2	Provide regular updates on the implementation of recommissioning and the TOM	Michael Lynas	Ongoing
7.2	Directors to be briefed prior to the recommissioning procurement outcome communications being issued	Rob Bellhouse	30 April 2019
7.2	Board conference calls could be convened as necessary to discuss the network's readiness to deliver the summer 2019 programme	Rob Bellhouse	As needed