

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### NATIONAL CITIZEN SERVICE BILL [*LORDS*]

*First Sitting*

*Tuesday 24 January 2017*

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Programme motion agreed to.  
Written evidence (Reporting to the House) motion agreed to.  
CLAUSES 1 to 2 agreed to.  
SCHEDULE 1 agreed to.  
CLAUSES 3 to 11 agreed to.  
SCHEDULE 2 agreed to.  
CLAUSES 12 to 15 agreed to, some with amendments.  
Title amended.  
Bill, as amended, to be reported.  
Written evidence reported to the House.

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**not later than**

**Saturday 28 January 2017**

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**The Committee consisted of the following Members:**

*Chairs:* STEVE McCABE, † MR CHARLES WALKER

† Brazier, Sir Julian (*Canterbury*) (Con)  
 Fernandes, Suella (*Fareham*) (Con)  
 † Heapey, James (*Wells*) (Con)  
 † Howlett, Ben (*Bath*) (Con)  
 † Jarvis, Dan (*Barnsley Central*) (Lab)  
 † Jones, Susan Elan (*Clwyd South*) (Lab)  
 † Pow, Rebecca (*Taunton Deane*) (Con)  
 † Reed, Mr Steve (*Croydon North*) (Lab)  
 Smeeth, Ruth (*Stoke-on-Trent North*) (Lab)  
 † Smith, Jeff (*Manchester, Withington*) (Lab)  
 † Stuart, Graham (*Beverley and Holderness*) (Con)

† Tomlinson, Michael (*Mid Dorset and North Poole*) (Con)  
 † Turley, Anna (*Redcar*) (Lab/Co-op)  
 † Vickers, Martin (*Cleethorpes*) (Con)  
 † Whittaker, Craig (*Calder Valley*) (Con)  
 † Wilson, Mr Rob (*Parliamentary Under-Secretary of State for Culture, Media and Sport*)

Farrah Bhatti, Clementine Brown, *Committee Clerks*

† **attended the Committee**

# Public Bill Committee

*Tuesday 24 January 2017*

*(Morning)*

[MR CHARLES WALKER *in the Chair*]

## National Citizen Service Bill [Lords]

9.25 am

**The Chair:** Before we begin line-by-line consideration, I have a few preliminary announcements. Please switch electronic devices to silent. Tea and coffee are not allowed during sittings. First we will consider the programme motion on the amendment paper. We will then consider a motion to enable the reporting of written evidence for publication. In view of the time available, I hope we can take these matters formally without debate. I call the Minister to move the programme motion standing in his name.

*Ordered*

That—

(1) the Committee shall (in addition to its first meeting at 9.25am on Tuesday 24 January) meet—

- (a) at 2.00pm on Tuesday 24 January;
- (b) at 11.30am and 2.00pm on Thursday 26 January;

(2) the proceedings shall be taken in the following order: Clauses 1 and 2; Schedule 1; Clauses 3 to 11; Schedule 2; Clauses 12 to 15; new Clauses; new Schedules; remaining proceedings on the Bill;

(3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00pm on Thursday 26 January.—  
(*Mr Wilson.*)

*Resolved,*

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Mr Wilson.*)

**The Chair:** Copies of written evidence that the Committee receives will be made available in the Committee Room. I now come on to a very long speech, I am afraid, colleagues. The deadline for amendments to be considered at this Thursday's sitting of the Committee was rise of the House yesterday. The selection list for today's sitting is available in the room and on the website. This shows how the selected amendments have been grouped together for debate. Amendments grouped together are generally on the same or a similar issue.

A Member who has put their name to the leading amendment in a group is called first. Other Members are then free to catch my eye to speak on all or any of the amendments in that group. A Member may speak more than once in a single debate. At the end of a debate on a group of amendments I shall call the Member who moved the leading amendment again. Before they sit down, they will need to indicate whether they wish to withdraw the amendment or to seek a decision. If any Member wishes to press any other amendment or a new clause in a group to a vote they need to let me know. I shall work on the assumption that the Minister wishes the Committee to seek a decision on all Government amendments if any are tabled.

Please note that decisions on amendments do not take place in the order that they are debated but in the order they appear on the amendment paper. In other words, debate occurs according to the selection and grouping list. Decisions are taken when we come to the clause that the amendment affects. I shall use my discretion to decide whether to allow a separate stand part debate on individual clauses and schedules following the debates on the relevant amendments. I hope that that explanation is helpful.

### Clause 1

#### NATIONAL CITIZEN SERVICE TRUST

**Mr Steve Reed** (Croydon North) (Lab): I beg to move amendment 4, in clause 1, page 1, line 11, after “society” insert “and encourage social integration”

*This amendment emphasises the need for the NCS Trust to encourage social integration as part of its primary functions.*

**The Chair:** With this it will be convenient to discuss amendment 5, in clause 1, page 1, line 15, after “England” insert “, in particular hard-to-reach young people”

*This amendment introduces, as a primary function of the NCS Trust, the need particularly to target ‘hard-to-reach’ young people.*

**Mr Reed:** Thank you, Mr Walker. I will put on record at the beginning of the debate that my party is delighted to support the Bill. We think it will play a very important role in the life of the country going forward. It is important that young people are given the chance to develop skills and interests that will support them well through the rest of their lives—not just into employment, although of course that is a primary concern, but for their wider well-being and for the enjoyment of their lives and leisure time, enabling them to make a positive contribution to society, of which each of them is a very important member. For those reasons and many more we very much support the Bill.

Amendment 4 seeks to strengthen one of the most important features of the National Citizen Service—its promotion of social integration and how it seeks to bring together young people from differing backgrounds who would never otherwise have the opportunity to meet, particularly during their early, formative years. If the shared society is to mean something, it must mean something to young people from different social backgrounds and different parts of the country who can all come together and develop a better understanding of what they have in common and how they can use those new bonds to make a difference to their own lives and to the country. NCS has a very big role to play in strengthening a common identity for young people, but we want to make sure that the legislation will enable that to happen to the absolute maximum.

Amendment 4 reflects the broad support on Second Reading for the work of NCS in encouraging social integration. The Minister said that he was willing to consider the arguments for protecting and strengthening that further in legislation, which is the spirit behind the amendment. The Bill and the draft royal charter mention social cohesion, but cohesion is not an outcome; it is the process. Although that difference may seem fine, it is very important because, without focusing on integration,

we will not secure the greater cohesion we want to deliver. Social cohesion is one of the defining challenges of our time. Last year showed us many things and one was how divided this country is, in many senses right down the middle. That makes the role of the National Citizen Service all the more important in trying to bridge that divide and to bring this country back together.

Young people from different backgrounds living, working, eating and facing challenges together is incredibly important, and not just young people from different parts of the country. My experience in south London, as a council leader previously, and today as a Member of Parliament, is that too many young people and too many of our communities lead parallel lives that never come together. Young people living on an estate in relatively poor circumstances, many of them not knowing any adults in long-term, secure, well-paid employment, may grow up believing their future to be incredibly limited and constrained compared with other young people living in nearby streets whose parents work and whose friends are in good employment. They may grow up with very different expectations.

Those young people may pass one another in the street or sit on the same bus together, but their lives never meaningfully meet. It is important that NCS can play a role in bringing those two communities together. Those young people are all part of the same country. They need to feel that they have the same stake in our country and to be equipped to contribute to it to the best of their ability so that they can meet their full potential. We seek to amend the Bill slightly to allow that to take place. The process is necessary to achieve a cohesive community, which we believe will be one of the foundations for the Prime Minister's shared society. Indeed, she referred to that in her recent speech when the Minister was present.

Amendment 5 seeks to ensure a specific mention for young people from harder-to-reach backgrounds because it is important that they continue to play a full role in the National Citizen Service alongside young people who are perhaps easier to reach. A common theme on Second Reading, raised on both sides of the House, was that we want young people from all backgrounds to continue to have full access to the benefits and opportunities of the National Citizen Service.

The Minister was correct in saying the proportion of NCS participants from a free-school-meals background is higher than in the general population. That is welcome, of course, but the number of young people from that background taking part has fallen from 23% in 2011 to 17% in 2014. That, if not arrested, is a danger, which the trust and those involved in running NCS are focusing on correcting. We do not, however, want participation targets to be met by accessing young people who already have the capacity to participate and therefore miss young people from harder-to-reach backgrounds who might benefit even more from taking part in the National Citizen Service if they continue to have those opportunities.

The purpose of the amendments is to strengthen and support the Bill. The Bill has our full support, but it is still possible to improve it.

**The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson):** May I say what a pleasure it is to serve under your chairmanship again,

Mr Walker? I thank all members of the Committee for joining in the scrutiny of the Bill today. I was delighted on Second Reading to hear Members from both sides of the House endorse the National Citizen Service so strongly, often based on their personal experience in their constituencies. All the discussion today, as begun by the hon. Member for Croydon North, will be motivated by the aim to make NCS the best possible experience for young people in our country. I am grateful to hon. Members for raising the topic of social integration. As my right hon. Friend the Prime Minister said,

“A central challenge of our times is to overcome division and bring our country together.”

I believe NCS has enormous potential in that area and is already showing its strength in bringing together people from different backgrounds. To echo a point made on Second Reading by the hon. Member for East Worthing and Shoreham (Tim Loughton), when one visits an NCS programme one can see young people from very different backgrounds at either end—literally—of a rope.

The 2015 Ipsos MORI evaluation of the programme found that eight out of 10 NCS participants feel more positive about people from different backgrounds after they have been on the programme. The Bill and the charter must, and will, ensure that that remains a core part of NCS. Indeed, article 3.1 of the royal charter sets a primary function for the NCS Trust to provide programmes

“with the purpose of enabling participants from different backgrounds to work together in local communities to participate in projects to benefit society”.

The charter goes on to say at article 3.4.a that one of the objectives of the trust in exercising its function is

“to promote social cohesion by ensuring equality of access to the programmes by participants regardless of their background or circumstances”.

It makes it clear that an essential element of NCS is that participants from different backgrounds work together. That is in practical language what social integration means on NCS. The Bill would ensure that Government, Parliament and the public can hold the NCS Trust to account for its success in that area.

Clause 6, which we will come to later, sets as one of the specific reporting requirements

“the extent to which participants from different backgrounds have worked together in those programmes”.

The Bill and the charter, although they do not use the precise words, cover the need for social integration as an integral part of NCS in future, as it is now. Both consciously use language that describes what social integration actually means in the context of NCS: participants from different backgrounds working together.

We want the Bill to remain in plain English and to avoid packing it with too many conceptual terms or buzzwords. If we add “social integration” we could add many other phrases such as “social cohesion”, “social inclusion”, “social mobility”, “social engagement” and so on. Instead, the functions listed in the charter and the Bill should focus on what the trust should actually be doing; in effect, doing what it says on the tin.

Although we agree entirely with the underlying principles of the amendment, I do not think it would add anything to the Bill that is not already sufficiently covered. However, I will commit, without guarantees, to look at whether

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we might be able to capture the importance of social integration any better in the royal charter. I will look at the royal charter, but the Government do not support the amendment because the phrase “social integration” would not add anything meaningful to the Bill.

On the second amendment, I am again grateful to the hon. Member for Croydon North for raising the importance of engaging with hard-to-reach young people. It brings me back to the key principle of the NCS—that it must be accessible to all. NCS participants leave home to stay with other young people from different schools, streets and towns. That is part of what makes the NCS experience so special. Social mixing sits at the heart of the trust’s functions, as set out in full in the royal charter. The trust must enable participants from different backgrounds to work together.

Article 3.4.a of the charter specifies that, in exercising its functions the trust must ensure

“equality of access to the programmes by participants regardless of their background or circumstances”.

To bring together people from different backgrounds, it will have to promote the programme across the country. It will have to work with its providers, schools, local authorities and other youth sector organisations to make sure that young people know about the programme and that there is a place for them, regardless of their circumstances. That is our manifesto commitment and that is what is hardwired into the Bill and into the charter.

**Ben Howlett (Bath) (Con):** On a point of clarification, on Second Reading, many of my hon. Friends and other hon. Members raised the fact that NCS should retain the flexibility not just to work within local communities, but also around the rest of the UK, to ensure communities can work together. Does this clause give the flexibility for NCS to be able to work with other authorities from around the rest of the UK, so this could become a more national programme?

**Mr Wilson:** This is not a UK-wide programme as it currently stands. Wales and Scotland have not so far chosen to undertake NCS and there is a separate organisation undertaking it in Northern Ireland, which we will come on to. The NCS Trust has flexibility to deal with any organisations it chooses to deal, because a key part of the Bill is to keep its independence in making choices about whom it uses on a day-to-day basis. We do not want to get involved in the day-to-day running of the NCS Trust.

The trust will have to report each year on the extent to which participants from different backgrounds have worked together. Parliament can hold it to account directly for how it has demonstrated that individuals have come together in NCS groups. In addition, in the updated version of the royal charter, we have added a recital to the preamble to further emphasise the point that

“it is desirable to take steps to overcome any barriers to participating in volunteering opportunities which young people may face as a result of their background or circumstances.”

The Bill and the charter put these responsibilities front and centre. The documents have been drafted to ensure that there is no legal ambiguity: there can be no

doubting what the trust is there to do and what it is there to deliver. I hope that hon. Members recognise that the words “hard to reach” can be interpreted in various ways. Some groups of young people are not necessarily disadvantaged but are hard to reach for NCS. For example, independent school pupils are under-represented on NCS, often because they have access to many other competing opportunities. Ultimately, we want all young people to take part, including “hard to reach” young people. The charter makes it clear in article 3.4 and the preamble that the trust must take steps to make NCS accessible to all.

9.45 am

Social mobility and social mixing are important components of NCS. It would not be NCS if young people from different backgrounds were not coming together to make a difference in their local communities. If the Trust did not promote the programme—including efforts to engage “hard to reach” young people—it would not be fulfilling its functions, as set out in article 3 of the royal charter. I therefore do not think this amendment is necessary and do not support its inclusion in the Bill.

**Mr Reed:** I thank the Minister for his response to my questions and I recognise what he said about looking again—without guarantees, sadly. However, the willingness to look again at the royal charter is welcome. We would be happy to work with the Minister on that basis.

It is important the Bill continues to enjoy cross-party support in the way it has so far. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** I will be brief, but there are a couple of issues that need to be drawn out. Clause 1 defines the NCS Trust for the purposes of the Bill. In the Bill, “NCS Trust” simply means the body that will be incorporated in the royal charter. The draft royal charter for the trust has been laid before the House, and the charter is the trust’s key constitutional document. It works together with the Bill, which creates a framework of accountability for the new charter body. The primary functions of the trust are laid out in the royal charter and repeated in clause 1 as part of the definition of the NCS Trust. The functions lay out the trust’s core purpose, which is to arrange the delivery of the NCS programme and, of course, to promote it.

Clause 1 specifies key outcomes that the trust will be tasked to pursue in order to achieve these primary functions. The NCS programme must aim to bring people together from different backgrounds, as we have discussed; the programme must also enhance the skills of participants and enable them to work on projects to benefit society. That expresses the essence of what NCS aims to achieve.

For the purposes of clause 1—and this why I particularly wanted to deal with this now—there is a definition of young people. It means 16 and 17-year-olds, but it can also include 15-year-olds or people who are between 18 and 24. That reflects the way in which the royal charter defines which young people the NCS programmes must be available to. The charter ensures that the

programmes are always available to 16 and 17-year-olds: the core group for NCS. However, at its discretion, the trust may allow children who are 15 or 18 to 24 on the programme. That reflects its current practice and is designed for exceptional circumstances when someone is unable to do the programme when they are 16 or 17. For example, they may have a learning disability, or perhaps they have caring responsibilities—something of that nature.

Part of NCS's strength is that it provides a common experience at a particular age; we will not, therefore, broaden the normal age range. The NCS Trust will not proactively recruit participants who are over 17. Part of the strength of NCS is that it brings people together to share a common experience at a distinct point in time, at a formative stage of their life—in this case, post GCSE—but not every 16 or 17-year-old will be able to participate. For example, it may be more appropriate for a young person who has a disability to take part when they are slightly older. That is why the charter, as reflected in clause 1, gives the trust discretion to allow young people aged 15 to 25 participate. We want NCS to be available to any young person aged 16 or 17 who wants a place, and the provision is an important part of ensuring that that is the case.

Clause 1 specifies that “young people” in the Bill means those residents who are receiving education or training in England. The NCS Trust will arrange for the delivery of NCS only in England and, as I said, it is important that it is open to any young person in this country as per the manifesto commitment. That includes refugees and people who are living, training or receiving education in England. Clause 1, therefore, is essential: it provides the key definitions and should stand part of the Bill.

**Mr Reed:** The Minister has anticipated my questions about the potential for using the wider age range to meet participation targets if that was not met within the normal age range. On the basis of what the Minister has said, I am reassured and support the clause.

*Question put and agreed to.*

*Clause 1 accordingly ordered to stand part of the Bill.*

## Clause 2

### TRANSFER SCHEMES

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** Clause 2 introduces schedule 1, and I would like to deal with both provisions together. Clause 2 contains power for the Secretary of State to make a transfer scheme for transferring the assets, liabilities and staff of the current NCS Trust to the new body being established by the royal charter. Without this clause, the transfer to the new body would not be overseen by Government. The existing trust would essentially have to oversee its own transfer, issuing contracts and reemploying its staff which would obviously be extremely longwinded and very inefficient. Schedule 1 has been drafted to ensure Government can oversee a transition that is managed effectively and over an appropriate period of time. The trust will change from a community interest company to a public body: it is

right that Government take responsibility for its set-up to ensure an orderly transition with all the necessary safeguards.

Schedule 1 contains further detail on the transfer powers and is essential to achieve a smooth transition from community interest company to royal charter body. The royal charter will incorporate a new charter body, but we want the NCS Trust to transition seamlessly from one form into the other.

First, schedule 1 allows the Secretary of State to make a staff transfer scheme to transfer the staff of the community interest company to the royal charter body. The transfer will follow the principles of TUPE regulations as appropriate, but giving effect to the transfer via a specific scheme allows a straightforward and orderly approach to the transfer. That is good for the staff and good for the business of NCS. The scheme will ensure that terms and conditions for employees are maintained as appropriate. The schedule also includes a power for the scheme to provide for employees to be regarded as having been in continuous employment, despite the break between bodies. The schedule requires the Secretary of State to be satisfied that staff and other people likely to be affected by the transfer, as well as their representatives, have been consulted before making a transfer scheme. The Secretary of State must have regard to the result of that consultation in determining whether to make the transfer scheme.

Secondly, schedule 1 allows the Secretary of State to make a property transfer scheme that can give effect to the transfer of property, rights and liabilities of the community interest body to the charter body. The scheme would allow for continuity of business for the community interest company. In particular, the contracts between the NCS Trust and its regional delivery partners can be transferred using this power. In summary, the schedule provides powers that will allow an orderly transition between the community interest company and the royal charter body, with all the necessary safeguards to ensure that employees and third parties are not unfairly prejudiced by the transfer.

*Question put and agreed to.*

*Clause 2 accordingly ordered to stand part of the Bill.*

*Schedule 1 agreed to.*

## Clause 3

### FINANCE

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** Clause 3 allows the Government to fund the NCS Trust out of money approved by Parliament. NCS is a Government-funded programme. It was piloted in-house by the Cabinet Office before the NCS Trust was set up to grow it, funded by a grant made under the Charities Act 2006. The majority of the Government's controls have been in the grant agreements, re-negotiated each year with the trust. As NCS grows and becomes a more permanent feature of society, the Government need to establish a new legal relationship with the trust.

As a public body, the trust will receive grant in aid funding, which is the normal way such bodies are funded by the Government. All the necessary Government

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controls and parliamentary oversight will have been agreed, allowing for a more straightforward and arm's length grant agreement. In this case, the royal charter will set out the trust's constitution and the Bill sets out many of the conditions to which it must adhere, such as producing an annual report each year. There will be no need to re-draft these elements each time a grant is renewed. The Government and Parliament's financial relationship with the trust will be simpler, more transparent and much more secure.

Clause 3 is a crucial part of the Bill. NCS will continue to be a publicly funded body charged with delivering the Government's commitment to provide a place on NCS for every young person who wants one. Clearly, the clause does not bind future Governments to any maximum or minimum amount of funding for NCS, but an essential component of the Bill is to give the Secretary of State the power to fund the trust.

**Mr Reed:** We welcome the fact the Government have chosen to put funding into an organisation that is providing such benefits to young people. That would be welcome at any time, but it is particularly welcome at a time of austerity, when we are seeing funding for youth services and activities across civil society, let alone the public sector, fall in ways that have made it difficult for many of those organisations to continue providing a service.

There has been criticism in some quarters about the amount of money going to NCS, relative to the cuts elsewhere. I will not repeat those comments, because the right thing to do is welcome the fact that the Government are funding NCS to a level that will allow it to do what it sets out to achieve. That is undoubtedly a benefit to young people and we wholly welcome it.

However, a recent National Audit Office report raised concerns about the funding for NCS, which I am sure the Minister is looking at. In the context of the clause, I would welcome hearing the Minister put on the record his approach to some of the challenges raised by the NAO. That is important, because every penny of public money that is spent anywhere must be fully scrutinised so that we are confident that it is delivering the maximum value, and not just to taxpayers but to the young people and others who will benefit from these services.

The NAO report was published a few days before Second Reading and the Government did not have an opportunity to respond to it before then, so I would welcome a statement from the Minister on whether the Government will provide a full response. The report states:

"The NCS has cost more per participant than was anticipated and needs to reduce by 29%, to remain within the Spending Review limit."

What steps is the Minister taking with the trust to ensure that spending comes down to the level it should be at, and when will that happen? What assurances do we have that the quality of the programme will not fall if costs need to be cut by nearly a third? Young people signing up for this programme need assurances about what they are going to receive. Given the NAO's concerns, young people might have some doubts in their minds about what might be made available to them.

**The Chair:** Minister, you may wish to respond to those comments now, but they could equally apply to clause 4, as I have been advised by the Clerk. Would you like to respond to the questions now or wait until clause 4?

**Mr Wilson:** As the hon. Member for Croydon North has raised them, I should probably respond now.

**The Chair:** Okay.

**Mr Wilson:** I thank the hon. Gentleman for his comments and for mentioning the NAO report. He is right that we did not have time to discuss it in any detail on Second Reading. It is a welcome report that did not raise any issues of which I was not already aware. Over the past couple of years we have looked in detail at how the NCS Trust is carrying out its functions. It is right that the NAO raised and confirmed those issues with us. We were already some way down the road to making the necessary changes to ensure that some of those concerns are dealt with. Indeed, one of the reasons for the Bill is to address some of those NAO concerns, because the Bill and the charter will create a new legal framework for the NCS Trust, ensuring that there is proper Government oversight of the trust's governance and accountability to Parliament for how it performs. The Bill feeds a much stronger accountability process into the system. We obviously want to make NCS the best it can possibly be, and the Bill plays an important part in that.

**Rebecca Pow (Taunton Deane) (Con):** I believe that the scheme has already shown great promise, but this is a critical time. Will the Minister give assurances that setting up the royal charter will enable us not only to reach the target of 360,000 students, but to lower the cost, which will be essential if the sums are to work?

10 am

**Mr Wilson:** One issue raised by the NAO report was that of targets. I have been looking at those over the past year to ensure that we are not, as the NAO said, focused only on targets. We will make an announcement about them in due course, because we have been working to amend them for some time. The Bill will help us to reach the targets and ensure that NCS provides the quality and quantity of places that the Government and taxpayers want with the money they provide.

The trust is constantly looking at value for money, because obviously it must provide a high-quality, safe programme. That requires a long-term commitment on funding to allow the NCS Trust and its delivery partners to plan properly and to invest in development of the programme. Value for money is a priority, which is why the trust will have to report on it specifically every year. The requirement will be a clear mandate in the legislation, and I am sure we will discuss that in more detail today.

We will certainly be working with the NCS Trust as it goes through the re-contracting process in 2018. The contracts in place now were primarily signed in early 2014—certainly before I was a Minister with that responsibility. That process is under way and the new contracts will be signed in 2018. We will ensure that we get the best possible value for the programme. The long-term budgets for NCS have a requirement that the

cost per place must come down, and to that end the NCS Trust is looking at and testing innovation and delivery within the system.

The hon. Member for Croydon North briefly mentioned commissioning. I will try, also briefly, to deal with that. We do not want to be prescriptive. The Bill is concerned with the outcomes of the trust and its providers, but not so much the inputs. For example, it would not be appropriate to put into statute the particular ways in which the trust must work with its providers. It must report on a range of different performance measures that take both quality and quantity into account. It reports on the number of participants who take part each year, the number who have a disability, the number of hours spent volunteering, the quality of the programme, the extent to which participants from different backgrounds have worked together in those programmes, and the extent to which they get value for money.

I hope that the hon. Gentleman is reassured by my comments on how we will deal with the NAO report. We will certainly make a formal response in due course.

*Question put and agreed to.*

*Clause 3 accordingly ordered to stand part of the Bill.*

#### Clause 4

##### ACCOUNTS AND AUDIT

*Question proposed, That the clause stand part of the Bill.*

**Mr Wilson:** Well, Mr Walker, we are going at a fair old pace and you are keeping me on my toes today.

Clause 4 is the first of several clauses that form a considered set of measures to make the trust fully accountable for the taxpayer's money it receives. It sets out the accounting and audit requirements to which the trust will be subject. These are straightforward: it must produce accounts each year in a form prepared according to any direction set by the Secretary of State and send them to the Comptroller and Auditor General as soon as practicable. The NAO will be the trust's official auditor, I am delighted to say, as is typical for public bodies. It will examine, certify and report on the accounts. The Comptroller and Auditor General must then place a copy of the accounts before Parliament. We are determined to ensure proper accountability of spending on NCS and the clause is obviously a key part of that.

The Bill has been introduced to make the trust accountable to Parliament in its royal charter form. If the Bill did not require the trust to produce accounts or lay them before Parliament, the Government would be failing in our aim to provide Parliament and the public with details of how the trust has discharged its funding. In accordance with "Managing public money", the Government's handbook, we will in practice require the trust to have an accounting officer to sign off the accounts. The principal accounting officer in the Department for Culture, Media and Sport will confer accounting officer status, and this will typically be the chief executive of the organisation.

Parliament can call the accounting officer to account for the management of the trust's resources. Standards for accounting officers are high and they are expected to ensure that their organisation is running effectively

and to a high standard of probity. Were Parliament to become concerned about the trust's accounts, Committees such as the PAC can call it to account.

The clause requires that the accounts must be submitted to the auditor as soon as is practicable. This allows flexibility from year to year. The Government work collaboratively with their public bodies, so the Bill will not tie either party to any working process unnecessarily. The clause also specifies:

"The accounts must be prepared in accordance with any directions given to the NCS Trust by the Secretary of State as to the form of those accounts."

That is a delegated power that can be used to ensure that the trust is up to date with the latest accounting practices and standards in governance.

*Question put and agreed to.*

*Clause 4 accordingly ordered to stand part of the Bill.*

#### Clause 5

##### BUSINESS PLAN

*Question proposed, That the clause stand part of the Bill.*

**Mr Wilson:** Clause 5 requires the trust to produce a business plan for each financial year, setting out its strategic planning for the year ahead. This works alongside clause 6, which requires the trust to report on its activities once the year is over. The clause specifies that the business plan must relate to the exercise of the trust's functions, which are set out in the royal charter—article 3 for those who want a reference—and referenced in clause 1 of the Bill. The document must outline the trust's strategic priorities for that year and the main activities it has planned.

The clause is not overly prescriptive. The trust oversees hundreds of relationships in the private, public and voluntary sectors. It works with hundreds of providers who deliver to tens of thousands of young people. Its activities are varied and will change and evolve as the programme develops. As long as the trust demonstrates how it plans to fulfil its duties set by the Bill and the charter, Parliament can be assured of two things: first, at the start of the year it will be able to assess the trust's strategic thinking and check that it is setting appropriate goals; and secondly, at the end of each year it will be able to refer to the business plan when reviewing the trust's annual report. A thorough picture from planning to delivery will be available.

The trust will be independent in its day-to-day business, using its expertise in working with young people. The clause allows the trust to produce its own business plan. The trust is responsible for co-ordinating NCS and setting its own activities, being held to account for its actions by the need to report transparently and routinely. The clause requires that the business plan be submitted by 1 June each financial year. That allows the trust sufficient time to produce a detailed document but ensures that Parliament has sight of it before the trust's busiest time of delivery begins, which is the summer programme running approximately from June to August. The Secretary of State will be responsible for laying the business plan before Parliament. We also expect the plan to be made publicly available by the trust.

**Mr Reed:** One of the problems with such a consensual Bill is that I find myself in the happy position of agreeing with what the Government are proposing. I am sorry that the Minister has had a lot of talking to do, but we are happy with the Bill.

*Question put and agreed to.*

*Clause 5 accordingly ordered to stand part of the Bill.*

### Clause 6

#### ANNUAL REPORT ETC

**Mr Reed:** I beg to move amendment 6, in clause 6, page 3, line 9, at end insert—

- “(i) the measures taken to encourage scheme participants to play a role in governance and the extent to which this leads to direct representation within the formal governance arrangements of the NCS Trust,
- (j) the extent to which participation in the programmes has led to long-term volunteering by NCS graduates.”

*This amendment encourages participants of the scheme to take part in the continued governance of the Trust. It also ensures the report includes information on the longer term volunteering by NCS graduates.*

I am delighted to give the Minister a moment to catch his breath and sort his notes out. I hope that he will also listen to a further attempt by my party to strengthen and improve aspects of the Bill. The amendment seeks to do two things: first, to strengthen the voice of participants within the governance of NCS so that it can better reflect, now and in future, the aspirations, ambitions and experiences of young people right the way through the organisation; and secondly, to strengthen the Government’s approach to long-term volunteering. It makes little sense to equip young people to play a more active role in society if we do not fully recognise and support their longer term activities in the way NCS and all of us involved in it hope it will do. The amendment, which is a probing amendment at this stage, seeks to strengthen those two aspects. We look forward to hearing the Minister’s response and then we will see how we take it from there.

On Second Reading, I and many of my colleagues made the point that, since the Prime Minister has flagged up this measure as a key element of her shared society, a shared society cannot simply be imposed. It requires power itself to be shared more widely if we want to build a truly shared society. One of the failings of many provider organisations in state and public sectors is that they fail to give their own users a voice. They become very focused on the interest and experience of the people working in the provision of a particular service, and over time they can detach themselves from the lived experiences of the people who are intended to benefit from those services.

In the private sector, customers can choose to go elsewhere to secure the things they want and businesses will go bust. When an organisation is funded by the state, without mechanisms to keep linking the service back to the people using it, it can grow remote from what is being offered, and the public money that is put in can become less efficiently used than might otherwise be the case. We seek to anchor NCS in the needs of its users—young people—into the future. That is how it will meet its participation targets, which the NAO has

warned it might otherwise miss. It is important that young people have a real voice in what NCS does and how it does it.

When the Minister responded to similar comments I made on Second Reading, he pointed to the national youth board, which is an extremely important part of NCS’s infrastructure, and important for bringing feedback from across the country back to the trust as it deliberates and makes decisions on where it goes in future. We would encourage the trust to go further. If we believe, as I do, that a shared society requires a share in power, consultation is often not enough. Consultation with users is not enough because the people with the power doing the consulting can choose not to listen to what they hear, so the consultation can prove to be fake. They can stop listening to the users if there is not a strong enough mechanism to connect them back to the young people who will be using the organisation.

A far better way is to seek ways to equalise power between the provider interest and users within any organisation, including this one. We want to have a greater user voice for young people at the top of the trust, which is an approach that needs to be expanded across public services more widely. Perhaps that is something the Prime Minister and the Government will look at as they shape the shared society.

There are other good examples in youth services. Step Up To Serve is another organisation supported by the Government. I have had the privilege of taking part in a board meeting of that organisation and seeing how it works. It has cross-party support. Like NCS, it is Government-backed, but it has five young trustees on its full board. They are there, as the Step Up To Serve websites states, to

“use the skills and knowledge gained from their own journey to influence the campaign and represent the views of young people.”

I believe that NCS would benefit from exactly the same approach as Step Up To Serve.

When I was leader of a council just across the river, I helped to set up the Young Lambeth Cooperative, which became, I believe, one of the biggest community youth trusts in the country.

**Mr Wilson:** Is the hon. Gentleman suggesting that four positions on the NCS board should be reserved for young members? Is that the case he is making now?

10.15 am

**Mr Reed:** I did not want to be prescriptive at this stage; I was merely putting down the marker that users need direct representation on the board, so that the organisation is anchored in the needs and interests of the people it exists to serve. We can have conversations, but they should not just be between politicians; we should be involving the organisation and its users in taking decisions about its governance as we move forward.

When I was involved in setting up the Young Lambeth Cooperative, which became, I believe, one of the largest community youth trusts in the country, the set-up was intended to support neighbourhoods experiencing severe problems with violent youth crime. That meant young people who were picking up knives, picking up guns and dealing in drugs. People on some estates in that community knew young people by name who had been killed as the result of very high levels of violent youth activity in particular neighbourhoods.

The council was spending hundreds of thousands of pounds—if not more—every year trying to solve a problem, but it was getting worse because the council was not listening enough to the views of the people living with the problem and whose young people were getting involved, as well as to those young people themselves. Very often, those people have a far better understanding of what is going wrong in their community, and in the access they have to opportunity, which then causes these problems to grow out of control, as they sometimes do.

The organisation was set up in a way that gave those communities a significant role in the organisation's governance. That came about through elections to an assembly that owned the trust, so making sure young people from more disadvantaged backgrounds had a real say, while 50% of the board was comprised of young people from affected neighbourhoods. This meant they could directly bring to bear their experience of what was affecting them and their peers, pulling them into lifestyles they did not want to be taken into. Without that experience at the heart of the organisation's decision making, it would not have had the credibility or the understanding to make the difference it could make in using the public money it had access to, as well as other sources of funding.

It made a difference in that case and there are many other examples up and down the country where embedding the voice of the user by giving them real power in an organisation can dramatically improve the outcome. Again, I do not wish to be prescriptive about this, but I hope the Minister will consider looking at similar models that ensure the voice of young people can be heard at the top of the organisation, not on licence from those who happen to sit on the board but as a right in the rooms where decisions are being taken.

My second point relates to volunteering. On Second Reading, I was taken by the comments of Members on both sides who pointed to the importance of the volunteering skills and experience that young people develop and how that develops—we already see it—into a desire to take part in volunteering and community activism in their adult lives as well. That will be a hugely important legacy of NCS if it achieves the potential it undoubtedly has.

NCS is well evaluated, but we are still waiting for the 2015 evaluation report. The Bill aims to strengthen accountability, but the measures miss the opportunities available to young people after they leave the programme. The purpose of amendment 6 is to ask the trust to make clear whether NCS experience has led to long-term volunteering. If we get it right, one of the organisation's key measures of success has to be the legacy it will leave in every community where young people have the opportunity to participate.

Graduates of the scheme overwhelmingly say they want more opportunities to volunteer. Nine out of 10 graduates say they want to go back and help develop NCS or act as mentors. That they want to spread that opportunity to other young people because it was so beneficial to them is incredibly welcome. NCS's website includes a list of other organisations they can sign up to, but we believe the country would benefit from a more rigorous approach to embedding volunteering for young people, and from recognising the importance of the time that they spend volunteering as a benefit, not

just for them, but for society as a whole. We believe that requires a proper legal framework for young people to be able to take the next step and take part in longer periods of volunteering. At the moment, there is no legal status that recognises full-time volunteers. In some cases, that can act as a barrier that deters young people and others from taking part in volunteering, something that presumably, from the way NCS has been set up, we are seeking to encourage.

In other countries, such as the United States, France and Germany, full-time volunteering is recognised by the state as a service and has a legal status that helps to encourage hundreds of thousands of young people to take part. It is good for them as they learn new skills and it is good for society that benefits from their energy, creativity and activity for the common good. This point matters because, if a young person in the UK takes a year of service—a year off to participate in volunteering—they will be defined as a NEET: not in education, employment or training. They do not qualify for national insurance contributions; they cannot be paid expenses if they are ill, and they cannot receive proper training from their charity. We need to address that problem if we as a society are going to benefit as we should from young people who have been equipped and supported to volunteer to the benefit of the rest of us.

Last month, the Government announced the full-time social action review. We would welcome an update from the Minister on how that is going and whether he is considering the option of legal status for volunteers, because without it we are not enabling young people to benefit in the way that they should from the tremendous opportunities they will gain in the National Citizen Service.

**Mr Wilson:** I thank the hon. Member for Croydon North for his comments, and particularly for the spirit in which he has addressed the amendment. There is an enormous amount in the Bill on which we agree. The amendment would add two additional reporting requirements to the NCS Trust, and I will cover each in turn. The first relates to the involvement of young people in governance.

The NCS Trust recognises that a programme for young people needs the input of young people in its design, governance and delivery. As the hon. Gentleman has noted, the NCS Trust has a national youth board that represents the views of 19 regional youth boards. A youth board representative often attends the main board meetings of the NCS Trust. The trust also has a group of 120 NCS leaders who act as ambassadors; this group provides another sounding board for the organisation. We want to keep the reporting requirements in the Bill short and focused on the overall aims of the NCS Trust. Clause 6 requires the trust to report on the number of participants, which links to its functions to promote NCS and, critically, on the quality of the programme.

When I wrote to the trust before Christmas about the involvement of young people among other things, the trust affirmed that, and I quote, “young people are at the centre of everything that we do”. The trust will need to continue to understand young people's perspectives to make the programme appealing, and also to make it high quality. It will not be possible to attract young people to NCS, or to make it a high-quality experience, without knowing what young people actually want.

[Mr Rob Wilson]

To achieve the growth and the quality seen so far, the NCS Trust has had to use its youth board extensively, its young leaders and also real-time text feedback from participants to inform its strategy, critique its marketing campaigns and support programme delivery. In the future, when the trust reports on how it has achieved quality, we would expect it to cover how it has used young people to ensure that the experience is of a high quality for them.

The royal charter requires that board members are selected by fair and open competition. The board will need a mixture of skills, including an understanding of young people's perspectives, and we would encourage young people to apply when the time comes.

The application process will be open and transparent, so we do not think it is necessary to ask the trust to report on how it has formed its board. I do hope that young people take the message that we want them to be involved and to apply. We will have further conversations with the trust about that.

In summary, I agree it is important that the trust involves young people in all aspects of its business, including governance, but we can drive this through the existing high-level requirements already set out in the Bill.

On the second part of the amendment, we agree that NCS should encourage young people to go on to do more volunteering. There is no question about that, and there is evidence that that is already happening; the NCS Trust estimates that NCS graduates give back on average an additional six hours of volunteering every month.

Long-term volunteering is only one possible positive outcome of NCS. NCS graduates might go straight into employment, an apprenticeship, or further or higher education. We would not want to isolate long-term volunteering as the only way forward from NCS. I am sure that is not what the hon. Member for Croydon North was implying.

Reporting on that matter would also present practical difficulties for the trust. NCS might inspire a love of volunteering in participants but, owing to other commitments, they might not volunteer again for several years. We cannot expect the trust to track participants for an unlimited time as part of a statutory duty. [Interruption.] I think I will come to the point that the hon. Member for Redcar is going to raise but I will let her raise it anyway.

**Anna Turley (Redcar) (Lab/Co-op):** I appreciate the Minister giving way, following a very small flick of my eyebrow; that was very perceptive of him. Will he take the opportunity to say a bit more about how NCS monitors results and what longitudinal studies it makes of the wider outcomes for those who participate, whether in volunteering or getting into work? We have all been very positive about the programme but it would be helpful to know what longitudinal studies the Government have to monitor success.

**Mr Wilson:** The long-term impact was also raised by the NAO in its report. No current impact studies are under way but there are annual studies of NCS's impact.

The NCS Trust is looking at how to set up the right form of longitudinal study to try to capture this work but has yet to come to any firm conclusions.

The issue about a long-term study is that this is still a relatively young scheme. It has been going since 2011 but is ramping up quickly and the numbers are becoming very significant. The matter is being looked at and is clearly something that we need to get right. It is something that the NAO highlighted and we recognise as important and for that reason we will take it forward.

**Rebecca Pow:** The Minister sparked my attention.

**Mr Wilson:** For the first time.

**Rebecca Pow:** No, no, no. I think this is a terrific scheme and I am deeply interested. Does the Minister agree that it is important to know how much volunteering students do later because, unless one has had experience of volunteering, one might not be inclined to volunteer later in one's life?

I have talked to young children about this, including one of my daughters, and she gave the example of joining a choir. She joined a choir at school and then a community choir in London, which brings many benefits all round. That is not exactly what we do with NCS but she would not have done it if she had not had that previous experience. That is my point.

10.30 am

**Mr Wilson:** My hon. Friend makes a valuable observation. We hope that giving young people the opportunity to volunteer in the first place will lead to other opportunities and engagement with volunteering. I will explain the Government's strategy to try to create a lifetime of volunteering among as many members of the population as we can. I promise that I will come to that in a minute or two.

We believe that NCS and the #iwill campaign could help to start a lifetime volunteering habit that runs through people's working lives and into older age. It is a priority for me and the Office for Civil Society to make that ambition a reality. Last year, we announced a £40 million investment in the #iwill fund to encourage youth social action, and as the hon. Member for Croydon North mentioned, we are undertaking a review of young people's full-time social action. My officials are working on further plans to encourage volunteering among older people. The plan is to ensure that NCS is not a one-off opportunity but that people have opportunities to volunteer at different points in their lives, for which there is clearly an appetite.

I agree that it is essential that we assess, so far as we can, the long-term impact of NCS, including how far it encourages a long-term appetite for volunteering. As I have said, we are currently exploring the best methodology for doing that.

**Susan Elan Jones (Clwyd South) (Lab):** May I ask the Minister the question that the Charities Aid Foundation asked about young trustees between the ages of 18 and 24? I would have thought that it was relatively easy to find out who those young trustees are and match

them with the names of people who have participated in the National Citizen Service. Is it possible to monitor that at all?

**Mr Wilson:** I am sure that it is possible to monitor that sort of thing, but I would not put that additional reporting requirement in the Bill. We can discuss that outside this forum.

The Bill is not the place to fix an approach. For the meantime, the Government are committed to publishing an independent evaluation of NCS every year, as we have since 2013. In addition, the NAO can carry out value-for-money studies. Owing to the complexity of evaluating long-term impact, we prefer to keep using those independent expert evaluations rather than placing a broad statutory requirement on the trust.

I agree absolutely with the hon. Member for Croydon North that young people's involvement is essential to NCS and it should encourage long-term volunteering, but it is my view that the reporting requirement in clause 6 strikes the right balance between being thorough on the one hand and being achievable and not overly bureaucratic on the other. The Government therefore will not support the amendment. I hope that, given my reassurance, the hon. Gentleman feels able to withdraw his amendment.

**Mr Reed:** I thank the Minister for his comments. It is clear from what he has said that our intentions are very similar, but I am not yet persuaded that the Government's intended approach will deliver the outcomes that they say they want. However, this Committee is not the place to pursue that. We need to have further conversations, in particular with the trust itself and some of the participants, and that can better be done between now and Third Reading. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** Clause 6 requires the NCS Trust to give the Secretary of State an annual report setting out its performance of its functions each year. The purpose of the clause, as with clauses 4 and 5, is to ensure that proper parliamentary accountability is in place. The report must cover, among other things, the extent to which the proposed strategic priorities and main activities of the NCS Trust for the year have been met and carried out. Those requirements will ensure that the report provides a rigorous means of assessing the success of the annual business plan.

The clause specifies several other areas that the report must address. Subsection (2)(c) requires the report to address the quality of programmes. The quality of young people's experience is essential to the success of NCS. Paragraph (d) requires the report to cover the number of participants during the year. For it to be an effective rite of passage, NCS needs to reach as many young people as possible. The charter gives the NCS Trust a function to promote the programme, and the report would provide the means of assessing its success in this area. Linked to that, paragraph (e) requires the trust to report, in particular, on the number of disabled participants. We want people from all backgrounds to benefit from NCS, but young people with disabilities

may need physical adjustments or additional funding and the report can provide a means of assessing whether the trust is successful in making the programme accessible.

Paragraph (f) requires the report to cover the extent to which participants from different backgrounds have worked together. Social integration is at the heart of NCS. A key strength of the programme is its ability to mix people from different backgrounds and change their perceptions of one another, and there is evidence to prove that that is the case.

**Anna Turley:** I appreciate the Minister's explanation. Paragraph (f) is a really important and significant point. Could he say a bit about how different backgrounds are being monitored and what the criteria are for that?

**Mr Wilson:** An annual study reports on these things, and the studies show that in reaching black and minority ethnic communities and those on free school meals, the NCS Trust is doing extremely well in capturing more of those people on to the scheme than the national average. There is supportable evidence to show that it is doing well. We want to continue to monitor it and make sure that it continues to do well. I note the earlier comments from the hon. Member for Croydon North that the numbers have gone down, even though they are still above the national average, on free school meals. The trust will be very conscious of that and we will look at that.

Paragraph (g) requires the report to cover the number of hours that have been spent volunteering on community projects as a result of participating in NCS programmes. NCS is designed to benefit the wider community, not just the young people who are participating, so this is a key indicator of success. Parliament will be able to see, on a year-to-year basis, how the trust is performing in this area and how it has achieved meaningful social mixing across the country.

Finally, paragraph (h) requires the trust to report on the extent to which it has obtained value for money. We want a quality programme that is accessible to all, but we also want to ensure that NCS provides value for money for the taxpayer. Even though the NAO will be able to conduct external value-for-money studies, Parliament should be able to see what the trust has done in its own words. It is vital to the trust's independence that it is able to report on its own work.

**Ben Howlett:** Just two quick points—whenever an organisation has a royal charter attached to it, it is pretty standard for part of the Bill to include accountability by a Select Committee. I appreciate the Minister's comments on proper accountability before Parliament, but could he expand on which Select Committee this would come under? Would it be the Public Accounts Committee or could it be another Committee?

**Mr Wilson:** There are essentially two Select Committees that could look at it. Obviously there is the Select Committee examining the work of the Department for Culture, Media and Sport, which the Office for Civil Society now falls under since its move from the Cabinet Office. We also have the ability to hold it accountable through the Public Accounts Committee; the PAC can look at all the details in the normal way.

**Ben Howlett:** Would the Minister therefore look at introducing a clause in the Bill to ensure that that is put into the legislation?

**Mr Wilson:** We can consider that, but my instinctive reaction is that it would not be necessary because, under the normal process, both the PAC and the Select Committee on Culture, Media and Sport can hold the NCS Trust and us accountable for actions on anything to do with this Bill. I do not think that is necessary, but I am prepared to discuss it with my hon. Friend before Report.

The reduction of the cost per participant is one of the NCS Trust's key performance indicators. Over the coming years, we will work with the trust continually to improve value for money and drive down the cost per participant by redesigning the contractual agreements, leveraging the scale of the NCS network and delivering cross-system benefits such as centralised procurement and co-ordinated logistics. The annual report will provide a means of reporting on that activity. For Parliament to hold the trust to account, it must have detailed information on the trust's actions, the reasons for taking such actions, and the outcomes identified by the trust. To reassure my hon. Friend, Parliament can test those conclusions if required.

Clause 6 gives the Secretary of State the power to comment on the annual report and to provide information on how Government Departments have worked to support the trust and the NCS programme. The Government must play their part in continuing to support NCS, which has the potential to support a broad range of Government priorities, such as the Syrian refugee resettlement programme. That information will provide a wider view on how the Government are maximising the benefits of NCS.

**Mr Reed:** I am delighted that the Minister mentioned accessibility and the importance of focusing on participation by young people with disabilities. I echo those comments. Subject to the caveats in the amendments that we have tabled, we support the clause.

*Question put and agreed to.*

*Clause 6 accordingly ordered to stand part of the Bill.*

**The Chair:** While the Minister gathers himself, I say to the Committee that you are making stunning progress on the Bill. I do not know if we will have to sit this afternoon, let alone on Thursday.

### Clause 7

#### NOTIFICATION OF FINANCIAL DIFFICULTIES AND CRIMINAL CONDUCT

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** I am delighted to be a Minister who is making stunning progress; I hope that carries on for a long time to come. Clause 7 would require the trust to notify the Government promptly if any NCS provider falls into serious financial difficulty, or is in breach of contract with serious consequences for the trust. The Government must also be notified if a member of staff of the trust or an NCS provider commits fraud or is in breach of their employment contract with serious

consequences for the trust, or is the subject of a police investigation in which the allegation of criminal conduct could have serious consequences for the trust.

The trust is the central commissioning body for NCS. It currently contracts directly with nine providers that cover 19 defined regions. Those organisations then contract and work with hundreds of local providers. The trust sits in the middle of a huge operation, and the Government need to know of serious issues that could have either financial or reputational consequences for NCS.

The clause aims to be proportionate. If one of the trust's key providers breached its contract with serious consequences for the trust, the Government would need to be informed. It may be that the negotiations between the two organisations affect the trust's ability to carry out its primary functions. The earlier the Government are informed, the better we are able to take contingency action. However, the NCS Trust also has relationships with many organisations and suppliers that are not NCS providers. It would not be necessary for the Government to know if, for example, one of the smaller suppliers went into administration. That would not have a direct or seriously negative effect on NCS.

In the case of criminal conduct, Government action may not be direct. Where an individual has committed a crime, it is always the police who should be informed, but the Government should be informed if an allegation against a person or group of people could impact directly on the NCS programme. The trust must be legally responsible for alerting the Government and working collaboratively with the Government to resolve matters as they arise.

The NCS Trust has excellent relationships with its providers. It has grown NCS at pace while ensuring that it is a quality, carefully organised programme that works well across England. The Bill is designed to put the trust on a secure, stable footing, to ensure that it can work efficiently, effectively and transparently. Clause 7 is a necessary part of the Bill.

**Mr Reed:** This is a very important clause, and it is something the Government must have absolute regard to in working with NCS. I briefly suggest to the Minister that this is another area in which user insight—the views and experiences of young people who are participating—could be extremely helpful in identifying problems before they grow into crises, as long as there is a mechanism for those experiences to be aired. One of the reasons that councils, including the one that I was leading, decommissioned Kids Company some 10 years before the Government recognised that there were problems, is that they were closer to their service users and were hearing about those problems on the ground. I would hope, and want, to see the NCS benefiting from the insight of young people, who will spot problems as soon as they start to happen. If issues can be ratcheted straight up to the top of the organisation, that can trigger appropriate remedial action before they grow into something far worse.

10.45 am

**Mr Wilson:** The hon. Gentleman is right to raise the point about feedback, but the NCS Trust has strong feedback mechanisms—a text feedback for people on courses, and the regional boards and so forth that we

have discussed under previous clauses. There are strong mechanisms in place, and I know that NCS listens carefully to the young people in its care for the relevant periods of time and beyond. However, I thank the hon. Gentleman for raising the matter again.

*Question put and agreed to.*

*Clause 7 accordingly ordered to stand part of the Bill.*

## Clause 8

### FEEs

*Question proposed, That the clause stand part of the Bill.*

**Mr Wilson:** Clause 8 allows the trust to charge a fee for participation in the NCS programme. That would maintain existing practice. The NCS Trust charges a maximum of £50 for a place on the programme. Any young person who cannot afford that pays either nothing at all or a subsidised amount. The value of a place on NCS is significantly more, and is covered by Government and taxpayer funding.

Fifty pounds for such a packed and challenging set of activities, many of which are done away from home, is excellent value for money for young people and their parents or carers. Fees pay a small part in meeting the costs of NCS, but they also incentivise attendance. If a young person signs up to NCS during a school assembly their participation is not guaranteed; but if they, or their parents or guardians, invest financially they are more likely to participate if they are able. Practically, fees help NCS providers to plan ahead and deliver the programme.

Clause 8 does not specify the amount that the trust can charge. That is to prevent the Bill becoming out of date—£50 will in future be likely to mean something different from what it means today—and to allow reasonable flexibility. None the less, the royal charter requires the trust to ensure that there is

“equality of access to the programmes by participants regardless of their background or circumstances”.

The trust therefore cannot act as a barrier to attendance. Clause 8 is necessary to support effective programme delivery; but it should be seen in the context of the trust’s functions, as set out in the royal charter.

**Mr Reed:** In general terms, we support the clause. It can be helpful for young participants to have to make a relatively small financial contribution, because that underscores the perceived value of what they are about to take part in. However, no one would want the introduction of a fee that would deter any young person—particularly those from poorer backgrounds—from taking part. The Minister made it clear that he shares that intention, but I shall press him slightly further. What analysis will be conducted to ensure that no young people are being deterred from taking part by the introduction of the fee?

**Mr Wilson:** I do not want to get involved in the day-to-day operational issues of the NCS Trust. It has a target of trying to reach all young people who might want to go on the course, in accordance with our manifesto commitment. It has an imperative to do that,

and to make sure that young people are not deterred. Price could be a deterrent if it were to rise too high, so I leave it to the NCS Trust to charge the optimal fee to get as many people on the programme as possible. We would never want the fee to be so high as to deter anyone. The Government want to give a clear steer to the trust to make sure it gets as many young people as possible on the programme.

*Question put and agreed to.*

*Clause 8 accordingly ordered to stand part of the Bill.*

## Clause 9

### HMRC FUNCTIONS

*Question proposed, That the clause stand part of the Bill.*

**Mr Wilson:** Clause 9 aims to support the growth of NCS into a rite of passage for young people. It gives Her Majesty’s Revenue & Customs the power to send information to young people and their parents or carers about NCS. This is designed to support the NCS Trust in promoting NCS. The clause requires that the NCS Trust actually writes and designs the communication. The trust would put together an engaging letter or other communication that it wishes, telling the addressee about NCS and telling them that they are eligible to take part. HMRC would then take this letter and use its database to address it and send it. It will not look like a communication from the taxman: it is a letter from the trust sent by the Government. The Government are committed to growing NCS and allowing more young people to benefit from it, and they can only do so if they are aware of the programme.

The trust markets NCS in a variety of ways, and the power contained in clause 9 will complement that. The Government want to do all they can to ensure that every eligible young person hears about the programme. HMRC has central Government’s most suitable dataset for this group of young people. The power contained in this clause would avoid the need for sharing taxpayer data, while allowing as many eligible young people as possible to hear about NCS. Clause 9 defines young people differently from the terms in clause 1; the range is limited to 15, 16 and 17-year-olds. Given that the core age range for going on NCS is 16 and 17, it makes absolute sense for HMRC to market the programme to people of that age, along with those about to be eligible. Clause 1 defines young people to reflect the possibility that—as I said earlier—the NCS Trust might allow people between 18 and 24 to go on a course in exceptional cases. However, it would not be appropriate for HMRC to write to everyone in the age ranges not normally able to take part. It will write at a particular point in time when potential candidates are in or are approaching the core age range. If a young person is unable to participate at that time because of their circumstances, they can agree with the NCS Trust to take part later but they will at least have heard about the programme.

**Ben Howlett:** Given that both organisations—HMRC and NCS—will be receiving public funding, how will the Minister mitigate the propensity for duplication between NCS, which is targeting a group of potentially

[Ben Howlett]

vulnerable people who want to get themselves on to NCS programme, and HMRC, which is doing so at the same time?

**Mr Wilson:** The clause will allow for the NCS Trust—as part of its marketing effort—to pay directly for the communication that it is putting out. HMRC’s budget would still remain completely separate, so this is a communication that will be paid for, but the dataset it goes to will be controlled by HMRC in the normal way that it operates. Funding for HMRC to send communications would come out of the existing budget of NCS. This approach is designed to reduce the need for the NCS Trust to buy expensive and often inaccurate commercially held data to promote NCS. It is a sensible solution that would allow the Government to assist the trust in carrying out its functions to promote the programme. Finally, giving HMRC clear powers in legislation ensures a transparent approach to sending out communications about NCS. It is the Government’s manifesto commitment to provide a place on NCS to any young person who wants one. Clause 9 demonstrates our commitment to do just that.

*Question put and agreed to.*

*Clause 9 accordingly ordered to stand part of the Bill.*

### Clause 10

#### DEFINITIONS

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** I will be extremely brief. As is common in many Bills, clause 10 sets out necessary definitions for expressions used in the Bill. It defines “financial year”. “The NCS Trust” is defined in clause 1.

*Question put and agreed to.*

*Clause 10 accordingly ordered to stand part of the Bill.*

### Clause 11

#### CONSEQUENTIAL AMENDMENTS

*Question proposed,* That the clause stand part of the Bill.

**The Chair:** With this it will be convenient to discuss the following:

That schedule 2 be the Second schedule to the Bill.  
Government amendments 1 and 2.

**Mr Wilson:** Clause 11 introduces schedule 2 which makes consequential amendments to other legislation in relation to the NCS Trust. This is to ensure NCS is treated consistently with other similar bodies covered by legislation, such as the Public Records Act 1958.

Two minor and technical amendments to correct the drafting on extent and commencement provisions are in part 2 of the Bill. These two technicalities were not spotted in the other place, despite its reputation for scrutiny—I will try not to be too controversial there. It therefore falls to this House to be the more thorough Chamber and to make the corrections.

Clause 13 states that the extent of the Bill is England and Wales. Schedule 2, however, contains consequential amendments to four other Acts: the House of Commons Disqualification Act 1975, the Freedom of Information Act 2000, the Public Records Act 1958 and the Equality Act 2010. Schedule 2 adds the chair of the NCS Trust to the House of Commons Disqualification Act. It also adds the NCS Trust to the list of public bodies to which the other three Acts apply. All four provisions would cover the NCS Trust in more than just England and Wales. The Equality Act extends to England, Wales and Scotland; the other three are UK wide. Clause 13 needs to reflect this and it does not do so at the moment. Government amendment 1 corrects that. In reality, the NCS Trust is not able to operate in the whole of the UK because the extent of the NCS Bill is just England and Wales and it only applies in England. The amendment does not make a practical difference, but the drafting needs to be correct. The amendment qualifies clause 13 with the words:

“An amendment made by this Act has the same extent as the provision to which it relates (and this Part extends accordingly).”

Turning to clause 14 on “Commencement”, the Bill currently says that part 2—the general technical provisions at the back—and schedule 2, come into force the day the Act is passed. This means that the consequential amendments that add the new NCS Trust charter body to the Public Records Act, FOI Act and Equality Act et cetera come into force on Royal Assent. At this point, the new NCS Trust charter body will not necessarily exist. This is because it will only come into existence once the charter is granted, which will be some time after royal charter. In reality, the NCS Trust charter body will come into existence once the charter is granted. This will be some time after Royal Assent.

If we do not make this change, the new NCS Trust will not come into existence until after Royal Assent, but the FOI Act and others will include it straight away on Royal Assent. There is no sense in these Acts covering a body that does not yet exist. The amendment simply corrects that.

**Mr Reed:** It is hard to take issue with that statement.

*Question put and agreed to.*

*Clause 11 accordingly ordered to stand part of the Bill.  
Schedule 2 agreed to.*

### Clause 12

#### TRANSITIONAL PROVISION

*Question proposed,* That the clause stand part of the Bill.

**Mr Wilson:** We are rapidly drawing to a swift conclusion on these clauses. Clause 12 would provide standard powers for the Secretary of State to make transitional provisions in connection with the commencement of any provision of the Bill. That is to ensure that the Bill is implemented in an orderly manner.

Clause 12(1) makes provision about the first financial year of the trust. It says that a business plan for the first financial year must be made within two months of the financial year beginning rather than by 1 June. That deals with the case where the NCS Trust only comes

into existence after 1 June in a given financial year, so that its first financial year is a short one. Obviously, in that situation the trust could not be expected to produce a business plan before 1 June. Clause 12 deals with that technical issue.

*Question put and agreed to.*

*Clause 12 accordingly ordered to stand part of the Bill.*

11 am

### Clause 13

#### EXTENT

*Amendment made:* 1, in clause 13, page 4, line 37, at end insert

“, subject to subsection (2).

- (2) An amendment made by this Act has the same extent as the provision to which it relates (and this Part extends accordingly).”—(*Mr Wilson.*)

*This amendment ensures that the consequential amendments made by Schedule 2 have the same extent as the provisions which they are amending.*

*Question proposed,* That the clause, as amended, stand part of the Bill.

**Mr Wilson:** Clause 13 is a standard clause specifying the extent of the Bill. Even though the NCS Trust will only operate in England and so the Bill only applies to England, England and Wales are defined as one legal jurisdiction. NCS is a devolved matter and that is why I seek to raise this matter briefly. We have not sought legislative consent motions from the devolved Administrations for the Bill to apply outside England. NCS is available in Northern Ireland but the Northern Ireland Executive uses Co-operation Ireland, which is an organisation with its roots in the peace process and with local expertise, to deliver NCS. It does not want the NCS Trust to deliver NCS instead, so does not need the Bill to apply, as it makes provisions about the NCS Trust. Instead, the UK Government have licensed NCS's intellectual property but have allowed Northern Ireland to continue with its own delivery arrangement.

We are in discussions with the Welsh Assembly Government and the Scottish Government about NCS. If either were to want the NCS Trust to deliver NCS in the future, we would need to amend the Bill. However, both have indicated so far that should NCS be made available, they would follow the Northern Irish example and use a local provider instead.

The Bill is not entirely an England-only Bill under the English votes for English laws procedure, because, in the Government's view, certain provisions relate to reserved matters, such as the powers of HMRC, and to employment law. However, the essential point is that the Bill will apply in England only.

*Question put and agreed to.*

*Clause 13, as amended, accordingly ordered to stand part of the Bill.*

### Clause 14

#### COMMENCEMENT

*Amendment made:* 2, in clause 14, page 5, line 2, leave out “This Part comes” and insert

“Sections 1, 10 and 12 to 15 come”.—(*Mr Wilson.*)

*This amendment amends the commencement provision, including to enable the consequential amendments in Schedule 2 to be brought into force by regulations.*

*Question proposed,* That the clause, as amended, stand part of the Bill.

**Mr Wilson:** Clause 14 confers a standard power on the Secretary of State to bring provisions of the Bill into force on different days, if it is needed. We estimate that the transition from the NCS Trust community interest company to the NCS Trust body incorporated by royal charter will take approximately 12 to 18 months. We therefore need flexibility to commence different parts of the Act at different times. For example, we would not ask the new royal charter body to produce an annual report until it is being funded and has had staff transferred. Therefore, we would want to commence the terms of clause 2 on transfer schemes earlier than those of clause 6 on annual report. However, it makes sense for clauses 10 and 12 to 15 to come into force on the day on which the Act is passed—the day it gains Royal Assent. That includes the definitions, the ability to make transitional provisions and the short title. Clause 14 simply provides for that to happen.

*Question put and agreed to.*

*Clause 14, as amended, accordingly ordered to stand part of the Bill.*

### Clause 15

#### SHORT TITLE

**Mr Wilson:** I beg to move amendment 3, in clause 15, page 5, line 8, leave out subsection (2).

*This amendment removes the “privilege amendment” inserted by the Lords.*

I will address both clause 15 and amendment 3 together. Clause 15 will give the Act its short title. The long title will be an Act to make provision about the National Citizen Service Trust; the short title will be the National Citizen Service Act 2017. The clause will allow the Act to be referred to by its short title when it is being cited, including in other legislation and documents.

Amendment 3 is a technical and procedural amendment to remove the privilege amendment that was made on Third Reading in the other place.

*Amendment 3 agreed to.*

*Clause 15, as amended, accordingly ordered to stand part of the Bill.*

*Bill, as amended, to be reported.*

11.6 am

*Committee rose.*

**Written evidence to be reported  
to the House**

NCSB 01 Jemma Watson  
NCSB 02 Dr Sarah Mills  
NCSB 03 defenddigitalme

NCSB 04 James Weinberg in association with Bite  
the Ballot and the All-Party Parliamentary Group on  
Democratic Participation

NCSB 05 Catch22

NCSB 06 National Citizen Service Trust