

**CONFIRMED MINUTES**  
**99<sup>TH</sup> BOARD MEETING**  
**MONDAY 24 SEPTEMBER 2012 AT HOLLY WALK, LEAMINGTON SPA**

**PRESENT:** PHILIP SMITH (PS) (Chairman)  
WILL LIFFORD (WL)  
LORRAINE CLINTON (LC)  
ANN LIMB (AL)  
ANNA EAST (AE)  
CHRISTOPHER WELFORD (Chief Executive)

**IN ATTENDANCE:** MARK CROOK (Head of Finance)  
MARY HAWKINS (Head of Operations)  
STEVE ROBINSON (SR) HMRC

**BOARD SECRETARY:** HELEN MACCALLUM (HM)

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**1. INTRODUCTION**

1.1 The Chairman welcomed everyone to the 99<sup>th</sup> Board meeting.

**2. APOLOGIES**

2.1 It was noted that apologies were received from WL who was delayed on route to the meeting.

**3. DECLARATION OF INTERESTS**

3.1 There were no Declarations of Interests.

**4. MINUTES OF LAST MEETING**

4.1 The minutes of the last Board meeting were tabled and approved subject to the wording being changed in paragraph 15.2 to "The HOF to prepare form of words setting out a resolution for the Board to approve and sign".

**5. ACTION POINTS FROM PREVIOUS MEETING**

5.1 All the action points from the previous meeting were reported as being completed.

5.2 **Environmental Body (EBs) Directors:** The Board questioned why ENTRUST needed the Directors information. The Head of Operations (HOO) explained that the information was needed if an Environmental Body (EBs) were to be forcibly revoked from the LCF scheme. It was noted that there was no statutory requirement for requesting this information, but that Form 4s could be used to remind EBs to keep the information up to date. SR informed the Board that HMRC's view was that they required correct details of an EB if they were to revoke it but that they do not keep details of EBs Directors. The Board asked that the requirement to collect this information is clarified with HMRC

- 5.3 **ACTION:** The HOO to discuss and clarify with HMRC the need to collect Directors information.
- 5.4 **ACTION:** The HOO to consider using the Form 4 as a means of reminding EBs to update their Director's personal details.
- 5.5 **Contributing Third Parties (CTPs)** – The HOO had received a revised completion date from HMRC regarding the implementation of any issues arising from the CTPs. Exercise. HMRC had advised that the exercise would be completed at the latest by 31 March 2014, and this end date would be if regulatory change had to be achieved as part of the annual budget process. The Board agreed that this item should be removed from the Action Points list, but added to the Corporate Calendar.

## 6. OPERATIONAL REVIEW

- 6.1 The Head of Finance (HOF) introduced this paper and he provided the Board with an overview on the current operational status of the Company in the Executive Summary. It was noted that the forecast of contributions are set by HMRC and the forecast surplus levy income of £90k for the year would be offset against our resource requirement for 2013/2014. The Company is also on target to deliver all of it's the Key Performance Indicators (KPIs).
- 6.2 The discussion then moved onto the information reported in Appendix D. The HOF explained the information is primarily for HMRCs use and copied to the Board for their information. The Board requested that for Objects DA and E the information is gathered from the last three years to see how these projects are developing. The HOF was asked to consider ways of presenting this information differently in future to allow it to be more meaningful to the reader.
- 6.3 **ACTION:** The HOF to consider ways of presenting the LCF information differently in future to be more meaningful and enable conclusions to be drawn.
- 6.4 **Chief Executives Updates**
- 6.4.1 The Chief Executive (CEO) updated the Board on the establishment of the Landfill Tax Working Group in Scotland. The Board considered in light of his update to be provided with a further report on the implications to the organisation if Scotland was removed from the current system.
- 6.4.2 **ACTION:** The HOF to present a further report on the impact of changes to the LCF due to Scottish devolvement of taxes to the December 2012, Board meeting.
- 6.4.3 The CEO then provided an overview on the delivery of the Government's Challenge to EBs to reduce the level of funding that they hold. He advised that a number of EBs have been outlining the difficulties in operating their businesses with the Challenges to MPs. We had also written to one MP correcting the factual inaccuracies that were made relating to our involvement in setting the policy. He had been incorrectly informed that we had developed the policy and were placing arduous conditions on EBs, which were incorrect.

## 7. COMPLIANCE REVIEW

- 7.1 The HOO introduced the paper and picked out a number of key points in the paper.
- 7.2 **This item was an addendum item for the Board (See Appendix A).**
- 7.3 Administration, liquidation and dissolution cases. The HOO updated the Board on the progress relating to three larger EBs who had been through the managed closures procedure and were included in the revocations in a later Board paper. The Board noted the process for managing these cases and congratulated the staff for their work.
- 7.4 The Board then asked about the legal position of administrators and liquidators managing EBs. The HOO informed the Board that she had previously asked for legal advice on this point. The Administrator is the agent of the EB and so acts for the EB. However, if there are different forms of liquidation so we need to find out the type of each liquidation in order to determine if the liquidator or officers of the EB are responsible for the management of the EB.
- 7.5 **This item was an addendum item for the Board (See Appendix A).**
- 7.6 The HOO updated the Board on the success and improvement compared to last year in relation to the return of Form 4s.
- 7.7 **This item was an addendum item for the Board (See Appendix A).**
- 7.8 **This item was an addendum item for the Board (See Appendix A).**

## 8. REGULATIONS UPDATE

- 8.1 The HOO introduced the paper and brought the following matters to the Board's attention
- 8.2 **Organisations that can compliantly act as Contributing Third Parties (CTPs)** – The HOO informed the Board that we were still in discussion with HMRC on this matter. Some EBs want to act as intermediaries where the fundraising has raised small amounts of money. It was noted that ENTRUST will take every possible step to reach agreement with HMRC on the guidance to be issued on this matter.
- 8.3 **Transfers of qualifying contributions** – The HOO outlined the agreed policy position with HMRC, which now provides that the movement of funds between Distributive Environmental Bodies (DEBs) and EBs must be regarded as a transfer of funding. It was agreed that it was important to explain to EBs why the change in policy had arisen, and to consider ways in which we can support EBs when announcing the changes.
- 8.4 **ACTION:** The HOO to consider ways in which support and advice can be given to DEBs and EBs following clarification of requirements from HMRC for transfers between EBs.

8.5 **Training** – The HOO updated the Board on the training that had been completed since the last meeting. She also advised that an Advanced Training session was being held on 28 September 2012. The Association of Distributive and Environmental Bodies (ADEB) have advised they would not be providing a complementary training session as they had done on previous occasions.

8.6 **Assets Consultation** – The Board asked if more detail could be reported on the action plan with clearer end dates and outstanding tasks.

8.7 **ACTION:** The HOO to ensure that Appendix A includes clearer end dates and outstanding tasks.

## 9. ENROLMENT AND REVOCATIONS

9.1 The HOO introduced the paper. The Board asked for an explanation as to why the number of revocations in the previous year was higher than this year. The HOO explained that the previous year's reduction was due to the efforts to pursue every non-returned Form 4 in 2011. Due to this action a number of dormant EBs applied for revocation.

9.2 The Board formally approved the list of voluntary revocations between June and August 2012.

## 10. STAKEHOLDER SATISFACTION SURVEY

10.1 The HOO introduced the paper and provided the Board with an overview of the results. The Board were pleased to see the increase in the return rate over the previous year, and that most of the scores had increased and congratulated the staff on the results, which they considered were very positive. They noted in a small number of areas that the scores had reduced from 99% for elements of compliance inspection ratings and the HOO explained that the scores now being reported reflected those being collected after compliance inspections. The HOO then explained how the results would be made available to stakeholders and ran through the action plan to further help improve our overall performance

10.2 The CEO reported the discussion he had concerning future measurement of our performance and the proposal to focus on ratings of good and excellent in future, and consider how scores of 'satisfactory' could be improved.

10.3 **ACTION:** The HOO to focus on marks for good and excellent performance in future, and consider how we can increase the scores in those areas.

## 11. PROPOSED MEETING DATES FOR 2013

11.1 It was requested that the Board members send their responses to this paper to the Board Secretary by the 05 October 2012, to allow the final dates to be issued.

11.2 **ACTION:** The Board Members to email the Board Secretary with responses to proposed meeting dates for 2013.

## **12. REGULATIONS TEAM STANDARDS**

- 12.1 The HOO introduced the paper and explained it had been drafted in response to the Board's request at their last meeting. The HOO explained that the standards are based on the Hampton principles and most of the work in relation to their delivery is ongoing at the present time. The Board noted the overall findings of the assessment and asked for a further update to be provided in March 2013.
- 12.2 **ACTION:** The HOO to provide a further update on Regulations Team Standards at the March 2013 Board Meeting.

## **13. 2011/2012 ANNUAL REPORT**

- 13.1 The CEO introduced the paper and outlined to the Board the reasons why we produced the Report and how it would be distributed. He then suggested that rather than go through the report line by line, if Board members had any editing comments they provide them to him, by 05 October 2012. The Board thanked him for his presentation and requested that quality of the pictures be reviewed across the whole report to ensure that they all gave the same quality. They also considered it was appropriate to include in the report the results of the stakeholder satisfaction survey.
- 13.2 **ACTION:** The HOF to arrange for the photographs to be reviewed.
- 13.3 **ACTION:** The HOF to incorporate information from the Stakeholder Survey 2012 in to the Annual Report.
- 13.4 **ACTION:** Board members to send comments/typos on the draft annual report to the Board secretary by 05 October 2012.

## **14. ANNUAL BOARD REPORT**

- 14.1 The CEO introduced the paper which set out the work of the Boards over the past 12 months. Having reviewed the paper, the Board considered it did not fully record all of the relevant areas of their work and requested that it be reviewed and updated and resubmitted at the December 2012, board meeting.
- 14.2 **ACTION:** The CEO to prepare a revised report for the December 2012 Board meeting.

## **15. QUALITY FRAMEWORK**

- 15.1 The HOF introduced the paper and outlined to the Board the overarching framework and principles to the work that had already been. The Board thanked him for his updated, but were keen to explore how the whole process would operate and improve our business, but more importantly they considered it was appropriate to outline what quality would look and how it may be measured. It was therefore agreed that the Senior Management Team (SMT) would provide the Board with a view as to what Quality looks like in terms of ENTRUST at the December 2012, meeting.

15.2 **ACTION:** The HOF to provide the Board with an updated report at the December 2012, meeting taking into consideration their points.

## 16. ASSET LIFETIMES

16.1 The HOF introduced the paper and explained the reasons why it had been drafted. The Chairman also advised that he had previously discussed this issue with the Head of Excise and Environmental Taxes. The Board then considered the options recommended in the paper. Having carefully considered the relevant issues, the Board agreed that the paper should be submitted to HMRC, subject to the issues relating to Income Derived being made clearer.

16.2 **ACTION:** HOO to review the references to Income derived, and agree a final report for submission to HMRC with the CEO.

## 17. HMRC VERBAL REPORT

17.1 SR provided an update on HMRC's priorities including the Autumn Settlement and the Challenges. He reported that his Team had a limited amount of time to devote to the LCF, but would endeavour to resolve issues that we rose with them as quickly as possible.

## 18. AUDIT COMMITTEE

18.1 The Acting Chairman LC provided a review of the items discussed earlier in the day including:

- Internal Audit on the Compliance Risk Model;
- Pension scheme governance arrangements;
- Risk management ;
- Schedule of internal audits over the last three years; and
- A policy for the frequency of internal audits.

## 19. HUMAN RESOURCES & REMUNERATION COMMITTEE

19.1 AL provided a review of the items discussed including:

- The Human Resource report;
- Health & Safety report;
- Recruitment campaigns and
- Agreed to implement a cycle to work scheme for staff.

## 20. ANY OTHER BUSINESS.

20.1 The Board noted that they found the information Papers 25 and 26 helpful which were written as a result of specific requests from HMRC.

20.2 Corporate Calendar – The Board felt that reference to budget needed to be included in the document

**21. DATE OF NEXT MEETING**

21.1 The next meeting will be held on Tuesday 18 December 2012, at 60 Holly Walk, Leamington Spa

**22. This item was an addendum item for the Board (See Appendix A).**

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CHAIRMAN SIGNATURE

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DATE