

**CONFIRMED MINUTES****92<sup>nd</sup> BOARD MEETING****TUESDAY 14 DECEMBER 2010 AT HOLLY WALK, LEAMINGTON SPA**

<b>PRESENT:</b>	PHILIP SMITH (PS) (Chairman) WILL LIFFORD (WL) JOHN KING (JK) LORRAINE CLINTON (LC)
<b>IN ATTENDANCE:</b>	MARK CROOK (Head of Finance) MARY HAWKINS (Head of Operations) MAREK GORDON – SITA (MG)
<b>BY CONFERENCE CALL:</b>	LEONNE JACKSON (LJ) HMRC ANDY WIGGINS (AW) HMRC
<b>APOLOGIES:</b>	CHRISTOPHER WELFORD (Chief Executive)
<b>BOARD SECRETARY:</b>	BECCY MARLOW (BM)

---

**1. INTRODUCTION**

1.1 The Chairman welcomed everyone to the meeting.

**2. APOLOGIES**

2.1 Apologies were received from Christopher Welford.

**3. DECLARATIONS OF INTEREST**

3.1 There were no Declarations of Interest recorded.

**4. MINUTES OF THE PREVIOUS MEETING**

4.1 The minutes of the last Board meeting were tabled and approved for signature by WL in his capacity as Acting Chairman at the 91<sup>st</sup> Board Meeting.

**5. ACTION POINTS**

5.1 **IT STRATEGY:** The Head of Finance (HOF) confirmed that the Board would be provided with a revised strategy by 29 March 2011.

5.2 **RESEARCH TENDER:** The HOF updated the Board on the current plan to set up an Internship Programme. The first piece of work related to the future of the Landfill Sector and this would be the first piece of work under that programme. Recruitment will start in January 2011 and the Chairman commented on the importance of moving quickly on this project.

5.3 **LEGAL ADVICE:** The HOF updated the Board on the work being done to identify other suppliers in the local area.

5.4 **INCOME PLANNING:** The HOF confirmed that the paper on the proposed changes to the funding mechanism had been presented to HMRC for discussion.

5.5 **CONTRIBUTING THIRD PARTY (CTP) CONSULTATION REPORT:** The Head of Operations (HOO) confirmed that a report will be completed by 31 March 2011.

**6. OPERATIONAL REVIEW**

- 6.1 The HOF introduced the paper outlining the current operating position for the period. He advised that as contributions exceeded the forecast for the year, he anticipates that a small surplus will be generated.
- 6.2 The Board considered it was important that we were able to more accurately forecast contribution levels and that a system needed to be developed to achieve this objective. It was agreed that the Chairman advised he would speak with The Chief Executive Officer (CEO) on this matter.
- 6.3 The HOF also advised that the Audit Committee had recommended that future reports should include an assessment of our management of strategic risk.
- 6.4 ACTION:**
- The Chairman to discuss developing a more accurate forecasting model for contributions received with the CEO; and
  - The HOF to ensure that future reports include a detailed assessment of the management of strategic risk within the Company.
- 6.6 The Board also noted the decision of the Audit Committee to spread our funds across a wider range of financial institutions to reduce risk.
- 6.7 The HOF then advised the Board that all of our Key Performance Indicators (KPIs) were on target to be delivered by the year end. The HOO also advised that the biggest pressure in delivering them related to Consultation reports. The Chairman asked HMRC whether this KPI should be changed, as he also had concerns about more than one consultation being undertaken at any one time. LJ agreed and confirmed that HMRC are content that the consultations are only undertaken when necessary and that sufficient time is taken to produce quality reports. It was agreed that there should be further discussion with HMRC on this point.
- 6.8 ACTION:** The HOO to discuss the consultation process with the CEO and HMRC.
- 6.9 The HOO reported that nearly 98% of EBs had now submitted their Annual returns for 2009/2010 and attributed this achievement to our staff's hard work. The Board agreed that the staff and management should be commended for this achievement and HMRC agreed with this recommendation.
- 6.10 The discussion moved on to review the status of monies held in our reserves and it was agreed that a more detailed analysis should be included in future reports.
- 6.11 ACTION:** The HOF to provide further information on our reserve position in future reports.
- 6.12 The report contained information on contracts (for Board members only). The Board requested these be presented in order of contract size.
- 6.13 ACTION:** The HOF to amend the Contract schedule.
- 6.14 The Board moved on to consider the potential implication on our business profile, if the recommendations of the Calman Report are implemented by the Scottish Government. Following this discussion the Board requested a formal assessment of the impact be presented to them. The assessment should also include the impact on the business, if the proposals were extended across the UK. WL confirmed that he would meet with the HOF to discuss this.

**6.15 ACTION:** The HOF to provide the Board with a report detailing the impact of the Calman proposals on the business across the UK.

## **7. COMPLIANCE UPDATE – Addendum Item for the Board**

### **8. REGULATIONS UPDATE**

8.1 The HOO introduced the paper, which covered a number of areas. **Object D:** The HOO confirmed that the next steps publication will be published on the website and reflects the position agreed at the last Board meeting. Following HMRC's comments, it has been necessary to seek further legal advice on this matter, as HMRC advised that the issue related to interpretation. Although our lawyers had pointed out that there was a lack of clarity in the Regulations, HMRC considered that this was a matter for guidance and therefore primarily for ENTRUST.

8.2 **Management of assets:** The HOO confirmed that the consultation document was almost ready to be released. The Board raised their concern about having two consultation papers in circulation at the same time, which might negate the responses that we may receive.

8.3 **Public element of Object D:** The HOO recommended that this consultation was extended to include Object E, as it also refers to 'public', which the Board endorsed.

8.4 **C/CC Projects:** The HOO advised that since the Regulations were changed in 2003, C/CC was no longer an Object. However, three projects had incurred recent expenditure. HMRC confirmed this was acceptable under the transitional criteria set when these objectives were removed from the scheme.

8.5 **Training:** The HOO explained the low grading relating to the suitability of the venue for the training day on 23 September 2010. She advised that corrective action had already been taken to rectify this issue. She then went on to explain how useful the internal training on presentation skills was for Managers and that they were already implementing the techniques they had learnt.

### **9. SATISFATION SURVEY**

9.1 The HOO updated the Board in the additional research that had been completed on EBs who had given a rating of one or, two in the survey. This work identified that these related to some DEBs whom we had taken enforcement action against, as well as smaller EBs who had no, or little funding. She also confirmed that work had been carried out on the Guidance Manual to manage the expectations of EBs on funding and she agreed that there would be merit in discussing some of the response relating to compliance issues with ADEB.

9.2 **ACTION:** The HOO to discuss with ADEB the survey responses to compliance issues with ADEB.

### **10. VALUE FOR MONEY (VFM) QUESTIONS**

10.1 The HOO confirmed that the report had been submitted to HMRC, who then requested more statistical information. This had been provided and as a result the report was substantially redrafted. Following the issue of the new report, HMRC had then agreed the implementation of a new reporting system. However, as part of this process HMRC had suggested that further review may be necessary in the next financial year. MG commented that he felt it was important to have agreed value for money questions on EOL and suggested that we advise ADEB of the change so they can encourage their members to co-operate.

**10.2 ACTION:** The HOO to formally advise ADEB of the changes to the VFM questions.

## **11. REGULATION TEAM STANDARDS**

11.1 The HOO advised that HMRC were not yet fully satisfied that we met the agreed standards. HMRC advised that in a smaller number of areas, they considered that there was scope for further improvement and this was actively being discussed and agreed with HMRC.

## **12. SMALL GRANTS SCHEME (SGS)**

12.1 The HOO advised that a review of the current system will be submitted to the March 2011, Board meeting. The Chairman stated his disappointed at the take up and MG advised that the SGS is not relevant to a number of larger organisations, as it does not provide them with the flexibility they require.

**12.2 ACTION:** The HOO to provide the Board with a review the SGS at the March 2011, Board meeting.

## **13. ENROLMENT & REVOCATIONS**

13.1 The HOO introduced the paper and the Board approved the list of recommendations.

## **14. VERBAL UPDATE**

14.1 The Chairman advised that the Terms of Approval were up for renewal on 01 April 2011 and that ENTRUST were having ongoing discussions with HMRC, which he would like to conclude as soon as possible. He also advised that the Corporate Plan is due to be submitted on 15 December 2010 to HMRC.

## **HMRC UPDATE**

14.2 AW from HMRC advised that the following the settlement of the 2010, Comprehensive Spending Review (CSR), HMRC would be subject to a real time cut of 22% in its budget, which could impact on the priorities of its work. He advised that he would provide a further update when he had more information available on this matter.

## **15. AUDIT MEETING OVERVIEW**

15.1 WL provided a review of the items covered including:

- H&S Internal Report;
- Post Tender Contract Evaluation; and
- Inclusion on the Risk Management Chart in the Operational Review.

## **16. HUMAN RESOURCES & REMUNERATION BOARD**

16.1 JK provided an overview of the items covered at the meeting which focussed on the results of the staff satisfaction survey.

## **17. ANY OTHER BUSINESS**

17.1 The Chairman thanked MG for attending and for his support to Board Members when they visited the SITA projects.

**18. NEXT MEETING**

18.1 The next meeting is to be held at 12.30 on 29 March 2011, at 60 Holly Walk, Leamington Spa.

.....

**CHAIRMAN SIGNATURE**

.....

**DATE**