

**CONFIRMED MINUTES OF THE 109TH BOARD MEETING
WEDNESDAY 1 APRIL 2015 AT HOLLY WALK, LEAMINGTON SPA**

Present:	Ann Limb (AL) (Chair) Anna East (AE) Jon Carlton (JC) Justin McCracken (JM) Gerry McCormack (GM) Christopher Welford (Chief Executive)
In attendance:	Alison Bennett (Head of Operations) Mark Crook (Head of Finance) Jess O'Brien (Communications Manager)
Apologies:	Will Lifford (WL) Daniel Taylor (DT) HMRC
Board secretary:	Helen Maccallum (HM)

1. Introduction

- 1.1 The Chair welcomed everyone to the 109th Board meeting and especially Gerry McCormack (GM) Jess O'Brien (JO'B) who were attending their first meeting.

2. Apologies

- 2.1 Apologies were received from Will Lifford (WL) and Daniel Taylor (DT) from HMRC.

3. Declaration of Interests

- 3.1 Helen Maccallum (HM) confirmed that she had received up to date Declarations of Interest returns before the meeting. The Chair reminded Board Members that if there was an interest during the meeting then the relevant member should absent themselves from that discussion.

4. Minutes of last meeting

- 4.1 The minutes of the last meeting were approved as being an accurate record and were signed by the Chair.

5. Action points

- 5.1 The Board noted that all the action points were completed.

6. HMRC Update

- 6.1 The Chief Executive (CEO) advised the Board that Daniel Taylor (DT) was unable to attend the meeting, but he was due to meet with him in April 2015.

7. Corporate Plan

- 7.1 The CEO introduced this paper. He explained that in accordance with the Terms of Approval (TOA), we are required to provide HMRC with a Corporate Plan each year.
- 7.2 The main document has been agreed and a shorter four page leaflet has been produced, which will be sent to out stakeholders. The Board considered that the document provided a good overview of the main Plan, although GM considered it was appropriate to highlight the main trends in the Company's plans for improving performance. The Board also considered that the summary sheet provided a clear explanation of ENTRUST's work and thanked JO'B for her work on this document. The CEO will meet with the Head of Operations (HOO), the Head of Finance (HOF) and JO'B to consider what amendments could be made to the document without detracting from the impact.
- 7.3 The Chair requested that if the Board Members had any changes could they pass these to JO'B. JO'B was also requested to review the photographs in the document to make sure that a cross section of community projects were captured.
- 7.4 **Action:** Board Members to give any changes on the leaflet to JO'B.
- 7.5 **Action:** JO'B to check the pictures to make sure they reflect a cross section of community projects.

8. Communication Strategy

- 8.1 The CEO introduced this paper. He has tasked JO'B with carrying out a review of the Communications Strategy over the last 12 months. It was noted that while JO'B had carried out her assessment, but as she had only joined the Company at the beginning of March 2015, she has not updated the strategy. The Board therefore agreed that the Communications Strategy will be brought to the December 2015 meeting.
- 8.2 **Action:** The CEO to bring the Communications Strategy to the December 2015 Board meeting.
- 8.3 The Board were informed that the next Communications Forum is being held on 22 April 2015 and the HOO and JO'B are attending. The Board felt that it is good opportunity to get the Environmental Bodies' (EBs) communication staff to understand the importance of strengthening the Landfill Communities Fund (LCF) brand.
- 8.4 The Board asked that JO'B prepares a paper for the June 2015 meeting on feedback from the Communications forum.
- 8.5 **Action:** JO'B to prepare an information paper for the June meeting on how the Communications Forum in April went.

- 8.6 As part of communications the Board requested that they were sent a copy of the parliamentary engagement matrix detailing the Select Committees and key Ministerial contacts.
- 8.7 **Action:** HM to send a copy of the parliamentary engagement matrix to Board Members.
- 8.8 The CEO advised that he had recently met the Welsh Government Finance Minister who had given him some very positive feedback on the case study briefing material he had provided during the meeting. It was therefore agreed that we should build up a library of material, which could be used to brief stakeholders on the success of the Fund.
- 8.9 **Action:** JO'B to ask at the Communications Forum for EBs to send in case studies and photographs of projects
- 8.10 The Non Executive Directors (NEDs) are visiting the Top 10 EBs over the coming year and the Chair felt that it would also be beneficial that the NEDs give feedback to the Board following their visits. The Chair requested that this is added as a standing item to the Board agenda. The Board also agreed it was important to meet Landfill Operators (LOs) and asked that meetings be arranged with them.
- 8.11 **Action:** HM to add NED feedback to the Agenda as a standing item.
- 8.12 **Action:** HM was asked to circulate the matrix of meetings with the Top 10 EBs to Board members.
- 8.13 **Action:** HM to arrange LOs wherever possible for the same day as the NEDs' EB visits if the LO is in the same area/location.
- 8.14 A discussion was held on the proposals of establishing an economic value of the impact of the LCF, for every £1 invested in the LCF it generates £x in economic value. The Board discussed the potential options of establishing a framework for EBs to collate the information which could then be passed onto HMRC. The Board considered that the NCVO website may be able to assist with the development of the framework.

9. Enrolment and Revocations

- 9.1 The Board formally noted the list of new enrolments and approved the list of voluntary revocations between 1 December 2014 and 28 February 2015.

10. 2014/2015 ENTRUST Regulator Standards

- 10.1 In March 2014, the Board agreed the new ENTRUST Regulator Standards (ERS) which replaced the previous Regulations Team Standards. The ERS has now been in place a year and the Board were given an assessment of the performance against the standards.

10.2 The assessment had been validated by the Quality Assurance & Performance Officer (QAPO) who provided full assurance to the Board that the ERS have been met during 2014/2015.

10.3 **Action:** JO'B to arrange for the ERS assessment to be published on our website.

11. Training Report

11.1 The HOO provided the Board with an update on the training provided to EBs in 2014/2015, the proposed training plan for 2015/2016 and the areas that had been identified for development.

11.2 The training plan for 2014/2015 had been fully delivered and performance against the key measures was noted. The overall feedback scores for training events were marginally down on the previous year (4.5 out of 5, compared to 4.6 out of 5 in 2013/2014). The HOO would review all training feedback with the team to ensure we continued to provide a good quality service. The new training videos that went live in December 2014 are being positively received by EBs. The Board were pleased to note that training costs had been kept to a minimum.

11.3 The Board noted and approved the proposed training plan for 2015-2016.

12. Updated framework for strengthening the financial controls over Environmental Bodies

12.1 A discussion on the proposed framework was held in the context of the current HMRC reform consultation. WL had provided comments which were noted by the Board. The HOO explained progress with the high level framework document and the outline of a draft Code of Conduct. The Board were conscious that we do not add to the administrative burden placed on EBs, but at the same time it was noted that examples of poor governance cannot be allowed to continue. A suggested timetable for implementation of the changes including a further consultation was set out

12.2 The Chair queried the timings for the delivery of the consultation. The HOO informed the Board that the current work was preparatory so that we would be in a position to respond at the outcome of the HMRC consultation if a new license is required. There was a further discussion about how the proposals should be developed and presented.

12.4 A draft response to the HMRC consultation would be circulated to the Board for their approval.

12.5 **Action:** The HOO to circulate to the Board the first draft of the consultation response by 30 April.

12.6 **Action:** The Chair to write to the Top 10 EBs providing them with our thoughts on the reform of the Fund

13. Framework for the closure of the Fund in Wales

- 13.1 The HOO provided the Board with background on the closure of the LCF in Wales. On the basis of our experience in managing the rundown in Scotland, a framework has been developed to close the scheme in Wales.
- 13.2 She also outlined the Welsh Government consultation on developing their own scheme and that as part of this process, the CEO would be attending stakeholder events in April 2015.

14. Quality Assurance Framework

- 14.1 The HOF introduced the paper which set out the reviews undertaken by the QAPO, the benefits achieved and the Quality Assurance Programme for 2015/2016 and the QAPO's work programme for 2015-2016.
- 14.2 Anna East (AE) commented that risk management drives a business and that the Board at their strategic planning day in October 2015 should review the Company's Strategic Risk Register and the Board's appetite to risk. GM advised that this proposal had also been raised by the Audit Committee at its meeting.
- 14.3 **Action:** The Board to review the Company's Strategic Risk Register at the planning day in October 2015.

15. Unfunded Environmental Bodies

- 15.1 The HOO introduced this paper and explained to the Board that there are a number of EBs who have failed to submit their statutory Form 4 return. There are also eight unfunded EBs who had continually not submitted returns for more than two years and it was agreed to refer these organisations to HMRC for enforced revocation.
- 15.2 There are a further 15 funded EBs who have not submitted a Form 4 return for two, or more years and a review will be carried out into each EB and a report prepared on the level of funds held. These EBs would then be considered for referral for revocation. It was agreed that we should continue to work to actively reduce the number of EBs who had not made a statutory annual return.
- 15.3 The Board noted that HMRC have agreed to a new condition which could be used to 'freeze' the status of an EB meaning they would be able to receive no further funding, or register projects.

16. Corporate Support

- 16.1 The HOF introduced this paper. He reported that contributions received by EBs to the 31 March 2015 were £80.6m which would generate a surplus in levy income for the year of approximately £290k.

- 16.2 He also explained that he anticipated a surplus on operational activities for the year of approximately £35k and that the report also informed the Board that all of the agreed Key Performance Indicators (KPIs) for the year were achieved
- 16.3 He also updated the Board on Communications related activity but following the request from the Board, this will be included in a separate paper at future meetings.
- 16.4 The Board had no questions on the paper which they felt was very clear and concise. The CEO updated the Board on the consultation document issued by HMRC. He informed them that we have been working with both the Scottish and Welsh Governments to help plan and facilitate the closure of the Fund in both countries

17. Compliance

- 17.1 The HOO reported that the Compliance Department had delivered 337 inspections over the year against a target of 318. The overall satisfaction score of EBs after inspection up to 28 February 2015 is 4.5 against a target of 4.2.
- 17.2 During compliance visits and enforcement matters a number of governance issues have been uncovered. It was considered that tighter controls are needed and the compliance workbooks used by the Inspectors have been updated to include further questions on governance. The risk model has also been updated.

18. Enforcement

- 18.1 The Board noted that a large number of enforcement cases have been closed since the December 2014 meeting.
- 18.2 **Addendum item for the Board.**

19. Registrations

- 19.1 The Board noted that the Registrations Team had achieved their KPIs in both registering EBs and approving projects within five working days.
- 19.2 The HOO informed the Board that telephone and email enquiries are gradually decreasing with more EBs accessing our online resources. All calls and emails are logged to ensure that advice given can be monitored to see if further action is required. The enquiry log is an area for further development to improve the standards of customer service and provide further information via our website in response to common queries.

20. Regulations

- 20.1 The HOO reported that all the consultations reports had been now been published. It was noted that draft guidance had been produced on various aspects of the closure of the LCF in Scotland and that a framework has been developed for the closure of the Fund in Wales. A response to the open consultation on developing a new landfill disposals tax for Wales is being prepared.

20.2 The Terms of Approval (TOA) has been agreed with HMRC, which the Chair would sign today on behalf of the Company.

21. Audit Committee update

21.1 JC provided a review of the items discussed at the Audit Committee meeting including:

- An update on the Corporate Governance Framework;
- Strategic Risk Register (SRR), the Committee felt that it was appropriate that the Board should be involved in giving their appetite to risk and suggested that it was included on the annual Strategic Planning day; Management Assurance Framework and the annual statement of assurance received from the HOO and HOF;
- The External Audit Plan submitted by Crowe Clark Whitehill;
- Actions undertaken in respect of Risk Management in the quarter;
- Quality Management – the Committee had received an update from the QAPO on his review on the Enforcement department which provided a Substantial Level of assurance; and
- The testing of the Business Continuity Plan which identified only one minor issue relating to the updating of contact information by staff members.

21.2 The Chair confirmed that the comments received from WL had all been addressed.

22. Human Resources and Remuneration Committee update

22.1 AE provided the Board with an update of the items discussed by the Committee at their meeting including:

- Human Resources report;
- Health and Safety report;
- Pension policy and the discussion relating to auto enrolment; and
- Approval of the Remuneration policy.

22.2 **Addendum item for the Board.**

23. Any other business

23.1 The Board approved that the Chair be appointed as a Director of ENTRUST Ltd, the dormant company.

23.2 The Board also resolved that the Chair, Dr Ann G Limb OBE, DL be included on the bank mandate of the Company as an approved signatory.

23.2 **Action:** The HOF to list the Chair as a Director of ENTRUST Ltd, the dormant company and arrange for her to complete a banking mandate.

24. Date of next meeting

24.1 The next meeting will be held on 17 June 2015, at 60 Holly Walk, Leamington Spa.

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CHAIRMAN SIGNATURE

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DATE