

**CONFIRMED MINUTES OF THE 111TH BOARD MEETING
WEDNESDAY 16 SEPTEMBER 2015 AT HOLLY WALK, LEAMINGTON SPA**

Present: Dr Ann Limb CBE DL (AL) (Chair)
Anna East (AE)
Jon Carlton (JC)
Justin McCracken (JM)
Gerry McCormack (GM)
Christopher Welford (Chief Executive)
Daniel Taylor (DT) HMRC

In attendance: Alison Bennett (Head of Operations)
Mark Crook (Head of Finance)
Jess O'Brien (Communications Manager)

Board secretary: Helen Maccallum (HM)

1. Introduction

1.1 The Chair welcomed everyone to the 111th Board meeting.

2. Apologies

2.1 No apologies were received.

3. Declaration of Interests

3.1 The Head of Finance (HOF) declared an interest that his wife is a member of the PCC for St Thomas Church, Garratts Green, Birmingham and that the church has a project approved with a value of £40,000 from Veolia Environmental Trust.

3.2 The Chair reminded the Board Members that if a topic was discussed during the meeting and they had an interest in it then they should declare this to the Chair.

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 several of the action points were on the agenda for discussion.

5.2 Addendum item for the Board

6. HMRC Update

6.1 Daniel Taylor (DT) informed the Board that the Consultation on the Reform of the Fund had received 740 responses and that he expected that the Government's response would be published in the Autumn Statement.

6.2 DT noted that he had received some feedback on our MP briefing papers from HMT and it was therefore agreed not to distribute any further information until after the Autumn statement. He also advised that there had been two questions raised in the House of Lords recently relating to the operation of the LCF and the Board requested that Jess O'Brien (JO'B) provide them with a copy of the questions and responses.

6.3 **Action:** JO'B to provide the Board with a copy of the questions and responses

7. Audit Committee update

7.1 GM provided an overview of the items discussed by the Committee at its meeting including:

- A report from the Quality Assurance & Performance Officer (QAPO) on Facilities which provided a SUBSTANTIAL level of assurance;
- Management Assurance;
- Risk Management;
- Arranging a briefing for the Board on the wider implications of the implementation of Financial Reporting Standard (FRS) 102 on the Company's accounts;
- A request to approve the deposit of surplus funds with Lloyds Bank plc. The Committee had noted that funds were already deposited with a Lloyds Group subsidiary (Bank of Scotland). The Board supported the Committee view that a non-Lloyds Group alternative with acceptable credit standing should be sought.

8. Human Resources & Remuneration Committee update

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

- Staffing issues and recruitment;
- Sickness and pensions auto enrolment;
- Health and Safety report which included a Fire and Office risk assessment;
- Looking into the possibility of employing an apprentice; and
- Discussion on whether to seek reaccreditation of the Investors in People standard.

9. Board Members briefing on visits

9.1 The Board received and noted the feedback from the visit to EBs and Landfill Operators (LOs) by Board members. The Chair thanked colleagues for their feedback and on reflection she considered that this initiative was delivering benefits to all parties.

9.2 to 9.8 **Addendum item for the Board**

10. Enrolment and Revocations

- 10.1 The Board formally noted the list of enrolments and approved the list of voluntary revocations between 1 June and 31 August 2015. The Board noted that we are starting to see some smaller Scottish EBs applying for revocation.

11. Information Technology Strategy

- 11.1 The HOF introduced this paper, which sets out planned activity over the period covered by Strategy. The HOF stated that it was prudent to continue to plan for the redevelopment of ENTRUST on Line (EOL) and our website, but that any changes in the LCF arising from the reform consultation announced in the Autumn Statement that impacted on the Strategy would be reported back to Board.
- 11.2 It was noted that we are considering whether it is appropriate to bring the development of EOL fully in-house although the HOF is continuing to identify options for a more local firm to support EOL. The Board considered that in order to protect the integrity of our system, that a blended option of providers should be considered,

12. 2014/2015 Form 4 Strategy Evaluation

- 12.1 The Head of Operations (HOO) introduced this paper and outlined the results of this year's strategy. Whilst targets for overall return rates, use of online forms and level of funds reported had been exceeded, performance against those relating to nil returns was slightly down on last year.
- 12.2 The HOO explained that we are therefore reviewing our approach in an effort to improve the position and this would be presented in the Form 4 strategy at the December 2015 Board meeting. As part of this review, we have obtained some legal advice with regard to the application of the Landfill Tax Regulations 1996 (Regulations).
- 12.3 **Action:** The HOO to share our legal advice with HMRC for their review.

13. Stakeholder Satisfaction survey

- 13.1 The CEO introduced this paper and noted that 8 out of 10 responses considered that we provided high quality services. He then went on to draw the Board's attention to some of the key findings from the survey and the improved results in a number of areas.
- 13.2 The Board considered that overall it was a positive reflection of the Company's work. However, they noted the feedback on the enforcement area and questioned whether there were other ways in which we could manage our engagement with people who were subject to enforcement action. The HOO outlined the current procedure, but agreed to review it in light of the Board's comments.
- 13.3 **Action:** The HOO to review the enforcement action procedure in relation to managing breaches in the Regulations.

- 13.4 **Action:** JO'B confirmed that the Board gave approval for the 2015 EB Satisfaction Survey results and action plan to be published on the ENTRUST website, subject to agreed amendments being made.
- 13.5 JO'B also updated the Board on the End User survey, which has now closed and where we had received over 1,000 responses. Her focus now was to analyse the results to identify the key findings.
- 13.6 The Chair thanked JO'B for her update and requested that the Board be provided with a more detailed report at their next meeting.
- 13.7 **Action:** JO'B to carry out more analysis on the results and to report the findings to the Board's December 2015 meeting.
- 13.8 **Action:** JO'B to ensure that all respondents who requested feedback be contacted by the end of September 2015.

14. Proposed 2016 Board and Committee Meeting dates

- 14.1 The proposed meeting dates for 2016, had been circulated to Board Members. The Board Members confirmed that the dates were acceptable and the Board Secretary was asked to send meeting invitations out.
- 14.2 **Action:** The Board Secretary to send meeting invitations for the 2016 meetings to the Board Members.

15. Corporate Support

- 15.1 The HOF introduced this paper and drew the Board's attention to the increased forecast of levy arising primarily from the large value contributions that had been received by EBs over the past year. This had led to higher levels of cash being held with one of our banking counterparties and the recommendation to the Audit Committee to establish new deposit facilities with a further banking counterparty to spread our risk exposure.
- 15.2 The HOF also informed the Board that we continue to manage our operational expenditure within the agreed budget and that we were capturing the actual cost of undertaking closure activity relating to Scotland, by staff submitting time and cost sheets. This activity would help inform our resource requirement submission to HMRC to fund the second year of closure activity.
- 15.3 The HOF also informed the Board that our Key Performance Indicators (KPI) are on target and that a new protocol had been put in place in response to dealing with Freedom of Information requests. Finally, it was noted that we are now publishing Board Member and Senior Staff travel and subsistence claims.

16. Compliance

- 16.1 The HOO introduced the compliance update, and drew attention to the target for reviewing EBs holding 90% of all unspent funds by year end. At the end of August 2015, EBs that had been inspected held unspent funds of 11.66%, but with further planned visits in September 2015 it was forecast that EBs holding 40% of unspent funds would be reviewed by the half year point. At the end of August 2015 55% of the Annual Inspection plan was completed, in terms of numbers of visits made. A new inspector had been recruited, bringing the team back to full strength. Ian Jones commenced his employment on 1 September 2015.

17. Enforcement

- 17.1 The HOO gave an update on enforcement issues and described the current closed and ongoing cases which were being managed.

17.2 to 17.7 **Addendum items for the Board**

18. Registrations

- 18.1 The HOO introduced the paper and the Board noted that enrolments are falling this year. This could be due to changes with the Fund in Scotland or it may be that DEBs have changed their requirements. The number of projects are also on the low side but we are still seeing Scottish projects being registered.
- 18.2 The Registrations Department is fielding enquiries for the Scottish Environment Protection Agency (SEPA) from EBs in Scotland asking about the new Scottish LCF. We are referring these enquiries to Revenue Scotland for them to deal with.

18.3 **Addendum items for the Board**

19. Regulations

- 19.1 The HOO informed the Board that the Economic Impact framework had been published on the website and it was noted that we have received limited feedback to date.
- 19.2 Training – a basic training session is being held on 22 September 2015. The HOO reported that there is a training event scheduled for 31 October for EBs Chairs and Board Members. It was noted that five people have registered for this course which is to be held on a Saturday. At the June Board 2015 meeting it was agreed that due to Chairs and Board Members having other jobs that the training should be trialled on a Saturday in the hope that as many as possible will attend. The Regulations Team will continue to monitor how many show interest in this training event.
- 19.3 Recruitment – there are currently two vacancies within the team, for the Policy and Regulations Manager and the Information and Training Officer. These posts have been advertised with a closing date of 10 October.

20. Communications

- 20.1 JO'B introduced the paper which gave a summary of the work carried out during the last quarter (June to September 2015). JO'B updated the Board with details of the Communications Forum held in June 2015 and informed them that the next Forum would be held on 2 October 2015.
- 20.2 JO'B informed the Board that she has consulted with HMRC regarding a small update to the LCF logo, DT and JO'B will liaise on this further.
- 20.3 The Board thanked JO'B for the update on the Parliamentary Engagement Strategy provided in the Communications paper. Following a short discussion it was agreed as we approach the Autumn Statement it would be appropriate to place the strategy on hold for the time being.
- 20.4 The Communications Quality Performance Indicators (QPIs) were introduced to the Board and JO'B advised that the QPIs remain in development.

21. Any Other Business

- 21.1 Autumn Statement – the Board raised the possibility of an additional meeting to discuss any outcomes of the Autumn Statement in relation to the Reform Consultation. It was suggested that this meeting could be held by tele conference

22. Date of next meeting

- 22.1 The next meeting will be held on 9 December 2015, at 60 Holly Walk, Leamington Spa.

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CHAIR'S SIGNATURE

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DATE