

SUMMARY OF HMRC COMMENTS

INTRODUCTION

This document set out a summary of the comments made by HMRC on the ENTRUST 2008/09 consultations.

REVIEW OF ADMINISTRATION COSTS TAKEN BY ENVIRONMENTAL BODIES

As a private sector scheme the LCF is outside the scope of the Treasury guidance on full cost recovery. However HMRC may consider a case for adopting the principles of full cost recovery on the basis of further evidence to be provided by ENTRUST.

HMRC would like ENTRUST to develop the lead option that EB running costs be 'reasonable and relevant' It would be helpful if a paper with proposals was developed by 30 October 2009. In developing this work, it may be beneficial to involve Landfill Operators in the process, as they may have a view on how their funding should be spent.

Any recommendations for change will be considered and decided on how best they can be delivered on the basis of the evidence provided by ENTRUST through further consultation.

REVIEW OF EXCLUSION OF SPECIFIC USER GROUP PROJECTS FROM THE LANDFILL TAX REGULATIONS 1996

This recommendation is accepted.

LCF SANCTIONS FRAMEWORK

HMRC would like to see some further background for consideration on the proposal for naming and shaming.

In principle, HMRC endorses the concept of a fine regime to encourage compliance. However, as ENTRUST is only at the infancy stage of implementing revised sanctions to manage non-compliance with the Regulations, HMRC would only consider any proposals for introducing fines if there is evidence that other available sanctions do not achieve the required levels of compliance.

REPORT ON THE REGULATORY CHANGE PROPOSALS 2008-09

i) Public Amenities

HMRC consider that the interpretation of "public amenity" is best dealt with by way of guidance however it is recommended that ENTRUST review its guidance on this matter.

ii) Object E

HMRC accepts the recommendation that no changes are made to the Regulations.

iii) Statistics

HMRC confirmed that the VFM data needs to be retained.

iv) In the Vicinity

HMRC have no plans to review the geographical requirement that projects are 'in the vicinity of a landfill site'.

v) The following are matters for ENTRUST, to consider further in the first instance;

- Development of EOL to notify project outcomes by e-mail;
- Further work to consider if time limits need to be enforced on the commencement of registered projects;
- To review guidance on tendering following experience gained through training;
- Communication strategy; and
- The refinement of ENTRUST statistics on the basis that this is in addition to the current information produced.

ENVIRONMENTAL BODY RECORDS KEPT RELATING TO LANDFILL OPERATORS

Further consideration on this issue is being considered by ENTRUST in conjunction with HMRC.