

Guidance note 6.8	Completing a project
What this guidance covers	This guidance note sets out the information which an Environmental Body (EB) should provide to us when seeking an extension of time to complete a project, and also sets out how an EB should notify ENTRUST when a project is complete.
Date of issue	1 December 2014
Date this guidance comes into effect:	1 December 2014
Any guidance now superseded:	None

For further information please see [our website](#) or contact our Registrations team on 01926 488300.

6.8 Completing a project

A. How to seek an extension of time in which to complete a LCF project

6.8.1 Background

- i. ENTRUST is the Regulator of the Landfill Communities Fund (LCF), an innovative tax credit scheme, governed by the Landfill Tax Regulations 1996 (the Regulations). The LCF enables Landfill Operators (LO) to contribute money to organisations enrolled with us as Environmental Bodies (EBs) to carry out approved community and environmental projects.
- ii. We regulate EBs and the project work they undertake. When an EB registers a project we check that the project complies with the Regulations and that it has an estimated start date and reasonable estimated completion date. We would usually expect a project under Objects D, E, or F to be for no longer than two years, and a project under Objects A, B or DA to be for no longer than three years.
- iii. EBs are asked to provide an estimated start date and estimated completion date so that we can understand when funding reaches the project, and to enable us to provide accurate reports to HMRC.
- iv. By condition approved by HMRC, no LCF monies may be spent on a LCF project before that project has been approved by us. A further condition is being sought which would make it non compliant for LCF monies to be spent on a LCF project after the estimated completion date provided to us. Therefore we encourage EBs to be realistic, at the registration stage, as to the length of time it will take to complete their project and complete the spending of LCF monies.
- v. If an EB is unable to complete the spending of LCF monies on its project before the estimated completion date provided to us then the EB should seek an extension of time in which to complete the project.
- vi. Once a project has been completed, EBs should notify us of the project completion. This applies to all LCF projects completed on or after 1 April 2014.

6.8.2 Purpose of this guidance note

- i. **Part A** of this guidance note sets out how an EB may seek an extension of time to the original estimated completion date in which to complete a LCF project. This guidance note also outlines the relevant form to use and the length of extension which can be sought.
- ii. **Part B** of this guidance note sets out the process by which an EB notifies us that a project is complete and the forms which should be used.

6.8.3 Who should seek an extension of time in which to complete a project?

- i. Any EB who will not be able to complete the LCF spending on their project before the estimated completion date for that project should seek an extension of time.
- ii. If more than one EB is involved with a project then it is the EB holding the project approval who should seek the extension. The EB holding the project approval should keep all other EBs who have an interest in the project notified both as to the original estimated completion date and also of any extensions to the estimated completion date.

6.8.4 How should an EB seek an extension of time?

- i. Previously EBs have been able to seek an extension of time through informal contact with our Registrations team. Now, one month before a project is due to complete, a reminder email will be automatically generated and sent to the main contact of the EB holding the project approval. This email will remind the EB of the completion date and ask the EB to seek an extension of time, if more time is required to complete the project, or to notify us that the project has been completed. (No email will be sent if we have already received notification that the project has been completed.)
- ii. An EB may seek a first extension of time by completing Form 2X through ENTRUST online (EOL). Completing Form 2X through EOL will enable an EB to grant its own automatic extension of up to three months if the delay is for one of a number of specified reasons (see below).
- iii. For a first extension in excess of three months, for a further extension, for a reason other than those specified or for a paper copy of Form 2X, please contact our Registrations team.

Form 2X: Applying for an extension of time

- iv. An EB completing an application for an extension to the estimated project completion date online will find that any relevant project information which has already been provided to us will be pre-populated in the Form 2X: application for an extension of time form for that project.
- v. An EB who is online and looking at the relevant Form 2 for a project will be able to see the date originally notified for the completion of that project. The EB will be able to request an extension of up to three months to the original estimated completion date by selecting the relevant button (next to the original project completion date in Form 2). This will extend Form 2 so that a Form 2X appears. The EB can then complete and submit Form 2X to apply for an extension of time.
- vi. A first request to extend the project completion date by up to three months will be granted automatically if the reason for seeking an extension is one of the following:

- The project works are delayed by bad weather
 - The project works are delayed by other events e.g. sports season or discovery of bats
 - Unplanned additional work is required to the project
 - Specialist contractors for the project are currently unavailable
 - The project is completed but the final LCF payment has not yet been made
 - A funding shortfall for the project
- vii. Once the extension has been granted the date sought by the extension application will become the new estimated project completion date.
- viii. Once the extension has been granted the EB can continue to spend LCF monies to complete the project, up until the new estimated project completion date. The EB holding the project approval should notify any other EB which is involved with the project of the new estimated project completion date.
- ix. For example, Andy realises that his estimated completion date of July 2016 is no longer feasible because the specialist contractor he has chosen to do the final work on his public amenity project will not be able to start work until August 2016. Andy logs into EOL to seek an extension to the project completion date. As the original project completion date is July 2016, Andy can seek an extension until October 2016. Andy decides to extend until September 2016. It is a first extension so the extension is automatically granted. Andy is able to continue spending LCF monies until the end of September 2016.

Contacting Registrations team to apply for an extension of time

- x. If an EB requires an extension in excess of three months, is seeking a further extension, is seeking a first extension for a reason other than those specified (above), wants to have a paper copy of Form 2X or wants register to use EOL, then it should contact our Registrations team.
- xi. An EB who contacts our Registrations team for an extension should explain in writing:
- The length of extension required
 - The reasons for seeking an extension
- xii. Our Registrations team will consider each request on its own merits and will notify the EB within five working days of the request being made.
- xiii. For example, Brenda realises that her estimated completion date of March 2016 is no longer feasible because exceptionally wet weather over the last winter has delayed her biodiversity project by a year. Although the request for an extension is a first request, Brenda seeks an extension of more than three months and so cannot make the request online using Form 2X. Brenda emails the Registrations team with her

request to extend the completion date by a year and explains how the weather has affected her project. The Registrations team are satisfied that the request meets the criteria and agree to extend the project until March 2017. The decision to grant the extension of time is emailed to Brenda. As the new project completion date is March 2017, Brenda is able to continue spending LCF monies until the end of March 2017.

6.8.5 Is there a limit to the length of extension I can seek?

- i. If an EB seeks a first extension to the estimated completion date by going online then an extension of up to three months will be granted if the extension is sought for one of the specified reasons. An extension of more than three months cannot be granted by using Form 2X through EOL.
- ii. If an EB seeks an extension from our Registrations team then each request will be considered on its own merits. However, an extension will not normally be granted if:
 - The original project has been completed
 - The project has significantly changed from that originally registered
 - No LCF monies were spent between the original estimated start date and estimated completion date
 - The project is expected to continue for an extraordinarily or unreasonably long length of time
 - The extension sought is for longer than the original length of the project
- iii. Therefore we encourage EBs to be realistic, at the project registration stage, as to the length of time it will take to complete their project and complete the spending of LCF monies. We would usually expect a project under Objects D, E, or F to be for no longer than two years, and a project under Objects A, B or DA to be for no longer than three years.

6.8.6 What happens after I have been granted an extension of time?

- i. Once the extension has been granted, the date granted by agreeing the application for an extension will become the new estimated project completion date. The EB with project approval should notify any other EB which is involved with the project of the new estimated project completion date.
- ii. An EB can continue spending LCF monies to complete the project up until the new estimated project completion date.
- iii. If the project is not completed by the new estimated project completion date then the EB with project approval should seek a further extension. A further extension cannot be granted online and can only be granted by contacting our Registrations team.

6.8.7 What happens if my project is not granted an extension of time?

- i. It may be necessary for our Registrations team to reject an application for an extension of time to complete a project. In those cases, once the condition is in place then the EB must ensure it has ceased spending LCF monies on the project by the estimated completion date.
- ii. Where an application for an extension of time is rejected, our Registrations team and our Compliance team will discuss with the EB concerned how it can proceed to ensure that the project is completed in a compliant manner or, where appropriate, how a new project can be registered.

B. Notifying ENTRUST when a project is complete

6.8.8 When is a LCF project complete?

- i. A LCF project is complete on the date when the final instalment of LCF monies has been spent. This may be before or after the physical work undertaken on the project is completed.
- ii. If the LCF investment is part of a larger project then the overall project may continue after the LCF completion date.

6.8.9 Who should notify ENTRUST that a project is complete?

- i. Where a LCF project is completed by the final instalment of LCF monies being spent, then the EB holding the project approval should notify us that the project is complete.
- ii. One month before a project is due to complete a reminder email will be automatically generated and sent to the main contact of the EB holding the project approval. This email will remind the EB of the completion date and ask the EB to seek an extension of time, if more time is required to complete the project, or to notify us that the project has been completed. (No email will be sent if we have already received notification that the project has been completed.)

6.8.10 When should an EB notify ENTRUST that a project is complete?

- i. For all projects which completed on or after 1 April 2014, the EB holding the project approval should notify us that the project is complete as soon as the project has been completed.
- ii. A project completion form has been reintroduced to address issues with over-running projects and to enable project applicants to inform us as soon as a project has completed (rather than waiting until submission of Form 4: Annual Return, which may be up to 12 months following completion of the project).

6.8.11 How should an EB notify ENTRUST that a project is complete?

- i. When the final instalment of LCF monies has been spent on a project, the EB holding the project approval should log into EOL in order to notify us that the project is complete.

Form 4: Annual Return

- ii. Once in EOL, the EB holding the project approval should open the supplementary pages of its Form 4: Statutory Annual Return. Previously an EB could only notify us of the completion of a project by entering data in the supplementary pages of its Form 4 after the conclusion of the reporting year in which the project was completed. From December 2014 an EB will be able to notify us that a project is complete at any point in the year.
- iii. Although this facility will only be available from December 2014, we are asking EBs to notify us of the completion of all projects which completed on or after 1 April 2014.
- iv. On the supplementary pages of its Form 4, the EB should enter the date of the final LCF expenditure on the project and the amount of the final LCF expenditure on the project. The EB should then mark the project as complete. Where more than one EB is involved with the project and will spend LCF monies on the project, the EB holding the project approval should check that all LCF expenditure on the project by any other EB involved with the project has been reported by that EB (in the supplementary pages of its own Form 4) before the EB holding the project approval marks the project as complete. This is the same process that was previously undertaken when entering project expenditure on a Form 4: Annual Return after the conclusion of the reporting year.
- v. The data entered in the supplementary pages will feed through to the main pages of the Form 4, making the eventual completion of the Form 4 a more streamlined process. The EB should not reconcile or submit its Form 4 until after the conclusion of the reporting year or when all activity and expenditure for the year is complete.

Form 9: Project Completion form

- vi. Once the project is marked as complete on an EB's Form 4: Annual Return, a Form 9: Project Completion form will be generated and a link to the new Form 9 will appear on that EB's EOL dashboard. The Form 9 will be pre-populated with any relevant project information which has already been provided to us.
- vii. An EB should complete and submit the Form 9. There is no formal deadline for the submission of a Form 9 but, as the Form 9 contains details about the completed project and any LCF assets which were created or purchased by the project, we will expect all Form 9s to be completed within three months of completion, and this will be reviewed as part of our compliance activity and at inspections. We will keep under review the absence of a formal deadline for Form 9 to be completed and submitted.

- viii. Additionally, EBs who register and complete a large number of projects may wish to fill out and submit their Form 9: Project Completion forms on a monthly or quarterly basis in order to keep on top of their reporting obligations.

EBs who are not registered to use EOL

- ix. An EB which is not registered on EOL should contact our Registrations team, either to register for EOL or to ask for a paper copy of Form 9: Project Completion form. One Form 9 will be required for each project completed.
- x. Paper copies of Form 9 should be returned to us once the project has been completed. There is no formal deadline for the submission of a Form 9 but, as the Form 9 contains details about the completed project, we will expect all Form 9s to be completed and this will be reviewed as part of our compliance activity and at inspections.

6.8.12 The Value for Money questions on Form 9

- i. Previously project applicants were asked Value for Money (VFM) questions on the project registration form (Form 2). The requirement to complete these questions was removed from 1 April 2014. EBs are now asked VFM questions at project completion stage when EBs are likely to have more information about the project and are likely to be in a better position to respond.
- ii. Asking the VFM questions at completion stage is in line with many other third sector assessments of VFM (which are predominantly after completion of the enterprise being considered).
- iii. We will keep the VFM questions which are asked under constant review. Our expectation is that fewer, more targeted, VFM questions will be asked. By asking the VFM questions at project completion stage, we expect that project applicants will be able to provide more accurate data and ensure ENTRUST is able to provide more meaningful reporting on the impact and performance of the Fund.

6.8.13 Summary of the project extension and project completion process

