



ENTRUST Accreditation Scheme Consultation

March 2018

1. Introduction

- 1.1 This report details the outcome of our consultation exercise on the future of the Accreditation Scheme.
- 1.2 This consultation sought stakeholders' views upon:
 - What aspects of the Accreditation Scheme have been most beneficial;
 - What parts of the scheme would EBs most like to keep;
 - What aspects of the scheme could be removed with little, if any, impact on their EB; and
 - What difficulties might arise for them if the Accreditation Scheme closed.
- 1.3 We consulted with accredited EBs on the future of the Accreditation Scheme between December 2017 and January 2018.
- 1.4 The main contacts of all accredited EBs (five in total) were sent emails inviting them to complete an online questionnaire hosted by SurveyMonkey. Cover notes were attached to each email providing an introduction to the consultation and the reasons for it being carried out. Four of the EBs completed the online questionnaire.
- 1.5 As part of the consultation exercise EBs were asked if they would like to attend a meeting at the end of January to further discuss the Accreditation Scheme. All four EBs who completed the questionnaire expressed an interest in attending the meeting. The meeting was held on 30 January and was attended by three EBs. At the end of the meeting EBs were asked to provide a formal position statement on the Accreditation Scheme, the request was sent by email to those accredited EBs not able to attend the meeting.

2. Background

- 2.1 The Accreditation Scheme was introduced in 2007, with the aim of reducing the administrative burden on those EBs who deliver large numbers of projects on a regular basis. Some of the benefits of being an Accredited EB were that organisations were able to approve their own projects and they were subject to an annual accreditation review which is similar to a Control Framework Inspection (CFI). As part of the review process, we select a sample of accredited projects on a monthly basis to provide assurance that the projects being approved are compliant with the Landfill Tax Regulations 1996 (Regulations). It was also envisaged that being designated as an Accredited EB would provide an increased level of confidence from Landfill Operators (LO) and other EBs.
- 2.2 In order to attain accredited status, EBs had to demonstrate high standards of corporate governance and internal control. This was assessed at an Accreditation Review followed by recommendation for approval made to the ENTRUST Board.
- 2.3 The scheme was closed to new applicants in 2017 following discussions with HMRC. This decision was taken due to low take up of the scheme by EBs and the need to streamline ENTRUST's activities in line with the reduction in size of the Landfill Community Fund (LCF). As at February 2018 there were five accredited EBs registered with ENTRUST.

- 2.4 As proposed in the 2017-2020 ENTRUST Corporate Plan, in order to further simplify processes and activities for us and for EBs, ENTRUST have been reviewing whether to reduce the scope of the Accreditation Scheme or close it in full. This process has also looked to establish how changes could be made while at the same time minimising disruption and additional costs to EBs. In managing the consultation exercise, we contacted all accredited EBs to establish which parts of the scheme have been most beneficial and gather suggestions for its future operation.

3. Summary of feedback

- 3.1 Analysis of responses to the questionnaire revealed that the aspects of the Accreditation Scheme EBs valued most was the delegated project approval process and procedures. Feedback with regards to other aspects of the scheme was mixed with none standing out as being of particularly high or low in value. Feedback on whether the scheme could be ended with little impact on EBs was also mixed. Two respondents were of the opinion that closing the scheme would not result in any long term difficulties while another considered that closure of the scheme would cause additional administration if there was a change to their project approval process. Several respondents highlighted that in order to fully understand the impacts of any changes to the scheme they would first need a better knowledge of the standard ENTRUST inspection and project registration processes, which was provided after the meeting.
- 3.2 As responses to the questionnaire had identified a requirement for more knowledge of ENTRUST's standard inspection and project registration processes this information was provided at the event. There was general agreement among those EBs attending that while they would prefer the Accreditation Scheme to remain in place they also recognised that the impact of closing the scheme would be manageable and not result in any long term difficulties, or costs. The meeting allowed a full examination of the differences between the project registration form for non-accredited and accredited EBs with the group agreeing that the differences were insignificant. It was collectively agreed that if the scheme were to end there would be some administrative work to manage the change, but this would be at an acceptable and manageable level as in reality the differences between being accredited and non-accredited were not significant.
- 3.3 Following the meeting EBs were asked to provide their EB's formal position statement on the Accreditation Scheme. Three EBs responded to the request, within these responses there was a preference for retaining the project approval process as the EBs considered its removal would result in a need to change EB project approval processes and therefore would potentially increase their administration costs.

4. Recommendations

- 4.1 Having consulted with stakeholders on the Accreditation Scheme the following recommendations were agreed by the ENTRUST Board for its future operation:
- The Accreditation Scheme is closed;
 - There are transitional arrangements for those accredited EBs who expressed a case to retain certain elements of the scheme to minimise disruption to their existing processes.
- 4.2 This course of action has also been communicated to, and agreed by, HMRC.

5. Outcomes

- 5.1 Following consideration of the feedback received from stakeholders the above recommendations were accepted by the ENTRUST Board in March 2018.
- 5.2 Responses to the consultation exercise revealed that while there was a desire among EBs to retain the scheme, its closure, while necessitating a change to EB processes, would not result in any excessive long term difficulties, or costs. This position was reinforced by attendees at the January 2018 meeting when the provision of further information allowed EBs to understand the differences between non-accredited and accredited processes. It was clear that historically the difference between non-accredited and accredited was more significant but due to recent changes - for example the publication of the Compliance Risk Model directing what inspection an EB is subject to – has reduced the differences.
- 5.3 The end of the Accreditation Scheme will reduce administration processes for ENTRUST by removing the need to continue operating separate project registration and inspection processes for a small number of EBs.
- 5.4 By running a transitional period for those EBs which had concerns regarding potential increases in administration costs, ENTRUST believes we will be able to minimise any disruption to EBs resulting from the closure.
- 5.5 The outcome of the consultation has been communicated directly to the previously Accredited EBs.