

**CONFIRMED MINUTES OF THE 118TH BOARD MEETING
TUESDAY 4 JULY 2017 AT HOLLY WALK, LEAMINGTON SPA**

Present: Dr Ann Limb CBE DL (AL) (Chair)
Justin McCracken (JM)
Gerry McCormack (GM)
Christopher Welford (Chief Executive)

In attendance: Alison Bennett (Deputy Chief Executive Officer)
Jess O'Brien (Communications Manager)
Judith Kelly (JK) (HMRC)
Michael Lyttle (MK) (HMRC)

Apologies: Anna East (AE)
Jon Carlton (JC)

Board secretary: Helen Maccallum (HM)

1. Introduction

1.1 The Chair welcomed everyone to the 118th Board meeting and formally welcomed JK and ML from HMRC who were attending their first Board meeting with ENTRUST.

2. Apologies

2.1 Apologies were received from AE and JC.

3. Declaration of Interests

3.1 The Chair reminded Board Members that if a topic was discussed during the meeting which they had an interest in, that this should be declared to the Chair.

4. Minutes of last meeting

4.1 The minutes of the 117th meeting held on 15th March 2017 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 had been completed, and in relation to Point 2 this was an Agenda item to be discussed during the meeting.

6. HMRC Update

6.1 The Chair gave the Board's collective thanks to JK and ML for attending the meeting of the Top Ten EBs Chairs and Executives earlier in the day. It was noted that the presence of HMRC was well received by attendees.

6.2 The Chair considered it was a positive meeting and the Board was pleased with how frank and clear HMRC was with EBs' representatives.

Addendum item 6.3 to 6.7 for the Board

- 6.8 HMRC thanked ENTRUST for the work on the wind down of the LCF scheme in Scotland, which had ran extremely smoothly without any problems and the Chief Executive (CEO) drew the Board's attention to the final closure report included with the papers.

7. Enrolment and Revocations

- 7.1 The Deputy Chief Executive (DCEO) introduced this paper which showed that 20 Environmental Body's (EBs) have enrolled during the period March to May 2017.
- 7.2 There have been a large number of voluntary revocation requests during this period, the majority being from EBs in Scotland where the LCF was closed. A discussion was held on the proposals for revoking the remaining EBs in Scotland and HMRC had invited a recommendation on how this might be taken forward
- 7.3 The Board formally noted the list of enrolments and approved the list of voluntary revocations for the period 1 March to 31 May 2017.

8. 2016/2017 Annual Accounts – ENTRUST

- 8.1 The CEO presented the 2016/2017 Annual Accounts to the Board. He informed the meeting that the Accounts had been reviewed by the Audit Committee at their meeting on 4 July 2017 and that the Accounts were being submitted to the Board for approval.
- 8.2 The Chair of the Audit Committee informed the Board that the External Auditors had attended the Audit Committee meeting and had reported that the process had gone smoothly. The Board thanked both the CEO and Audit Chair, it was agreed that the Accounts could be formally approved, signed then submitted to the Annual General Meeting (AGM).
- 8.3 **Action:** The 2016/2017 Accounts to be submitted to the AGM for approval.

9. 2016/2017 Annual Accounts – ENTRUST Ltd

- 9.1 The CEO presented the 2106/2017 Annual Accounts for ENTRUST Ltd. The dormant company Accounts were formally approved by the Board for signature.
- 9.2 **Action:** The 2016/2017 Accounts for ENTRUST Ltd were approved and could be signed.

10. 2016/2017 Annual Report

- 10.1 The Communications Manager (CM) introduced this paper. There are two presentations of the Annual Report, a full version which we will uploaded to our website and a small number of the four page summary leaflet produced for distribution.
- 10.2 An e-shot of the summary document will also be sent to the top 150 EBs giving a link to the full document. The Board requested that the CM adds a sentence to the Chair's section recording the progress of EBs reducing their administration costs. JK noted that it was worth balancing this positive message with a note that more still needs to be achieved by some EBs. A further draft of the Executive Summary will be sent to the Board for approval and once this has been received the documents will be placed on our website.

- 10.3 **Action:** The CM to draft additional text for the Annual Report and circulate to the Board for approval prior to publication on the ENTRUST website.

11. ENTRUST Regulator Standards

- 11.1 The CM introduced the paper and matrix which set out the performance against the ERS.
- 11.2 The CM informed the Board that a six month assessment is to be carried out to review our progress against the current Standards and confirmed that currently there is nothing to cover online advice/training. It was noted that the next assessment against the ERS is due in September 2017 and a review of the standards will also take place to ensure these remain fully relevant and with a view to emphasising online advice and guidance and report back to the December 2017 Board meeting
- 11.3 **Action:** The CEO to carry out a review of the ERS in September with a view to emphasising online advice and guidance and report back to the December 2017 Board meeting.
- 11.4 The CM was asked to include the link to the ERS in the Top 10 Chairs/CEO's update following the meeting earlier in the day.
- 11.5 **Action:** The CEO to include the link to the ERS in the Top 10 Chairs quarterly update.

12. Addendum item for the Board

13. Addendum item for the Board

14. Corporate Support

- 14.1 The CEO introduced the paper which gave the Board an update on the financial position and income received during the year to date.
- 14.2 Health & Safety – it was noted that an Office Risk Assessment and Fire Risk Assessment had been carried out and the results submitted to the Human Resources and Remuneration Committee on 4 July 2017, who identified a number of minor amendments that should be made.
- 14.3 IT – work has been carried out on the infrastructure and an update will be provided to the September 2017 Board meeting.

15. Compliance

- 15.1 The DCEO introduced this paper and informed the Board that from April 2017, it is planned to inspect 220 EBs. There had been an issue in sending out draft reports within 8 days, however this is now on track due the need to focus resources on the Form 4 returns
- 15.2 Risk Model – a separate paper had been prepared for the Board. A discussion took place on benchmarking on the level of administration costs reported by EBs in 2016/2017. HMRC suggested that in other Sectors, organisations voluntarily publish their level of administration costs/unspent funds and it was felt that this could be something that should be considered by EBs. The CEO will raise this matter with ADEB Chair.
- 15.3 **Action:** The CEO will raise this matter with the ADEB Chair

16. Enforcement

- 16.1 The DCEO gave the Board an update on enforcement issues and described the ongoing cases which were being managed.

Addendum items 16.2 to 16.4 for the Board

- 16.5 Form 4 Frozen list – this is up slightly from last year. There are 34 EBs in Scotland that did not return a Form 4 for in 2016/2017. ENTRUST will discuss this matter with HMRC to see how we should manage these Scottish EBs. It was also noted that an internal evaluation is being undertaken of the 2016/2017 Form 4 strategy.

17. Registrations and Regulations

- 17.1 The DCEO introduced the paper and explained that an action from the March 2017 Board meeting was to combine the Registrations paper and Regulations paper into one.

- 17.2 Guidance Manual – The guidance manual has been updated in response to feedback from EBs to provide further clarification on:

- proportional registration of projects for consistency of application by funders;
- further detail on the project extension process;
- information on the levy and how this is paid;
- project approval dates and estimated start date where these are within the same month;
- the unique benefit rule; assets to be recorded on Form 9 (project completion form);
- project eligibility in the vicinity of licensed landfill sites; and
- that we are no longer taking any new applications for Environmental Bodies (EBs) to become accredited.

- 17.3 Progress on the closure of the LCF in Wales – ENTRUST is planning to hold a workshop in Wales in October 2017 and the Welsh Government is assisting in finding a suitable venue as they would like to attend the event.

- 17.4 Enrolments and Project Approvals – During the period 1 March to 31 May 2017, 20 EBs have enrolled, and project approvals are down a little, which is in line with the scheme reducing and since the closure of the LCF in Scotland.

- 17.5 Scotland – it was noted that there are still some five remaining projects in Scotland which will all be completed by September 2017.

18. Communications

- 18.1 The CM introduced this paper which set out the communications activity during the period 1 March to 31 May 2017. The CM is working with the website developers to enhance the funders search page following feedback from EBs.

- 18.2 EB Satisfaction Survey – The CM gave a verbal update on the results of the survey which had closed at the end of June 2017. The overall satisfaction rating has increased in the 2017 survey. A paper will be produced for the September 2017 Board meeting with the full results of the survey.

- 18.3 **Action:** The CM to prepare a paper on the EB Satisfaction Survey for the September 2017 Board meeting.
- 18.4 General Data Protection Regulation (GDPR) – a compliant policy will be produced for the September 2017 Board meeting.
- 18.5 **Action:** The CM to prepare a compliant GDPR May 2018 policy for the September 2017 Board meeting
- 18.6 LCF 20th Anniversary – ENTRUST will not be promoting the anniversary of the LCF. The CM advised that there was going to be a general press release from EBs and from 10 to 16 July some EBs are going to send information to MPs. HMRC considered that this activity could be viewed in certain parts of Government as using LCF funds to be lobby Government and therefore they suggested that this may therefore raise questions about the use of resources the sector was making of its resources, which at a time of austerity may not be viewed favourably. The Chair made it clear that ENTRUST was not involved with the anniversary or press releases. The CEO will contact the Chair of ADEB to advise him of the HMRC advice and the CM will contact the communications staff.
- 18.7 **Action:** The CEO to contact the Chair of ADEB to inform him of the advice from HMRC and the CM to contact other relevant EB staff.

19. Addendum item for the Board

20. Risk Model Update

- 20.1 A sounding board event was held on 23 May 2017 and feedback from the event was that EBs did not feel that overall organisations did not consider the ENTRUST inspection process to be onerous and a number of EBs welcomed the independent review process. Following all the feedback and suggestions to improve the inspection process, the Board was happy to approve the recommended changes to the risk model.
- 20.2 The Board considered it is very important that ENTRUST is transparent in taking feedback forward and the Board were content to publish the recommendations.

21. Audit Committee

- 21.1 As all the Board members present attended the Committee meeting there was no need for a full overview of the Committee meeting. The principal item was that the Accounts were approved for submission to the Board.

22. Human Resources and Remuneration Committee

- 22.1 As all the Board members present attended the Committee meeting there would not be a full overview of the Committee. The Acting Chair informed the Board that routine business was discussed, a revised sickness absence policy had been approved. There were no substantive issues.

23. Any other business

- 23.1 Addendum Item for the Board

24. Date of next meeting

24.1 The next meeting will be held on 20 September 2017, at 60 Holly Walk, Leamington Spa.

.....

CHAIR'S SIGNATURE

.....

DATE