

**CONFIRMED MINUTES OF THE 120TH BOARD MEETING
WEDNESDAY 6 DECEMBER 2017 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)
In attendance:	Alison Bennett (Deputy Chief Executive Officer) Jess O'Brien (Communications Manager) Michael Lyttle (ML) (HMRC)
Apologies:	None
Board secretary:	Helen Maccallum (HM)

1. Introduction

1.1 The Chair welcomed everyone to the 120th Board meeting.

2. Apologies

2.1 No apologies were received.

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 119th meeting held on 20 September 2017 were approved as being an accurate record and were signed by the Chair.

5. Action points

5.1 The Board noted the work that had been completed to deliver the previous action points.

5.2 **Addendum item for the Board.**

6. HMRC Update

6.1 **Addendum item for the Board.**

7. Audit Committee

7.1 GM provided an overview of the items discussed by the Committee earlier in the day, including:

- Non Executive Directors (NEDs) Assurance Framework– a framework has been drawn up for the NEDs to undertake assurance work to support the Company's Quality Assurance (QA) programme;

- Quality assurance – A follow up review of the Compliance Team had been undertaken by the Enforcement officer and a **SUBSTANTIAL** assurance level was issued;
- Management Assurance – a report from the Chief Executive Officer (CEO) and the Deputy CEO's (DCEO) Statement of Assurance was received for the period April – September 2017;
- IT penetration testing – The Committee received an update on the implementation action plan; and
- Hospitality and Senior Staff Travel registers were reviewed.

8. Human Resources and Remuneration Committee

8.1 AE informed the Board that routine business was discussed, which included:

- Short term sickness absence – the revised policy is in force and is being followed;
- Mental Fitness and Wellbeing – an action plan has been drawn up to support staff;
- Human Resources – the operational report was reviewed by the Committee;
- Health and Safety – a rough sleeper had been sleeping in the office grounds and had left discarded used syringes on our property, which ENTRUST had to pay a private contractor to remove; and
- Staff Satisfaction Survey – an update was provided on the implementation of the action plan.

9. Visits to Environmental Bodies

9.1 **Addendum item for the Board.**

10. Board Strategy day update

10.1 The CEO had issued a note of the Board's Strategy day which was accepted as an accurate account of the meeting. The CEO had also drafted a skills matrix, which it was agreed should be circulated to the Board for completion.

10.2 **Action:** The CEO to circulate the skills matrix to the Board for completion.

11. Enrolment and Revocations

11.1 The DCEO introduced this paper which reported that three Environmental Bodies (EBs) had enrolled during the period 1 September to 31 October 2017, but since that period a further 14 EBs have enrolled.

11.2 She also advised that some of the voluntary revocations processed during the period resulted from the communications sent out to EBs where a Statutory Annual Return form has not been received.

11.3 The Board formally noted the list of enrolments and ratified the list of voluntary revocations for the period 1 September to 31 October 2017.

12. Referral of Environmental Bodies who have failed to submit a Form 4 return for two years

- 12.1 The DCEO introduced this paper which showed that 56 EBs had been on the frozen list for their failure to submit a statutory Annual Form 4 return for two years. Following communications with these organisations there are now only seven EBs remaining on the list and it was therefore requested that in accordance with our policy the Board were requested to refer them to HMRC for enforced revocation.
- 12.2 The Board approved the referral of the seven EBs to HMRC.
- 12.3 **Action:** The DCEO to send referral of the seven EBs to HMRC for consideration for enforced revocation.

13. 2017/2018 Form 4 Strategy

- 13.1 The DCEO introduced the paper. She outlined the changes to the previous version and explained the new Key Performance Indicator (KPI) that had been developed which focuses ENTRUST's resources on EBs holding LCF monies. She went on to outline that we will also be asking EBs to update their organisational information in the Autumn which enables ENTRUST to allocate its resource to deal with queries from EBs across the year. The communication had been slightly delayed due to agreeing the format for the request and was now ready to be sent to EBs. It was agreed that this timing was not ideal due to the proximity of the Christmas holidays, but on balance it was agreed that the communication should be sent. In the next communication planning round for 2018/2019 the similar communication should be sent to the EBs earlier in the year (October).
- 13.2 Having considered the proposed changes, the Board were content to approve the updated strategy.

14. ENTRUST Regulator Standards (ERS)

- 14.1 At the September 2017 Board meeting, the Board requested that the Standards be reviewed to make sure they remained applicable and up to date. The paper set out the findings of the review against the Regulators Code and the Government "Digital by Default" Strategy. The paper made a number of recommendations to improve the framework and the Board were asked to review the updated Appendix A to the paper which set out the rationale for change in more detail and included the proposed change as well as the review against the Code
- 14.2 **Action:** The Board Secretary to circulate the updated Appendix A to the Board, which includes reference to changes proposed.
- 14.3 In accordance with provision 6.5 of the Regulators Code, a question was raised about the publication of complaints. In response it was stated that ENTRUST does not currently have a procedure for the publication of complaints, although our complaints process is on our website. The Board therefore requested that further consideration be given to the publication of the number of complaints. It was suggested that this is included when we publish our ERS annual self assessment.
- 14.4 **Action:** The Board requested that the CEO considers whether the publication of the number of complaints received is recorded in the published ERS annual assessment.

14.5 The Board also requested that the DCEO reviews provision 6.4 of the Regulators Code to ensure that it is fully and appropriately reflected in ERS Standard 3.3a and 3.3b concerning staff training and a section relating to meetings with the top ten EBs.

14.6 **Action:** The DCEO to review ERS 3.3a and 3.3b, update it to include a reference to the meeting with the top ten Chairs.

14.7 The Board approved the changes to the ERS subject to the above amendments.

15. 2017/2018 ENTRUST Regulator Standards – Six Month Self-Assessment

15.1 An assessment of the work undertaken in line with the requirements of the current ERS for the period 1 April to 30 September 2017 and supporting evidence was detailed at Appendix A to the paper. The DCEO reminded the Board that the ERS self-assessment is carried out every six months against the existing Standards. The on-going assessment of our work against the ERS throughout the year is key to ensuring that our regulatory activity follows the principles set out in the Regulator's Code. Each area of the ERS has been considered and evidence provided in support of the assessment made. All requirements of the ERS are currently rated as amber or green and are being met or, in the case of ongoing actions, are on target to be met. The Board noted that the changes to the Form 1 have been implemented and that changes to the Form 2 are still to be implemented. Based upon this self-assessment of the work carried out by the organisation, the Senior Management Team (SMT) was able to provide full assurance that the ERS has been met between 1 April and 30 September 2017.

16. E-Delivery Plan

16.1 The CEO introduced the paper and advised the Board that the plan provides for the migration of ENTRUST's services to an e-delivery model. The Board noted the progress that has already been made and the outstanding work that needs to be completed.

16.2 The Board raised one concern relating to EBs who are not online and how ENTRUST will work with these organisations. The DCEO explained that there were a small number of EBs who we currently work offline with and for these organisations the contingency is to provide tailored services to them, while still encouraging them to move to online services. The Board noted the explanation and approved the plan.

17. Corporate Support

17.1 **Addendum item for the Board.**

18. Compliance - Addendum item for the Board

18.1 The DCEO introduced this paper and informed the Board that overall the inspection programme is not on target due to the need to recruit a replacement Compliance Inspector. However, she is confident that by the year end, it will be delivered.

18.2 She went on to explain that letters have been sent to those EBs whose administration costs were over 7.5% and that there are eight still reporting that they will be over 7.5% for 2017/2108. The Board asked whether on Compliance visits that the level of administration costs are reviewed and the DCEO advised that they are, but this is only a guidance issue.

She also advised that while some of the EBs will not be able to reduce their administration costs below the guidance level but that the whole sector was below 7.5% in 2016/2017.

18.3 Benchmarking – The DCEO advised that the first sector wide benchmarking report will be published during December 2017 and the report includes benchmark data on administration costs, unspent and uncommitted funds, contributing third parties, non-compliant findings at inspection, risk scores and project data. The Board asked if they could be provided with a copy of the report.

18.4 **Action:** The Board Secretary to provide the Board with a copy of the Benchmarking report

19. Enforcement - Addendum item for the Board

19.1 The DCEO provided the Board with an update on enforcement issues and described the ongoing cases which were being managed.

19.2 Addendum item for the Board.

20. Registrations and Regulations

20.1 The DCEO introduced the paper and drew the Board's attention to the following issues:

- the ADEB liaison meeting in November 2017 indicated that they are developing internal governance standards for their members. To support them in achieving this task, they wished to review the ENTRUST draft Code of Conduct for EBs, which we prepared in response to HMRC's consultation exercise on the reform of the LCF in 2015;
- There are 11 EBs in Scotland which remain frozen due to missing 2016/2017 Form 4 returns. The remaining compliant EBs (circa 100) will have their enrolment in the scheme ended on 31 December 2017;
- A training event on the closure of the LCF scheme in Wales was held on 3 October 2017 in Cardiff. We are also expecting the draft legislation for Wales to be published by the beginning of December 2017;
- The updated ENTRUST Risk Model was published on our website; and
- we have asked accredited EBs for their views on the proposed closure of the Accreditation scheme.

21. Communications

21.1 The Communication Manager (CM) introduced this paper which detailed the communications activity during the period 1 September to 31 October 2017, which included the following highlights:

- The Finding Funders page has been loaded onto the website allowing EBs to search for funders; and
- Communications Forum – at the last meeting it was agreed that they would move from communications to an Information and Networking forum and the next meeting is due in March 2018.

21.2 The Customer Charter is being updated as it was felt that the document was too long. The updated charter will be published on the website. The Board noted the amendment and

asked her to explain the changes to the Charter. The CM outlined that the main focus was to remove repetition throughout the document. The Board noted these changes and approved the updated version.

22. General Data Protection Regulations (GDPR) update

22.1 The CM informed the Board that she had attended a further workshop on GDPR. She outlined the main points of learning from the workshop and then updated the Board on the progress in implementing the approved action plan, which the Board noted.

23. Date of next meeting

23.1 The next meeting will be held on 16 March 2018, at 60 Holly Walk, Leamington Spa.

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CHAIR'S SIGNATURE

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DATE: