

ADEB - ENTRUST PSV Action Plan

Updated

05/04/2023

| Action Number | Action Point   | Remarks  | Responsibility       | Original Target Completion Date | Revised Target Completion Date | Status or completion date        | Update  |
|---------------|--|--|----------------------|---------------------------------|--------------------------------|----------------------------------|---|
| 4             | To finalise ENTRUST's EB annual assessment report, which will be issued to EB Board's at the year end  | To update the draft format to reflect all elements of an EB's performance in meeting its statutory requirements under the Landfill Tax Regulations 1996 (Regulations) and ENTRUST's guidance.                    | ENTRUST – CM and PRM | 31-Mar-23                       | 31-May-23                      | On Track for new completion date | Ongoing – Document is now in development phase and a draft being prepared. Due to complexity, it will take some time to develop meaning an amended completion target of May 23.   |
| 3             | ENTRUST provide EBs with further information on breach management, in the quarterly reports. To also update with information on the number of breach cases that go to each stage of the manging breaches process.  | To make ENTRUST's breach management process clearer.   | ENTRUST – PRM        | 31-Jan-23                       | 30-Apr-23                      | On track                         | Ongoing   |
| 5             | To provide EBs with training on due diligence checks that should be carried out on project applicants and claims submitted to EBs by projects.   | To mitigate the risk that higher risk projects are not supported by the LCF, or if they are, any non-compliant funding can be recovered from a project. To mitigate the risk that bogus invoices are paid by Ebs | ENTRUST – CM and PRM | 31-Jan-23                       | 30-Apr-23                      | On track                         | Ongoing – See line 2, this will form part of the quarterly Breach Management updates, published on the website. Also, CM developing list of advice to develop a separate training resource for due-diligence.   |
| 6             | To develop a Form 10 to report on the added value that LCF funding provides  | To allow more accurate information on the added value that the LCF delivers to be submitted to ENTRUST and reported to HMT/HMRC.   | ENTRUST – PRM        | 31-Jan-23                       | 31-Aug-23                      | On track                         | Will be developed alongside the VFM/ECEIM reports, using the VFM and ECEIM to inform development - suggested implementation will be April 2024 to coincide with new financial year.   |
| 7             | To ensure the accuracy and validity of information submitted to ENTRUST on the Form 2 application and after a project has been completed on the Form 9/10.   | To allow more accurate information on the added value that the LCF delivers to be submitted to ENTRUST and reported to HMT/HMRC.   | ADEB members         | Immediately                     | 31-Aug-23                      | On track                         | Suggest we provide feedback and share issues and improvements at ADEB meeting in March 23   |
| 8             | To share best practice, EBs openly share information on the best practice initiatives and processes in order to mitigate any financial loss to the Exchequer. When EBs have failed to comply their regulatory requirements to discuss their failings with other EBs. | To mitigate any reputational damage to EBs and the LCF and any financial loss to the Exchequer.  | ADEB members         | Immediately                     |                                | On track                         | Suggest we provide feedback and share issues and improvements.<br>Point raised at ADEB meeting and findings meeting to be held in May will be fed back to ADEB<br>COO and ADEB Chair discussed at face to face meeting in Feb 23<br>Raised at ADEB meeting in March 23- to be included as standard items each ADEB meeting. |

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| 2             | To clarify ENTRUST's breach management guidance as part of our Guidance Manual update, including the framework of possible actions if breaches are identified during our assurance work.                            | To make ENTRUST's breach management process clearer.  | ENTRUST – PRM  | 31-Jan-23                       | 30-Apr-23                      | Closed                    | Q4 Breach Management report due in April 2023 will be developed to provide more information on process and framework. This will provide quarterly information that will update suggestions for good due-diligence, and highlight any common issues.  |
| 1             | To publish information on the conduct and context of ENTRUST's PSV process.   | To ensure EBs are aware of the scope and conduct of ENTRUST's PSV framework   | ENTRUST - COO  | 31-Jan-23                       | 31-Jan-23                      | Closed                    | COO written update to ADEB Chair 13/01/2023<br>Detailed response received from ADEB Chair 23/01/23<br>Detailed reply sent from COO to ADEB Chair 06/02/2023  |
| 9             | To inform EBs of the date and time of a visit to a project site.  | EBs are able to support ENTRUST in arranging visits   | ENTRUST – CM   | Immediately                     | 17-Oct-22                      | Closed                    | Implemented from 17 October 2022. Improvements acknowledged by ADEB  |
| 10            | To raise with HMRC the viewpoint of some EBs that it is acceptable for projects to not be compliant with the Landfill Tax Regulations 1996  | Some EBs consider that because of the nature of the LCF, that some projects will not be compliant with the Regulations. In these cases, breach management action should not be taken against an EB. | ENTRUST – PRM  | 30-Oct-22                       | 30-Jul-23                      | Closed                    | The issue was raised with HMRC, HMRC advised ENTRUST that they did not expect projects to fail and ADEB was informed of HMRC's position.- This will be part of the communication to send alongside the Regulatory Improvement Report, including a specific report on the issue of failed projects. SANDBOX?? |
| 11            | To raise with HMRC the difficulty that some EBs face in meeting their statutory obligations under the Regulations.  | Some EBs consider that HMRC 7.5% administration cap should be removed.  | ENTRUST – PRM  | 30-Oct-22                       | 30-Oct-22                      | Closed                    | The issue was raised with HMRC, HMRC advised ENTRUST that they did not consider it was appropriate to increase 7.5% administration cap. ADEB was informed of HMRC's position. - As above, to be included in Regulatory Improvement Report  |
| 12            | To circulate any Project Site Visit (PSV) reports that have been completed and approved for the Veolia Environmental Trust (VET) and Valencia Waste Management Credits to the respective Environmental Bodies (EBs) |   | ENTRUST – CM   | 31-Oct-22                       | 31-Dec-22                      | Closed                    | All approved 2021/2022 PSV reports have been issued to the relevant Ebs  |
| 13            | To ensure that PSV reports are issued to EBs who will then distribute them to projects.   | PSV reports to be issued to EBs as and when they are drafted. EBs consider that this is the important consideration as they have entered into funding agreements with projects.                     | ENTRUST – CM   | 31-Oct-22                       | 31-Dec-22                      | Closed                    | Procedure has been changed to issue PSV reports only to the registering EB   |
| 14            | To assess and consider whether it is practical to combine PSV reviews with visits to EBs  | To mitigate the administration burden on EBs.   | ENTRUST – CM   | 30-Nov-22                       | 23-Jan-23                      | Closed                    | ENTRUST have reviewed this requirement and all assurance work will continue to be managed in a cost-effective manner. Given the national scale of operations of DEBs, it will be impractical to ensure all PSV's are carried out at the same time as the EB visit.   |