



Framework for reviewing high risk project applications

December 2019

1. Introduction

- 1.1 One of the functions of ENTRUST's Registrations Team is to review and assess project applications from Environmental Bodies (EBs) to ensure that they comply with the Landfill Tax Regulations 1996 (Regulations).
- 1.2 EBs submit each project application through ENTRUST Online (EOL). These applications are then assessed against a control framework, which includes a checklist to assess whether they comply with the [Regulations](#) and/or [ENTRUST guidance](#). At this stage of the review process if there are concerns regarding the eligibility of the project or its compliance with the Regulations an application is pended prior to the issue being resolved.
- 1.3 If ENTRUST's concerns cannot be addressed the application will be rejected and, independently reviewed at the quarterly ENTRUST Review Panel, which HMRC attend. For more information on the project approval process see our [Guidance](#) and the project approval page of our [website](#).
- 1.4 The project registration process is an integral part of the regulatory regime, which provides HMRC with independent assurance that LCF monies are spent compliantly in accordance with the Regulations. However, in line with best practice and based on our regulatory experience ENTRUST regularly reviews its operational frameworks to strengthen and improve them.
- 1.5 In 2018/2019, a review took place of the project registration process to identify whether any areas could be further strengthened to mitigate the risk that LCF monies will be spent non-compliantly.
- 1.6 The review highlighted various high-risk areas of the project approval process. The process was strengthened to further enhance the role of the Registrations function in ensuring that the Regulations and/or the Guidance is adhered to. These changes were brought in from 1 April 2019. To facilitate EBs in complying with these specific requirements a new upload facility was created on EOL to allow EBs to upload documents if this is required.
- 1.7 Based on our experience of implementing the new framework from 1 April to 31 October 2019 and feedback received from EBs we republished the framework in December 2019. Whilst the areas that are considered high risk have not changed the updated document makes it clearer to EBs how to meet the requirements.

2. High risk project registration framework

- 2.1 The following table sets out ENTRUST's checks for projects considered high risk. These checks either require further assurance about the EB registering the project or regarding the project applicant itself if the LCF recipient is not the EB.

3. Further help

- 3.1 Please contact the Helpline if you have any questions on the Framework on 01926 488 300 or helpline@entrust.org.uk

High risk project registration framework

Area of project registration and associated risk	Checks by ENTRUST	EB requirements
<p>Projects on school grounds – it is a requirement of the Regulations that projects must be available to the public with guidance stating that this must be for at least 104 days per year. Any projects on school grounds are usually registered on a proportional basis.</p>	<p>For all projects on school grounds the access arrangements will be cross referenced against publicly available information and the EB will be asked to confirm the access, in all cases.</p>	<ul style="list-style-type: none"> • Access statement signed by the applicant confirming in relation to public access the times, days, fees, booking method and how users obtain physical access. Uploaded on ‘Specific Details’ page. • All projects on school grounds regardless of information submitted will be pended to seek confirmation on public access.
<p>Amenity with community use but single user group focus (e.g. Scout Hut) - it is a requirement of the Regulations that projects must be available to the public with guidance stating that this must be for at least 104 days per year.</p>	<p>For projects in amenities with single user group focus the access arrangements will be cross referenced against publicly available information.</p>	<ul style="list-style-type: none"> • Access statement signed by the applicant confirming in relation to public access the times, days, fees, booking method and how users obtain physical access. Uploaded on ‘Specific Details’ page • Projects will be pended if publicly available information does not confirm access statement.
<p>Purchase of equipment – As with all LCF funded elements, all equipment must be an eligible cost under the relevant regulatory Object. All equipment must be secured and used for that site(s) only.</p>	<p>For all projects purchasing portable equipment (as per category 1 and 4 of the asset list in the guidance) the security and storage arrangements will be requested.</p>	<ul style="list-style-type: none"> • Storage and security arrangements for portable equipment included on ‘Specific Details’ page. • EB must declare equipment as assets.
<p>High value assets (over £100,000) - As with all LCF funded elements, all high value assets in a cost</p>	<p>The EB will be required to confirm that any high value assets will be</p>	<ul style="list-style-type: none"> • EB to confirm on the ‘Specific Details’ page that the assets will be

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breakdown must be eligible under the relevant regulatory object and need to be managed as per the asset monitoring guidance.	handled according to our guidance.	<p>handled as per the guidance:</p> <ol style="list-style-type: none"> 1. Asset monitoring requirements 2. Protection of land and buildings if necessary <ul style="list-style-type: none"> • EB must declare assets as such.
High expenditure (over £100,000) – As with all LCF funded elements, all elements of a cost breakdown must be eligible under the relevant regulatory object and all expenditure must follow the Value for Money guidance on tendering and quotes.	If the project applicant is not a charity, company, local authority, Community Council, church, Charitable Incorporated Organisation, Community Interest Company, statutory body, community sports club, Community Benefit Society or Community Amateur Sports Club the funding agreement will be sought.	<ul style="list-style-type: none"> • EB to upload Funding agreement on the 'Specific Details' page if the applicant is not a charity, company, local authority, Community Council, church, Charitable Incorporated Organisation, Community Interest Company, statutory body, community sports club, Community Benefit Society or Community Amateur Sports Club. It is acceptable to provide the draft agreement if not signed. • If EB has already provided their generic funding agreement then the EB is only required to upload it if the agreement for this project deviates. • EB must confirm what type of organisation the applicant is.
New build amenity or facility – Any new build must be eligible under Object D in the Regulations	For new builds only, if the project applicant is not a charity, company, local authority, Community Council, church, Charitable Incorporated	<ul style="list-style-type: none"> • EB to upload Funding agreement on the 'Specific Details' page if the applicant is not a charity, company, local authority, Community Council, church,

Area of project registration and associated risk	Checks by ENTRUST	EB requirements
	<p>Organisation, Community Interest Company, statutory body, community sports club, Community Benefit Society or Community Amateur Sports Club the funding agreement will be sought.</p> <p>Planning permission information requested.</p>	<p>Charitable Incorporated Organisation, Community Interest Company, statutory body, community sports clubs, Community Benefit Society or Community Amateur Sports Club. It is acceptable to provide the draft funding agreement if not signed.</p> <ul style="list-style-type: none"> • If EB has already provided their generic funding agreement then the EB is only required to upload it if the agreement for this project deviates. • Confirmation that planning permission has been granted or sought. EB to provide planning reference on the 'Specific Details' page, it is not necessary to upload the documents. • EB must confirm what type of organisation the applicant is on the 'Specific Details' page.
<p>Object D projects for sports facilities where community participation is not evident - it is a requirement of the Regulations that projects must be available to the public with guidance stating that this must be for at least 104 days per year.</p>	<p>For sports facilities that are associated with a specific team the community availability will be checked. This is to ensure that the community have actual access to the facility and not just as spectators. This only applies when the project is funding an upgrade to the sporting</p>	<ul style="list-style-type: none"> • EB to confirm public access on the 'Specific Details' page if not confirmed by public information i.e. the club has various teams at different levels, confirming community participation. • Projects will be pended if publicly available information does not

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	facilities. The access arrangements will be cross referenced against publicly available information	confirm access statement. <ul style="list-style-type: none"> If the project is for improving community facilities (i.e. when the club has rooms that can be booked for community use) this does not apply.
Object DA projects with costs associated with managing the physical works such as salaries for project officers - all elements of a cost breakdown must be eligible under Object DA in the Regulations and the guidance provides further detail on allowable costs, for example all costs must be associated with physical activity at site	All costs will be checked to ensure that they are necessary for direct physical works for that specific project.	<ul style="list-style-type: none"> EB to provide job specification and details as to how the costs lead to physical works for that specific project.
Multi-site Object DA projects - all elements of a cost breakdown must be eligible under Object DA in the Regulations; any multi-site projects must meet further guidance requirements	Projects with multiple locations can be registered in particular circumstances if there is a link between the sites. This link and further criteria are checked.	<ul style="list-style-type: none"> EB to provide details of the physical or ecological connection between the sites, postcodes or grid references for each location and a map which shows the boundary of the larger connected area and the individual locations within it and the relevant landfill site.
When the project site is not owned by a church, council, charity or other appropriate body that ensures its protection – projects must continue to be compliant for as long as possible but for the minimum as detailed in the guidance on project monitoring or asset protection.	Where the amenity is not owned by the following, we will ask for the funding agreement: Local authority, Community Council, charity, church, Charitable Incorporated Organisation, Community Interest Company, Statutory	<ul style="list-style-type: none"> EB to upload the funding agreement on the 'Specific Details' page if the project site is not owned by a Local authority, Community Council, charity, church, Charitable Incorporated Organisation, Community Interest

Area of project registration and associated risk	Checks by ENTRUST	EB requirements
	Body, Community Benefit Societies, community sports club or Community Amateur Sports Club.	<p>Company, Statutory Body, Community Benefit Societies, community sports clubs or Community Amateur Sports Club. It is acceptable to provide the draft agreement if not signed.</p> <ul style="list-style-type: none"> • If EB has already provided their generic funding agreement then the EB is only required to upload it if the agreement for this project deviates. • EB must confirm what type of organisation the applicant is on the 'Specific Details' page.
When the project site is not owned by the project operator or a body set up by the project owner - projects must continue to be compliant for as long as possible but for the minimum as detailed in the guidance on project monitoring or asset protection.	Details of the lease or management agreement will be requested.	<ul style="list-style-type: none"> • Confirmation of the lease or management agreement detailing the parties and the length of the agreement. Not necessary to upload actual document but provide details on the 'Specific Details' page.
Projects where the LCF is funding under 25% - there is the risk the project fails and the LCF money may have already been spent.	Confirmation that other funders are in place will be sought from the EB.	<ul style="list-style-type: none"> • Confirmation that other funders are in place on the 'Specific Details' page.

Table 1: High risk project registration areas