ENTRUST

Corporate Plan
2010-2013

Regulating the Landfill Communities Fund
Benefiting People and the Environment

Landfill Communities Fund

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Project: Refurbishment of Beulah Baptist Chapel. Supported through: Friends of Beulah Baptist Chapel

Chairman's Welcome

Phillip Smith
ENTRUST
Chairman

Welcome to our Corporate Plan for 2010-2013, which develops and consolidates all that we achieved in 2009/2010. In developing the Plan we have fully taken into consideration the impact of the economic recession on the waste management sector across the United Kingdom and the impact of the global financial recession on our financial position.

To this end, in developing our plans for the forthcoming year, we have undertaken a complete review of our expenditure requirements to ensure that our operational activities are delivered more efficiently and where appropriate we have identified and implemented cost savings across the organisation.

In this context, having successfully relocated the company to Leamington Spa, we have undergone organisational and structural changes over the last year, which we aim to build upon this year to take forward our agenda of being an efficient, accessible and excellent regulator.

During the forthcoming period, we will consider the long term future of the Landfill Communities Fund (LCF) and how we can best support this. Our primary aim is being a regulatory body which is appropriately funded, modern, professional, independent and strong.

As always, we will strive to consider and where appropriate implement, recommendations made by all of our stakeholders and we will continue to consult stakeholders on a regular basis to ensure that we are working effectively and that our information and message is clear and concise.

In the coming months, we will look at performance management, corporate governance, and sustainability arrangements. We are committed as an organisation to do all that we can to improve and build upon our existing foundations.

Reviewing and updating our compliance framework, IT updates and implementing our communication plan are also initiatives we will be taking forward.

As a business we will move to using recycled materials where applicable, look at using local suppliers to reduce our carbon footprint, minimise waste and look at environmental best practice within our organisation.

We also need to ensure the long-term future and viability of our company and therefore we will require funding to maintain our reserves to ensure that statutory obligations and the Terms of Approval (TOA) are met. The impact of unplanned expenditure on our reserves such as that incurred with the support of HMRC relating to Environmental Bodies (EBs) in Administration will require a replenishment of reserves this year.

Finally, I would like to thank all of our stakeholders for their continued support and look forward to the next period of consolidation and improvements.

Executive Summary

Christopher Welford Chief Executive

During 2009/2010, we experienced considerable organisational changes within ENTRUST. Throughout 2010/2011, we aim to consolidate and build upon these changes in order to enhance the robust framework that we use to regulate the LCF and provide a higher quality and more professional service to stakeholders.

However, we are fully aware that the current economic situation means that we are in a period of considerable financial constraint, although we have set a challenging programme of work and targets to deliver.

We have set a robust budget for the coming year to fund this plan and in funding this expenditure, HMRC have set the 2010/2011, levy at 2.4%. The increase in levy from 2.27% set for 2009/2010, takes into consideration the forecast level of tax Landfill Operators (LOs) will pay in the year.

To achieve the programme and deliver on our targets, we have identified a number of key areas in which we can improve and add value in line with the principles of better regulation, in order to best support our stakeholders. These include:

- A risk based approach to compliance and focussed compliance interventions;
- Ensuring that ENTRUST's advice and guidance is comprehensive, clear and easy to understand;
- Continuing to work with all stakeholders to constantly develop and improve their understanding and compliance with the Landfill Tax Regulations 1996 (Regulations);
- Develop and implement an IT system to replace ENTRUST On-Line (EOL);
- Enhance the content of our website;
- Consult and listen to our stakeholders on all aspects of the business, both organisational and regulatory and to implement plans for improvement;
- Promote best practice and continue to provide training and advice to our stakeholders;
- Be accessible and to act with integrity and fairness in line with our company values, in all that we do; and
- Ensure that our reserves are maintained at an appropriate level.

Landfill Communities Fund

The LCF is a tax credit scheme, which enables LOs to directly contribute money to enrolled EBs to carry out projects that meet objects contained in the Regulations. Both the EBs activities and the delivery of the funded project is regulated and overseen by ENTRUST who, as part of this remit, audit and verify the compliance of the project spend against the Regulations.

LOs can only claim tax credits for 90% of contributions to EBs which for 2010/2011, is currently up to 5.5% of their annual landfill tax liability. Total contributions from LOs to EBs have amounted to more than £1bn since the schemes inception in 1996. ENTRUST currently has over 2,500 EBs on its register.

The Office for National Statistics (ONS) has designated the LCF as private and not government funded and the Fund is able to attract match funding from other public sector sources, for example European funding. Additionally, as the LCF is designated as private funding then unlike other public sector funded schemes, the requirements of the Treasury's full cost recovery guidance do not apply.

As outlined above, the Regulations provide the overarching framework within which ENTRUST regulates the LCF. The controls include:

- An organisation can only spend LCF monies once it has been registered with ENTRUST as an EB. This process involves ENTRUST being provided with a copy of the organisations constitution which needs to be compliant with the objectives set out in the Regulations and a £100 registration fee being paid;
- Before any LCF monies are spent on a project, it must be registered with ENTRUST; and
- LCF monies can only be spent on the following objects:

A The remediation or restoration of land which cannot now be used because of a ceased activity that used to take place there;

B The reduction, prevention or mitigation of effects of pollution that has resulted, or may result, from an activity which has now ceased;

D The provision, maintenance or improvement of a public park or other public amenity;

DA The conservation of a specific species or a specific habitat where it naturally occurs;

E The repair, maintenance or restoration of a place of worship or other historic building of architectural importance; and

F The provision of financial, administrative or other similar services by one organisation enrolled with ENTRUST to another.

Introduction

This Plan details what ENTRUST, as the body appointed under the Regulations by the Commissioners of HM Revenue & Customs (HMRC), will set out to achieve and how it plans to incur expenditure as the Regulator of the LCF over the three years commencing on 01 April 2010.

Project: St Cleopas Church & Community Centre. Supported through: Liverpool Diocesan Board & Biffaward

Responsibilities

It is important that stakeholders are aware of the distinction between ENTRUST's responsibilities in discharging its duties under the Regulations and those of HMRC.

HMRC

HMRC is responsible for developing and implementing Government policy in relation to the application of the Regulations. In carrying out this role, HMRC is responsible for:

- Appointing and overseeing the work of the Regulator to ensure it complies with the Terms of Approval (TOA) and the Regulations;
- Ensuring that the Regulations remain fit for purpose;
- Providing definitive policy direction when matters are in dispute or when interpretations are raised with ENTRUST regarding the application of the Regulations;
- Considering recommendations from ENTRUST to enhance the Regulations and where appropriate, implementing changes to them;
- When and where it is deemed appropriate to do so, ensuring that enforced revocation is taken against EBs who breach the Regulations;
- Seeking repayment of landfill tax credits from LOs when appropriate; and
- Ensuring stakeholders are fully consulted with and informed of relevant regulatory changes.

Project: Verwood Community Garden. Supported through:Veolia Environmental Trust. Photo credit: The Stour & Avon Magazine

ENTRUST

As the regulatory body responsible for monitoring the compliance of EBs with the statutory requirements of the Regulations, we are responsible for:

- Complying with the requirements of the TOA;
- Enrolling organisations as EBs;
- Registering applications to spend monies on projects;
- Providing advice and guidance to stakeholders on the interpretation of the Regulations and to coach them to compliance with the Regulations;
- Developing and making recommendations to HMRC, where necessary, to enhance the Regulations;
- Monitoring the compliance of EBs with the Regulations;
- Ensuring appropriate sanctions are applied when the Regulations are not complied with;
- Complying with the requirements of Better Regulation as prescribed by the Better Regulation Commission and Executive (now part of the Department for Business Innovation and Skills);
- Developing relationships with other bodies, for example LOs and ADEB, as well as other stakeholders;
- In undertaking its statutory duties, delivering value for money to stakeholders; and
- Ensuring EBs are fully informed of changes to Regulations and guidance.

Project: Warrington Red Squirrel Conservation - captive breeding for the endangered red squirrel. Supported through: WREN

Vision, Mission & Values

In developing the strategic direction of the LCF, ENTRUST has developed a clear vision, mission and set of values, which underpin everything we do.

The Vision

"To contribute positively to the effective and efficient use of LCF monies by EBs, by providing a proactive and transparent regulatory service to all stakeholders, to embrace the principles of Better Regulation".

The Mission

To be an independent, transparent regulator that safeguards the LCF from misuse by:

- Facilitating transparency in the management of LCF monies;
- Delivering risk-based compliance monitoring;
- Coaching stakeholders to compliance;
- Tackling non-compliance;
- Promoting best practice and sharing information; and
- Providing education and training.

The Values

ENTRUST is committed to delivering high levels of services to its stakeholders by:

- Providing high professional standards of integrity and fairness;
- Maintaining independence while working in partnership with other organisations to deliver its aims and objectives;
- Supporting funded bodies to comply with the Regulations and maximise the impact of the Fund; and
- Promoting diversity and valuing the contributions of stakeholders through its work with colleagues and partners.

Project: Butterfly Journey - butterfly experience at Chester Zoo. Supported through: RSWT/ Biffaward

ENTRUST's Board

ENTRUST's Board comprises four Non-Executives and one Executive Director:

- Philip Smith (Chairman);
- Lorraine Clinton (Non-Executive Director);
- John King (Chairman of the Human Resources and Remuneration Committee);
- Will Lifford (Chairman of the Audit Committee); and
- Christopher Welford (Chief Executive).

Audit Committee

The Audit Committee is a formal Board Committee. It consists of a Chairman and the three Non-Executive Board members. It is also attended by representatives from the company's Senior Management Team (SMT), external and internal audit.

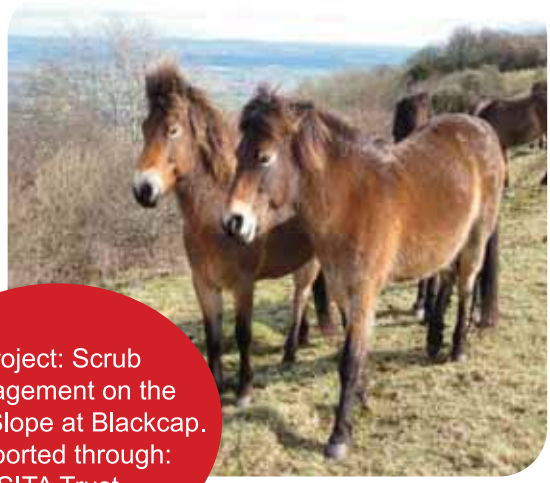
The role of the Committee is to provide the Board with advice and guidance regarding the robustness and fitness for purpose of the company's financial governance and risk framework. It discharges this duty, amongst other tasks, by:

- Agreeing the annual audit needs assessment;
- Reviewing external and internal reports;
- Scrutinising and approving the annual accounts; and
- Overseeing the company's risk management arrangements.

Human Resources & Remuneration Committee

The Human Resources & Remuneration Committee is a formal Board Committee. It consists of a Chairman and the three Non-Executive Board members.

The Committee's role is to provide advice and guidance and make recommendations to the Board on matters relating to remuneration policy and other human resource issues.



Project: Scrub Management on the Scarp Slope at Blackcap. Supported through: SITA Trust

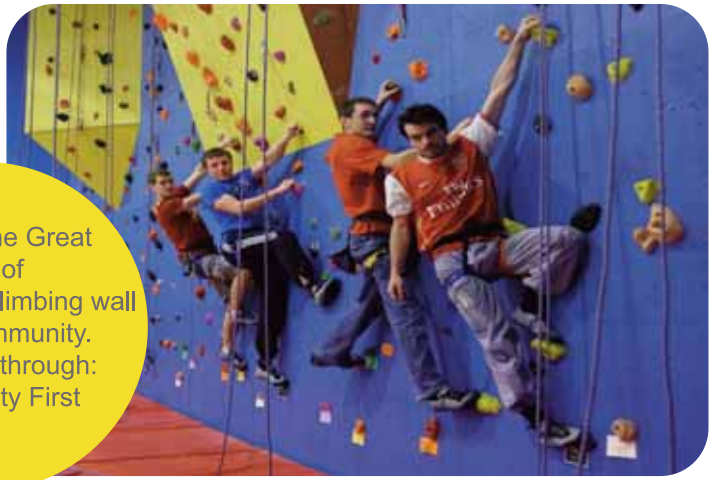
Compliance

The main focus of ENTRUST's work is ensuring that EBs fully comply with the Regulations. In achieving this role, we have developed a holistic compliance system, which monitors compliance from registration to revocation, based upon the following key controls:

- Reviewing applications from organisations who wish to enrol as EBs;
- Reviewing project applications to ensure that they comply with the Regulations;
- Coaching EBs to compliance, by providing training, advice and guidance and undertaking compliance reviews to identify good and bad practices;
- Ensuring, through education and effective communications, that all EBs are fully aware of the requirement to submit statutory forms within the deadline set out in the Regulations and that information received is regularly reconciled and used to identify non-compliance with Regulations; and
- Dealing with breaches in the Regulations in a proportionate manner.

In delivering these functions, ENTRUST is committed to fully complying with Best Regulatory practice as detailed in the Hampton Review, which includes:

- Ensuring that ENTRUST's advice and guidance is comprehensive and apparent;
- That all forms are straightforward to complete and can be submitted electronically on-line;
- Providing basic and advanced training to organisations and individuals to help them understand the Regulations; and
- Undertaking risk based compliance reviews, which are targeted at two levels:
    - Targeted project reviews, which focus on reviewing individual projects; and
    - Systems based reviews, which look at the governance arrangements that operate within EBs.



Project: The Great Wall of Crickindale - climbing wall for the community. Supported through: Community First

In line with best practice, we keep under continual review this framework and actively seek feedback on our performance, to ensure that we provide a high class service to all of our stakeholders. In 2010/2011, we aim to build upon and develop our approach to compliance by:

Project: Heather Survey on the Common. Supported through: Radnorshire Wildlife Trust

- Updating our risk model to ensure it better focuses our compliance activities;
- Providing further training opportunities to EBs, by carrying out remote training electronically;
- Continuing to work with all stakeholders to develop new ways of working together to improve compliance levels; and
- Reviewing the methodology that we follow in carrying out our compliance reviews.

Finally, as in previous years, we are committed to providing as much information as possible to aid in the transparency of the Fund and as part of this goal, we will:

- Encourage EBs to submit statutory returns on-line to comply with statutory deadlines;
- At the end of the year, issue generic guidance on lessons learnt to all EBs via our Annual Report;
- Enhance the content of our website to provide more user-friendly information on the regulation of the Fund; and
- Improve the management information that is made available to stakeholders on the operation and effectiveness of the Fund.

Outcomes to be achieved:

- Reduce the level of non-compliance with the Regulations, from the 2009/2010, baseline;
- Continue to enhance the system whereby EBs are able to file information on-line if they choose to do so; and
- Improve the timely submission by EBs of statutory returns to the Regulator, from the 2009/2010, baseline.

Development Of The Regulations

As outlined above, our role in the regulation of the Fund is focussed on operational delivery, whereas HMRC are responsible for policy matters. However, as the Regulator of the Fund, we consider that we have a pivotal role to play in the policy process by providing stakeholders with best practice advice and guidance that will enable them to comply with the Regulations. We take into consideration the views and concerns of stakeholders in relation to the application and impact of policy, making evidenced based recommendations for change in the Regulations to HMRC for consideration as appropriate.

It is important that stakeholders understand and recognise the distinct roles, as it impacts on our ability to change areas of the Regulations which either, we, or our stakeholders, believe should be amended.

For the first time in 2008/2009, we issued four consultation reports on areas of the Regulations, which we considered needed to be enhanced. Having completed this process and issued HMRC with our reports and recommendations, we have agreed with HMRC to carry out follow up work resulting from our discussions. It is also important to note that having carried out this exercise, we have considered stakeholder feedback on the conduct of the overall consultation process and have made changes to the previous system to address some of our stakeholder's concerns.

Project: Windmill Skate Park Facility. Supported through: RSWT/Biffaward

We will undertake a further three consultation exercises in 2010/2011, which with the support of EBs and stakeholders, we consider will help to further strengthen and enhance the Regulations and our guidance.

In 2009/2010, we began the process of engaging with LOs to ensure that where appropriate we consult everyone who has a vested interest in the regulation of the LCF. In the forthcoming year, we intend to further enhance our relationships with LOs where appropriate by:

- Providing them with copies of our consultation exercises, reports and e-bulletins;
- Providing them with information on the operation of the LCF, including copies of case studies; and
- Developing a programme of liaison visits to ensure that we can develop a joint understanding of the waste management sector.

Outcomes to be achieved:

- Provide recommendations for regulatory or guidance changes, based on our knowledge and expertise of regulating the Fund, together with supporting evidence provided through involvement by EBs and stakeholders gathered during the consultation period; and
- Ensure that our Regulations team's work complies with the agreed Regulation standards.

Project: Community Kitchen at St Peters & St Johns, Rugby. Supported through: Rugby Community Kitchen Project

Organisational

During 2009/2010, we refocused our operations and as part of this process, we began the development of a number of initiatives, which we considered would help to strengthen the regulation of the LCF and enhance our operational capability:

- In ensuring that stakeholders are kept fully informed of ENTRUST, our work and the success of the LCF, during 2009/2010, we developed a Communications Plan, which we consider will achieve these objectives. In 2010/2011, we will continue to develop and enhance this Plan and working with stakeholders we will:
  - Develop a repository of case studies and photographic library;
  - Refocus our website to ensure EBs and stakeholders are better able to obtain desired information on the LCF;
  - Review and update the information that we collect on the operation of the LCF and make it available to stakeholders; and
  - Extend our relationships with key decision makers and the media.
- Having consulted stakeholders on the need for any major changes to EOL during 2009/2010, we will begin the process of implementing a replacement system. It is our intention that by 31 March 2011, a new system will be in operation, which will provide improved on-line facilities that will:
  - Result in increased submission of on-line forms and returns by EBs; Provide all stakeholders with accurate information on the Fund, for example, up to date information on LCF spend and projects; and
  - Provide a wider range of information and tools with which to undertake compliance inspection.
- We will also continue to develop our offices as a centre of excellence and enable stakeholders to use our resources to help them comply with the Regulations; and
- During 2010/2011, we will seek to work with HMRC to renegotiate the TOA to ensure that the regulation of the Fund is secured from 01 April 2011.

Project: Kingston Park, Green Improvements. Supported through: RSWT/Biffaward

In accordance with the TOA, we are required to hold sufficient funds to carry out our statutory duties as the Regulator of the LCF and as a private company. ENTRUST's primary source of funding is from the income it derives from a levy on the contributions that EBs receive from LOs, which funds our planned operational activities.

During 2009/2010, with the support of HMRC, we pursued a case to the Court of Appeal relating to an EB in administration. Following this case, we incurred substantial costs that could only be funded in the short term from our reserves.

In addition, the impact of the global recession on the level of investment income that we were able to generate from our surplus funds, has required us to fund the overall operating deficit from our reserves.

As a not for profit company, whose only source of income is the LCF, we need to have sufficient reserves to fully meet our regulatory, legal and contractual obligations. To ensure that we are able to meet any unplanned operational, exceptional, or extraordinary costs, which fall outside our operational funding requirements, we need to replenish our reserves to ensure that we comply with our statutory requirements and the TOA.

In line with best practice, in calculating our annual resource requirements, we use Zero Based Budgeting to help ensure our expenditure is restricted to that which is strictly necessary to deliver our operational plans. Having calculated our baseline cost, the following process is followed:

- ENTRUST calculates its resource requirement in delivering its Corporate Plan using a Zero Based Budgeting approach; and
- The Corporate Plan is submitted to HMRC for review and approval as appropriate.

Project: Biomass Boiler - gathering wood for the boiler. Supported through: Earthworks Trust

Outcomes to be achieved:

- To ensure that our reserves are maintained at an appropriate level;
- A regulatory body that is properly funded, modern, professional, independent and strong;
- Providing stakeholders with a modern IT system which fully meets their needs and expectations;
- Make available to stakeholders more information on the Fund and ENTRUST's work; and
- The delivery of outcomes, targets and key performance indicators as detailed in this Plan.

Stakeholder Engagement

Project: Greening the Minerva Arts Centre - allowing space for community groups. Supported through: The Quilt Association

As in previous year's, ENTRUST is fully committed to implementing the Government's agenda to embed the principles of Better Regulation into our operational framework. In carrying out our duties, we have committed ourselves to working with stakeholders to:

- Minimise the administrate burden placed on them by the Regulations;
- Actively seek and listen to stakeholder views and opinions in our approach to Regulation; and
- In consultation with stakeholders develop new initiatives and approaches to regulating the LCF.

In 2009/2010, we went through considerable organisational change in relocating to new offices in Leamington Spa and centralising all of our staff at our office. It is pleasing to note that by September 2009, we had established our offices as a centre of excellence for the regulation of the Fund and we hope that during 2010/2011, stakeholders will take the opportunity to fully use the following facilities:

- Dedicated conference facilities, which stakeholders can use free of charge;
- Dedicated LCF library; and
- Dedicated training facilities to meet stakeholder's needs and expectations.

In independently assessing our work, we also ran an annual satisfaction survey and despite the organisational changes that went on during the year, our overall service levels were maintained. The findings can be seen in the diagram overleaf.

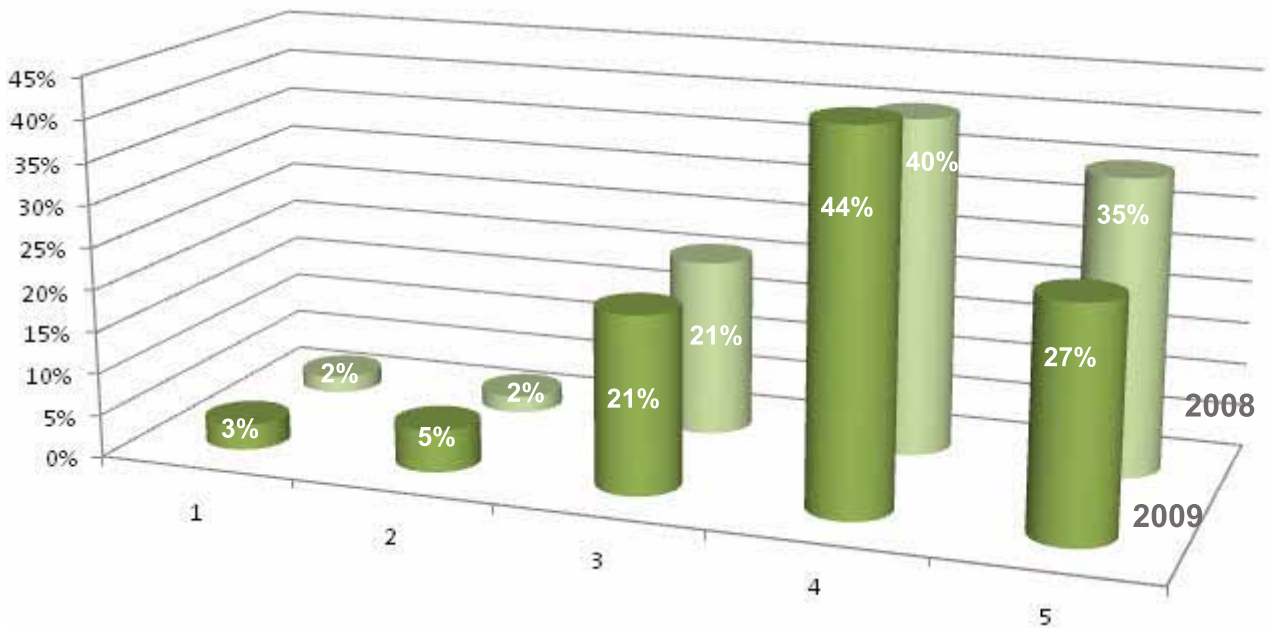
To ensure we continue to focus our efforts on enhancing our performance and providing the Fund, with a modern, efficient and effective Regulatory Body, we implemented an action plan in 2009/2010, to enhance those areas where stakeholders considered our performance needs to be improved. In 2010/2011, we will actively seek stakeholder's views as to whether our performance has improved.

Outcomes to be achieved:

- Actively seek feedback and listen to the views of regulated organisations relating to areas of concern that they may have regarding the regulation of the Fund; and
- Following the implementation of the findings from the 2009/2010, stakeholder satisfaction survey, enhance the service levels provided to stakeholders.

Customer Satisfaction Survey

Year on Year Comparative Data 1= Low, 5 = High



Resource Requirements

ENTRUST uses Zero Based Budgeting to calculate its resource requirements. During 2009/2010, there has been a considerable impact on our financial stability and the receipt of investment income, due to the economic recession. Additionally, we challenged a legal ruling in the Court of Appeal, with the support of HMRC, which has resulted in:

- An operating loss during the period; and
- The requirement to fund this extraordinary activity from our reserves.

However, despite the pressures generated by the current economic conditions, we have kept planned operational expenditure constantly under review and as can be seen in the table overleaf, we have ensured that at the operational level, excluding unplanned exceptional costs, we have ensured that operating costs have been managed to mitigate the loss of income so that the Forecast Of Outturn (FOO) is in line with the agreed resource requirement set out in the 2009 – 2012, Corporate Plan.

The Zero Based Budgeting approach has been carried through into determining the 2010/2011, resource requirement. Operational costs have been critically reviewed and although there is an increase in the total level of resources required in 2010/2011, compared to the FOO for 2009/2010, of £63k, due to the need to replenish reserves, planned operational expenditure has actually decreased by £67k.

In preparing the Plan, we have critically reviewed each line of expenditure to ensure that we have only bid for resources, which we require to deliver the operational objectives set out in this Plan and replenish reserves to an appropriate level.

	2009/2010 Budget £k	2009/2010 FOO £k	Variance 2009/2010 Budget v. 2009/2010 FOO £k	2010/2011 Budget £k	Variance 2009/2010 Budget v. 2010/2011 Budget £k
Total Operating Costs	1,605	1,539	(66)	1,535	(70)
Non Cash Costs	100	100	0	150	50
Net Interest	(92)	(15)	77	(9)	83
Resource Requirement	1,613	1,624	11	1,676	63

HMRC have approved our expenditure plans for the coming year and have agreed that the levy on contributions be set at 2.4% from 01 April 2010. In calculating the levy, HMRC have considered the level of contributions to the Fund by LOs forecast for the year, from which we will derive its income. The table below shows the way the levy set for ENTRUST over the last three years is structured and the impact the current economic climate has had on our ability to offset operating costs with investment income.

	2008/2009	2009/2010	2010/2011
Resource Requirement - Operating Costs (£k)	1,564	1,605	1,537
Resource Requirement - Investment Income (£k)	(104)	(92)	(11)
Resource Requirement - EOL Development (£k)	100	100	20
Resource Requirement - Reserve Replenishment (£k)	0	0	130
Total Resource Requirement	1,560	1,613	1,676
Levy Rate - Operating Costs (%)	2.28	2.26	2.20
Levy Rate - Investment Income (%)	(0.14)	(0.13)	(0.02)
Levy Rate - EOL Development (%)	0.14	0.14	0.03
Levy Rate - Reserve Replenishment (%)	0	0	0.19
Total Levy Rate	2.28	2.27	2.40

Project:
Arbeia Roman Fort & Museum Improvements.
Supported through:
SITA Trust

Our resource requirements for the period 2010–2013, is summarised in the following table and for comparison purposes the previous three years' outturn:

Resource Requirements for 2010-2013

	07/08 Actual £k	08/09 Actual £k	09/10 FOO £k	10/11 Plan £k	% Change from 09/10	11/12 Plan £k	12/13 Plan £k
Non-Executive Directors	124	59	56	56	0	56	56
Staff	787	849	1,052	1,051	0	1,067	1,092
Personnel Costs	156	156	93	104	12	104	104
Establishment Costs	67	75	133	136	2	136	136
General Expenses	76	79	70	63	(10)	63	63
Professional Fees	160	63	50	44	(12)	44	44
IT Costs	62	91	54	55	2	56	56
Depreciation	33	35	31	26	(16)	26	26
Total Operating Costs	**1,465**	**1,407**	**1,539**	**1,535**	**0**	**1,552**	**1,577**
Non-Cash Items							
IT Costs	0	100	100	20	(80)	20	20
Reserves	0	0	0	130	100	0	0
Resources before interest	1,465	1,507	1,639	1,685	3	1,572	1,597
Interest receivable	(135)	(90)	(19)	(11)	(42)	(10)	(10)
Taxation	27	19	4	2	(50)	2	2
Resource Requirement	**1,357**	**1,436**	**1,624**	**1,676**	**3**	**1,564**	**1,589**

The projected resource requirements for 2011/2012 and 2012/2013, are included for information, although it should be noted that only 2010/2011, have been approved by HMRC.

In calculating our resource requirement for 2010/2011, we have estimated that our funding requirement will increase by 3% over the FOO for the year, for the following reasons:

- **Personnel Costs**: The increase relates to having all staff in post from 01 April 2010; and
- **Reserves (Non-cash)**: During 2009/2010, with the support of HMRC, we utilised a considerable amount of our reserves in appealing a case through the Court of Appeal. This together with a significant reduction in investment income contributed to our operational loss. The reimbursement of legal costs is a one off for 2010/2011, to ensure that reserves are maintained at an appropriate level.

Project: Killamarsh Skate & Ride Park. Supported through: Veolia Environmental Trust

Performance Management

We are committed to delivering the highest standards of service to stakeholders in accordance with this Plan and the TOA. To help achieve this aim, as outlined above we have developed a range of Key Performance Indicators (KPIs) and Management Targets, which are set out at Appendix A and overleaf; both of which have a binding effect for the purposes of the Terms of Approval (TOA).

To independently monitor our performance against these combined targets HMRC require the following:

- **Annual Statement of Assurance** - We are required to provide HMRC with an annual statement, which compares our performance against the requirements of the TOA;
- **Annual Report and Accounts** - At the year end, we publish an Annual Report and Accounts, which provides details of our performance against the Plan;
- **Board and Committee Meetings** - We hold quarterly Board and Committee meetings, which allows the Board to fully review all aspects of the operation of the business and ensure that the Plan is delivered;
- **Corporate Plan** - We provide HMRC with a three year Plan, which sets out our resource requirements, outcomes and targets;
- **Monthly Review Meetings** - HMRC formally meet with us each month, to ensure that our performance is on target. At these meetings, we also review, discuss and agree ways in which areas of concern can be addressed; and
- **Quarterly Performance Review Meetings** - At the end of every quarter, HMRC formally reviews our performance against the Plan.

2010/2011 Management Targets

The following table details our Management Targets, which will be used to support the delivery of this Plan:

Serial	Target
1	Carry out a customer satisfaction survey, analyse the results and implement any operational changes to enhance service delivery by 31 December 2010.
2	Operating in compliance with the TOA.
3	By 31 July 2010, establish a photo repository for LCF projects.
4	Implement an electronic training system, which allows ENTRUST staff to train stakeholders at their personal computers.
5	By 31 March 2011, increase the use of ENTRUST's offices by stakeholders by 10% from the baseline that was established in 2009/2010.
6	All corporate documents will be published on the website within five days following relevant approval.
7	The published annual statement of assurance states that the governance framework remains up-to-date and fit for purpose.
8	All surplus funds to be placed in interest earning accounts of financial institutions authorised by the UK FSA.
9	To continually review and develop our KPIs.
10	Ensure that ENTRUST complies with guidance issued by the Better Regulation Executive and Regulators' Compliance Code.
11	The Regulations Team complies with the agreed Regulation Standards.
12	Ensure that in dealing with enforcement issues, the relevant procedures are followed.
13	ENTRUST will conduct appropriate assurance checks to manage quality of performance throughout the business and provide evidence to HMRC.

Corporate Governance

During 2009/2010, we implemented a number of the recommendations resulting from our own internal reviews, which we consider strengthen the management of our organisation and which fully comply with the governance requirements of public limited companies and the public sector:

- Further enhancing, refining and developing our existing risk management and control framework;
- Ensuring Health and Safety is continually kept under review by the Board;
- Enhancing our existing governance framework, to provide greater clarity and direction in relation to the management of the Company;
- Developing an in-house internal audit function;
- Publishing full Annual Accounts, Report and Corporate Plan; and
- Publishing the minutes of its Board meetings.

In 2010/2011, we will keep these arrangements under review and enhance them where appropriate to ensure that we fully comply with best practice.

Sustainability

Project: The Growing Zone, Kippax. Supported through: GrantScape

As an organisation that regulates an environmental fund, we are fully committed to the concept of sustainability and proactively protecting and safeguarding the environment. To achieve this we are therefore dedicated to:

- Considering as a first option, the use of recycled materials;
- Local sourcing of labour and materials to reduce our carbon footprint;
- Working in partnership with stakeholders to promote effective and meaningful environmental best practice;
- Training staff on basic good environmental practice, including ensuring all staff consider minimising waste, re-using and recycling where ever possible and switching off non essential electrical equipment when not in use;
- Developing a management system to demonstrate continual improvements in environmental and health and safety performance; and
- Undertaking training events, which support sustainable projects in the community.

Conclusions

During 2009/2010, we went through a period of considerable change and in 2010/2011, we aim to further consolidate our operational capability and the service levels that we provide to stakeholders. Over the next 12 months our efforts will be focussed upon:

- Critically appraising our compliance framework and processes;
- Continuing to work with stakeholders to better understand their issues and develop new and improved ways of working;
- Fully implementing our communication plan to provide greater awareness and information on the operation of the Fund and ENTRUST;
- The implementation of a replacement IT system to EOL;
- Fully implementing the recommendations arising from our 2009/2010, satisfaction survey;
- Ensuring that EBs are aware of the facilities and resources available for their use at the Leamington Spa office;
- Widening attendance and increasing the numbers of those individuals attending our training events; and
- Ensuring our financial stability through the replenishment of our reserves.

Appendix A:

2010/2011 Key Performance Indicators

Target 1	Achieve standards of service delivery and effectiveness acceptable to stakeholders, improving the level of satisfaction with the EB application and project notification processes (including EOL services).
1.1 1.2	• Average time taken to enrol EBs following the submission of completed applications – 95% enrolled within 10 working days; and • Average time taken to register projects following the submission of completed applications – 95% registered within 10 working days.

Target 2	Enhance the accountability and transparency of the LCF by making information about its operations more publicly available.
2.1 2.2 2.3	• Response to requests for information provided within 10 working days of receipt; • Publicise statistical information on the LCF within 20 working days of its receipt from an EB; and • Provide all EBs with updates on guidance and regulatory change within 10 working days.

Target 3	Increased level of compliance with the Landfill Tax Regulations.
3.1 3.2 3.3 3.4 3.5 3.6	• To formalise the risk model and submit to HMRC for approval as appropriate by 30 April 2010 and to review the risk model selection criteria and time allocation ensuring resources are targeted to current identified compliance issues and EBs carrying the biggest risk by 30 September 2010; • 216 compliance project reviews to be carried out and reported on during the year; • 48 EB accreditation/system reviews to be carried out and reported on during the year; • 95% of compliance inspection reports issued within 20 working days of completion of inspection visit; • EBs inspected who hold 75% of current funds; and • Increase the level of EB compliance with reporting requirements (forms 3, 4 and 7) during the year from the 2009/2010, baseline figures.

Target 4	To ensure that the LCF has a modern efficient Regulator, with a skilled and experienced team that is able to deliver a high quality service.
4.1	• Following the completion of a compliance inspection, Compliance Inspectors should achieve an average assessment score of 3.5 from EBs: • On their conduct of the review; and • On the numerical average of the scores for the level of guidance and examples of best practice.
4.2	• By 31 March 2011, to have a robust, secure, efficient and effective replacement IT system for EOL.

Target 5	Demonstrating transparency and value for money.
5.1	• Ensure that the operational costs of undertaking the under mentioned activities does not increase substantially from the 2009/2010, baseline cost: • Cost per enrolment; • Cost per project registration; and • Cost per compliance inspection visit.

Target 6	The Regulator complies with the requirements of Better Regulation and makes recommendations to HMRC on possible improvements to the Landfill Tax Regulations.
6.1	• Issue the outstanding report from the 2009/2010, consultation period to HMRC by 31 July 2010;
6.2	• Undertake at least three consultation exercises and issue two reports to HMRC during the year; which if appropriate includes a report by 30 October 2010, with recommendations for changes to the Regulations supported by robust analysis and evidence; and
6.3	• Hold at least three consultation group meetings on policy matters by 31 March 2011.

ENTRUST

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