



ENTRUST

Regulating the Landfill Community Fund
Benefiting People and the Community

CORPORATE PLAN
2013–2016

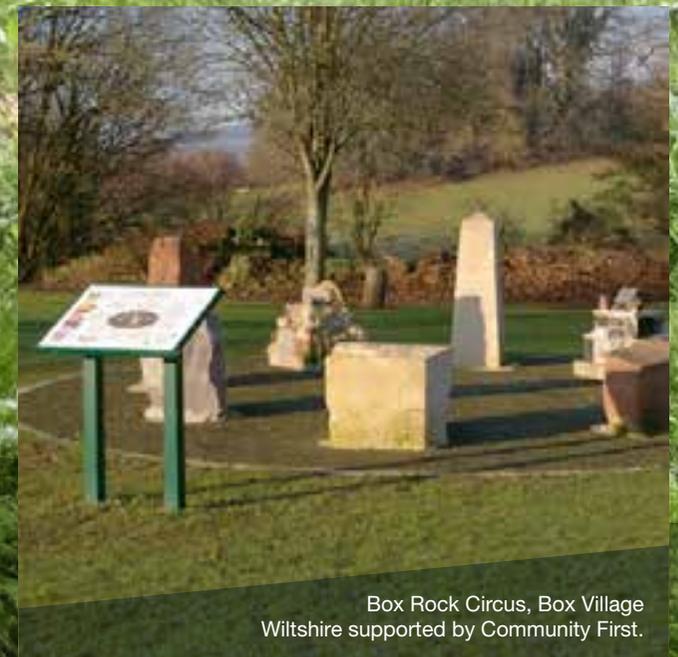
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COVER IMAGE – The Saheli Garden Project in Accrington, supported by LWS Lancashire Environmental Fund Ltd., and Prospects Foundation. Photograph by Jason Lock



Great Gore Meadows, Fladbury supported by Vale Landscape Heritage Trust.



Box Rock Circus, Box Village Wiltshire supported by Community First.

Chairman's Introduction

I am pleased to introduce the Company's Corporate Plan covering the period 2013 – 2016. In developing this year's Plan we have considered the prevailing economic climate and how we continue to raise the quality of the service to stakeholders without increasing our costs.

Having reviewed how we deliver our service our areas of focus for the coming year will be our improving our Corporate support functions, to help ensure that our Regulatory function complies with best practice.



Harrison Park Green Access,
Edinburgh supported by The Waterways Trust

We will also concentrate upon other key areas of delivery:

- Quality Assurance Framework – We have been reviewing all aspects of our business to develop a Quality Assurance Framework. We believe the introduction of these processes will focus attention upon key aspects of our operating activities and provide stakeholders with consistent service levels;
- Updating existing processes and procedures – As a part of developing a Quality Assurance Framework, we will continue to review our existing processes and procedures. This exercise has already identified a number of areas where we can update our existing system to improve the delivery to Environmental Bodies (EBs) including regulatory process and levels of compliance; and.
- Website redevelopment – Our current website went live in 2006/2007 and is reaching the end of its useful life. Last year, the Board took the decision that we should defer its replacement until 2013/2014. In developing the specification for the new site, we have listened to the feedback that we have received from EBs and sought professional advice on best IT practice. Once the new site is operational, it will assist EBs in complying with the Landfill Tax Regulations 1996 (Regulations) and facilitate online transactions.

In addition, there are two key areas of external work, which we intend to address during the year:

- Staff Secondments – Implement a programme providing short term secondments for our staff to go and work in an EBs and for EB staff to work in ENTRUST. We believe this proposal will assist in better understanding between the parties; and
- Scottish Landfill Communities Fund – To develop a framework to manage the wind-up of the Landfill Communities Fund (LCF) in Scotland.

Our intention in this year's Plan is to improve quality and service levels that we provide to EBs without increasing our Resource Requirement. Using a Zero Based Budgeting (ZBB) approach we have assessed that our overall costs will reduce by 1% compared to last year's budget, and the levy remain at 2%.



Dr Philip H Smith
Chairman

Executive Summary

In developing this Plan, we have again been careful to take into account the impact of the recession upon our business and across the Sector. In 2012/2013, we completed three major tasks:

- Carried out an organisational structural review;
- Developed a Quality Assurance Framework placing quality at the heart of our business; and
- Carried out a Value for Money (VFM) exercise, which resulted in reducing net operating costs by £32k and our budget requirement by £12k.

Having implemented a number of operational processes and procedures over the last two years, our task for the next twelve months is to concentrate efforts upon improving a number of functions:

- Implementation of a new Communication Strategy – We intend to ensure that clear and accurate information and guidance relating to our role is communicated consistently to all our stakeholders. To achieve this, we therefore intend to implement a new cohesive and focussed Communication Strategy;
- Implementation of new enforcement procedures – We have evidence that over the last twelve months in the number of cases of serious non-compliance, which has resulted in detailed case reviews and the preparation of case files for submission to HMRC. We will be implementing new enforcement procedures in 2013/2014, which will streamline the timeframes for each stage of the procedure and progress cases in a more timely and effective manner;

- Staff secondments – Following discussions with EBs, in order to develop a common understanding of each other's roles and responsibilities, we intend to implement a system of short secondments between our organisation and EBs;
- Implementation of a new website – Our current website went live in 2006/2007 and is reaching the end of its useful life. We are preparing to progressively replace it in 2013/2014;
- Quality Assurance Framework – During 2012/2013, we have developed a Quality Assurance system, which will be implemented in 2013/14 and place quality at the centre of all our activities and secure greater value for money from our resources;
- Enrolment processes – As part of our analysis of the 2011/2012, annual EBs Satisfaction Survey, we have agreed to improve our current processes of enrolling organisations. These changes will involve providing more advice and guidance upon enrolment, helping

We are a *Professional* organisation that is *Respected* by our stakeholders for providing a *Consistent* service with *Understanding*

them to complete the forms and advising them of statutory requirements under the Scheme;

- Monitoring the Value for Money of our training – Our overarching ethos is to coach EBs to compliance by providing training using a number of different mediums. From 2013/2014, we will build into our year end review a means of widening the breadth of our training procedures;
- Data Cleansing – Following the successful implementation of Entrust on Line (EOL), we have identified a small number of issues relating to LCF data we hold. To ensure that information we hold is 100% accurate we will be carrying out a data cleansing exercise during the year; and

- Compliance Procedures – We continually review our compliance procedures based upon the feedback that we receive from EBs. In order to improve our service levels, we intend to review our Inspection Manuals and streamline our compliance procedures to enable us to carry out more focussed inspections in targeting areas of concern and making better use of our resources.

Finally, having responded to the Scottish Government's consultation proposals for establishing a Scottish LCF, in partnership with HMRC we will work up a plan of action to wind up the Fund in Scotland.



Opening of Calderbank Footbridge supported by The Royal Society of Wildlife Trusts and The Waterways Trust



Restoration of Myton Pool, Warwick supported by The Royal Society of Wildlife Trusts and Friends of Myton Pool

Compliance

Compliance is at the heart of our role. In delivering this objective, we use a model which allows us to target our resources at those organisations who we consider run the highest potential risk of failing to comply with the Regulations. The risk based model has been developed over a number of years and is continually reviewed and updated to take into account the changing environment we operate in.

We also provide advice to EBs on our risk based inspection process, which can be accessed through <http://www.entrust.org.uk/home/compliance-activity>.

During the year we plan to review the data that we hold on EOL to consider what further information we can include in the model to develop its effectiveness.

One of the major new tasks that the Compliance Team will be undertaking during the year is to develop a framework to assist Scottish EBs to prepare for and manage the wind-up of the Scheme in Scotland from 31 March 2015.

Finally, as in previous years, we are committed to continually improving the quality of the services that we provide to EBs. Following feedback from visits during 2011/2012, we intend to implement further initiatives which will improve the service we provide, including arranging our standard inspection visits to EBs by providing them with at least four weeks notice of a visit and streamlining our inspection processes to make best use of our time with EBs.

Outcomes to be achieved:

- Review the information on EOL to further develop the risk model;
- Continue to promote the use of EOL to minimise costs in submitting information online;
- Reduce the level of non-compliance with the Regulations from the 2010/2011, baseline; and
- Develop a framework to manage the wind-up of the Fund in Scotland in order to protect LCF assets.

Enforcement

In line with best regulatory practice, where we identify a breach in the Regulations, we are required to take enforcement action and ENTRUST employs a range of sanctions to address these instances. During the last twelve months we referred a number of cases of non-compliance to HMRC. In addition to these cases, we have also worked alongside EBs to manage and resolve other breaches of the Regulations.

We have been pleased with our progress in strengthening this area of our operations and during 2013/2014, it is our intention to build on that progress by:

- Implementing revised enforcement procedures, which from our initial assessment will lead to a direct improvement in the time it takes to process enforcement cases and result in improvement in the quality of our case files;
- Review the lessons learnt from the cases we have referred to HMRC; and

4,746 projects to restore places of worship and historic buildings have been completed, with £73m being provided through the LCF

- Review and update our intelligence database to capture relevant information relating to EBs which will allow us to take more targeted and proportionate enforcement action.

In implementing these initiatives, we believe that the overall quality of our compliance work and an EB's ability to comply with Regulations will be enhanced.

Outcomes to be achieved:

- Maintain the timely submission by EBs of statutory returns from a 2011/2012, baseline.



Saving Scotland's Red Squirrels supported by Aberdeen Greenspace

Registrations

From the feedback we have received from stakeholders and through the responses to the stakeholder satisfaction survey, we have updated our existing processes and procedures to reduce the administrative burdens by clarifying our existing guidance to make the registration and project approval process simpler to comply with. As a direct consequence of these changes, we have been able to improve the quality of these services.

Following discussions with EBs we will also be implementing a programme of allowing ENTRUST and EB staff to have reciprocal secondments in order that we can develop a better understanding of the issues and problems each organisation faces. We anticipate that these secondments would last no more than one week. Due to the confidential nature of our work, these secondments would primarily be focused in the Registrations Team's area of responsibility.

Over the next twelve months we intend to build upon our on-going success by implementing the following:

- During the enrolment process we will discuss with applicants, whether enrolling as an EB is the best option for them in securing money from the Fund;

- When we are informed that a newly enrolled EB has received funding, we will contact them within two months to ensure they are aware of their key reporting and form filling obligations; and
- We will continue to promote the use of online submission via EOL.

Outcomes to be achieved:

- Improve the enrolment process for new EBs;
- At least maintain the number of EBs submitting project applications on-line from the 2011/2012, baseline;
- Ensure that 98% of EBs applications to register are approved within seven working days; and
- Evaluate our key processes from EBs who have participated in our secondment process.

37,500 projects have been approved over the life of the LCF



Larghan Park Regeneration Project, Coupar Angus supported by The Perth and Kinross Quality of Life Trust

Regulations

The main focus of the Regulations Team's work is to ensure that the interpretation of the Regulations that we provide to stakeholders (through advice and guidance) remains fit for purpose and meets stakeholder's needs and expectations.

One of the major tasks this year for the Compliance Team will be supporting the Regulations Team in developing a framework to facilitate the wind-up of the LCF in Scotland, which will commence on 01 April 2015. It is our intention to complete this work by 30 November 2013, which will:

- Provide HMRC and the Scottish Government information to develop and implement any legislative change to wind-up the Scheme and implement a new Scottish Scheme; and
- Allow EBs to manage their operations to ensure a smooth transition during the closure process by agreeing the deadline for submitting projects for approval to us after any final contributions are received from Landfill Operators (LOs) on 31 March 2015 and accounting for any assets purchased using LCF monies.

In line with our ethos to coach EBs to compliance, we will continue to deliver targeted training to our stakeholders. Following feedback from stakeholders we will also be running a series of Regional networking and information events across the UK to bring EBs together to discuss in an informal setting any announcements and a range of topical issues.

Outcomes to be achieved:

- Continue to provide recommendations for regulatory or guidance changes, with supporting evidence provided through stakeholder discussion and consultation;
- Ensure that our Regulations Team's work complies with agreed Regulation Standards;
- Develop advice and guidance on the wind-up of the LCF in Scotland;
- Provide an annual report on the cost benefit of our training activities; and
- Confirm the benefits, which we expect to accrue from Networking and information events.



Salisbury Hub, Salisbury supported by Community First



Organisational

Over the last four years we have steadily built and enhanced our effectiveness which has culminated in our continuing ability to meet more challenging Key Performance Indicators (KPIs) from HMRC. In developing this year's Plan, we have determined that our focus will be on three areas:

- Enhancing the quality of our work;
- Delivering Value for Money; and
- Improving our external communications.

Enhancing the quality of our work

Having developed a Quality Assurance Framework during 2012/2013, we will ensure that this is effectively imbedded across our operations during 2013/2014. The framework provides us with a best practice approach to quality management based on ISO 9001 ensuring that we deliver professional and high quality services to all stakeholders. The framework will define our quality policy and set out our approach to delivering processes and procedures.

The overall benefit to stakeholders will be that they will be provided with consistent quality services and an improved understanding of what we aim to achieve as a Regulator.

We will continue to critically appraise our performance and are committed to further improving it. To help us achieve this goal, we actively seek feedback from stakeholders through:

- Annual EBs Satisfaction Survey;
- Feedback on individual Compliance Inspector's performance after undertaking a compliance review;
- Feedback on training events;
- Responses to consultation exercises and focus groups; and
- Meetings with stakeholders directly or through Networking and Information Events.

Delivering Value for Money

We have calculated the cost of delivering our Corporate Plan using Zero Based Budgeting (ZBB) incorporating efficiency savings. By building and reviewing each individual cost line we have ensured that our 2013/2014, Resource Requirement reflects accurately the expenditure levels required to continue to deliver a high quality service. In parallel we have assessed our ability to set more stretching KPI targets. As in previous year's we will monitor all aspects of our business during the year to identify further efficiencies and improve service levels.

We also plan to undertake a systematic review of the data we hold on the LCF. This will ensure that where gaps in information are identified, these are addressed and that the quality of data we hold is consistent with effective and efficient regulatory services.

Improving External Communications

As an organisation, which regulates over 2,800 EBs, it is important that we are able to communicate effectively with them and other stakeholders. To achieve this objective we will be revising and updating extensively our existing Communication Strategy to ensure that we:

- Identify our key target audience and how we should communicate with them;
- Develop and implement a customer charter, which will set the standards that we provide to our stakeholders and the standards we expect from them;
- Develop alternate methods of communicating with our various stakeholders; and
- Consider use of social networking channels to disseminate information to stakeholders.

The introduction of the new version of EOL has proved successful, and has reduced both the administrative burden placed on EBs and increased the level of compliance with the Regulations by offering a simple and easy to use online facility.

To help improve EBs use of our IT we are planning to develop a new website that will provide a more intuitive and easier means of navigating our site, improving each visitors experience to the website. The existing website is over five years old and needs to more accurately reflect the type of organisation we are now, the way the LCF has developed during that time and the changing needs and expectations of stakeholders.

We anticipate that we will provide a site which addresses the key issues of navigation, clarity and accessibility and which complies with best practice with the intention of ensuring that the website:

- Offer visitors a positive experience when searching for information on the LCF;
- Provides effective navigation, tailored to both new visitors and more experienced visitors;
- Ensures that content is regularly refreshed to support effective search engine optimisation; and
- Provides ENTRUST with an effective and well managed Content Management System.

Outcomes to be achieved:

- To be a Regulatory body that is respected for its professional approach in dealing with stakeholders who understand what we do and are attempting to achieve and appreciate our consistent approach to Regulation;
- To enhance developments in IT systems through the introduction of a more intuitive and visitor focussed website;
- To stretch ourselves further through setting challenging KPIs that promote further improved performance and higher quality regulatory services; and
- To improve the quality and consistency of all of the data we hold to improve regulatory service delivery.

Resource Requirement

We use ZBB to estimate the costs of carrying out of work and to comply with our Terms of Approval (TOA). The funding of the Plan will enable us to:

- Employ 26.5 Full Time Equivalent Staff and five Non-Executive Directors;
- Carry out reviews of EBs, who hold more than 75% of the monies given to EBs by LOs;

- Monitor approximately 2,800 EBs and how they meet the requirement to comply with the Regulations; and
- Register on average 240 EBs and approve 3,500 projects applications per annum.

The following table provides a summary of our resource requirement for 2012/2013, and our plan for 2013/2014 as compared to our Forecast of Outturn (FOO) for 2012/2013. HMRC has approved the 2013/2014 requirement.

	2012/2013 Budget £k	2012/2013 FOO £k	Variance 2012/2013 Budget V 2012/2013 FOO £k	2013/2014 Budget £k	Variance 2012/2013 FOO V 2013/2014 Budget £ k	Variance 2012/2013 Budget V 2013/2014 Budget £ k
Total Operating Cost	1,500	1,445	(55)	1,473	28	(27)
Non Cash Cost	10	10	0	30	20	20
Net Interest	(15)	(18)	(3)	(20)	(2)	(5)
Budget Requirement	1,495	1,437	(58)	1,483	46	(12)
Funding Adjustment	(58)			(50)		
Resource Requirement	1,437			1,433		

Sustainability

ENTRUST are fully committed to the principles of sustainability. Our 2013/2014, Plan incorporates:

- 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 wherever possible and switching off non-essential electrical equipment when not in use;
- Developing a management system which demonstrates continual improvement in environmental and health and safety performance; and
- Undertaking training events which support sustainable projects in the community.

The following table provides a detailed breakdown of the differences between the current and future budgets:

	2012/2013 Approved Budget £k	2013/2014 Budget £k	Change from 2 012/2013 Budget £k	2014/2015 Budget £k	2015/2016 Budget £k
Non-Executive Directors	70	68	(2)	69	70
Staff Costs	1,040	1,043	3	1,076	1,097
Stakeholder Pension	17	13	(4)	13	13
Personnel Costs	86	86	0	86	86
Establishment Costs	129	132	3	135	138
General Expenses	100	81	(19)	81	81
IT Costs	43	43	0	43	43
Depreciation	15	7	(8)	1	1
Operating Costs	1,500	1,473	(27)	1,504	1,529
Income (Net)	(15)	(20)	(5)	(20)	(20)
Non-Cash Items					
EOL Replacement	10	10	0	10	10
Web-site replacement	0	20	20	0	0
IT Equipment Planned Renewal				6	25
Operating Resource Requirement	1,495	1,483	(12)	1,500	1,544
Funding Mechanism adjustment prior year	8	45	37	0	0
Funding Mechanism adjustment current year.	(66)	(95)	(29)	0	0
Resource Requirement	1,437	1,433	(4)	1,500	1,544

In assessing our Resource Requirements for 2013/2014, the following material changes have been made to our budget requirement compared to the previously approved budget:

General Expenses – As part of our Value for Money review during 2012/2013 we have identified a number of cost savings; and
Website Development – inclusion of costs to meet our redevelopment of the site.

Entrust 2013/2014 Key Performance Indicators

Target 1	Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator.
1.1	98% of eligible applications to register as an EBs and project applications are approved within five working days.
1.2	To improve EBs' level of satisfaction with our services over the 2011/2012, baseline figures by undertaking a customer satisfaction survey by 31 August 2013 and delivering any identified changes by 31 December 2013.
1.3	<p>Fully comply with the principles of Better Regulation, as outlined below</p> <ul style="list-style-type: none"> • Transparent – Being fully accessible to our stakeholders and acting with integrity in line with our Company values; • Accountable – Ensuring that our work fully complies with the Combined Code and the Committee for Standards in Public Life requirements; • Consistent – Ensuring that our advice and guidance is comprehensive clear and easy to understand; • Proportionate – Managing breaches in the Regulations in proportion to the level and nature of the breach; and • Targeted – Adopting a risk based approach to focus our resources on areas of our business that we consider run the highest risk of failure to comply with the Regulations. <p>We will publish the annual Regulations Team Standards report by 30 June 2013</p>
Target 2	Enhance the accountability and transparency of the LCF by publishing information about Its operation
2.1	Publish statistical information on EBs data and guidance within ten working days of a notified change.
Target 3	Secure/increase the level of compliance with the Regulations.
3.1	<p>To develop and implement a programme of compliance reviews, that will lead to an improvement in EBs compliance with the Regulations, which will include the following key elements:</p> <ul style="list-style-type: none"> • To submit the reports from the 2012/2013, reviews of unspent funds and CTPs to HMRC by 31 May 2014, and submitted a report on potentially excessive running costs by 30 June 2014; and • To examine the top ten EBs with unspent funds (as at 31 March 2013) and provide HMRC with a report on our findings by 31 August 2013.
3.2	<p>To complete compliance reviews in a timely manner and issue reports to the quality standard:</p> <ul style="list-style-type: none"> • 95% of project inspection reports and recommendations issued within eight working days of a compliance inspection; • 95% other reports issued within 15 working days of completion of inspection; and • Publish reports within one month of each quarter end, summary details of recommendations and other relevant issues identified from our compliance activity.
3.3	<p>To increase the percentage of EBs reporting (Forms 3, 4 and 7) received by the due date from the 2012/2013 baselines:</p> <ul style="list-style-type: none"> • Increase the % of Form 4s received by the due date from 78.56%; • Increase the % of Form 3s received by the due date of 88.5%; and • Increase the % of Form 7s received by the due date of 95.6%.
3.4	To increase the number of EBs submitting project applications online from the 2012/2013, baseline by 10%.
Target 4	Delivering value for money by increasing the effectiveness of delivering core activities

4.1	<p>The following work will be delivered during the year to secure an improvement in our operation:</p> <ul style="list-style-type: none"> • Publish a Customer Charter by 31 July 2013; • Deliver a new website by 31 December 2013; • Complete a data cleansing exercise by 31 March 2014; and • By 31 March 2014, carry out an analysis of the VFM of the training and guidance that we offer to EBs to ensure it meets their expectations.
Target 5	Report annually to HMRC by 31 August priority regulatory Improvements to the Landfill Tax Regulations 1996 and implement agreed changes to guidance or Regulation in accordance with agreed timescales.
5.1	Conduct targeted compliance interventions and if necessary consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.
Target 6	Work with HMRC to manage the wind-up of the LCF in Scotland
6.1	<ul style="list-style-type: none"> • Establish a framework and provide information to manage the wind-up of the LCF in Scotland by 30 November 2013, for the approval of HMRC.





www.entrust.org.uk



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