



# **ENTRUST Corporate Plan**

## **2018-2021**

## Chair and Chief Executive's Summary

ENTRUST's Corporate Plan for 2018–2021 has been shaped to reflect that the Landfill Communities Fund (LCF) has reduced in size whilst recognising the importance of maintaining regulatory efficiency and a low administrative burden on Environmental Bodies (EBs). A key priority will also be the smooth closure of the LCF in Wales on 31 March 2018 and the start of the two year transitional period. We continue to prioritise the importance of demonstrating the Value for Money (VfM) of the LCF to all of our stakeholders through the provision of timely and informative data. We will continue to increase the transparency of our operations through increased disclosure of our work.

Following a reduction in the size of our organisation and our resource requirement across the previous two Corporate Plans we consider that our structure is appropriate for the reduced size of the LCF, however we will continue to seek cost savings and organisational efficiencies across the life-time of the plan. We also consider it appropriate to cross-skill staff across multiple areas of the business to ensure that we can continue to provide high quality services in accordance with the Landfill Tax Regulations 1996 (Regulations) and the ENTRUST/HMRC Terms of Approval (TOA).

As an effective, efficient and lean regulator the following themes and issues will provide a framework for the delivery of our regulatory services across the lifetime of this plan:

### Service improvement and efficiency

Over the years, we have developed an overarching approach and ethos of 'coaching to compliance' when undertaking our regulatory functions. We consider that this approach works well and in the next 12 months, we believe it can be further strengthened by even stronger customer service. We will prioritise reducing the administrative burden on EBs and increasing the transparency of our operations. We will:

- Continue to manage risk across the LCF by undertaking risk-based targeted compliance reviews;
- Increase transparency around ENTRUST's compliance risk model by ensuring its continual review and publication;
- Maintain strong customer satisfaction by focusing on swift, accurate and consistent enquiry handling and responding and acting upon feedback from EBs;
- Following the 2017/2018 review of ENTRUST Online (EOL) implement the recommendations to improve its operation, consulting with stakeholders where necessary;
- Implement the second year of our 100 per cent e-delivery and online reporting plan and develop a strategy to support the removal of the paper version of the Statutory Annual Return (Form 4) in April 2019;
- Continue to monitor and report on EBs with administration costs in excess of 7.5 per cent and high levels of unspent funds; and
- Continue to build upon the strong relationships with our stakeholders by engaging with their issues and concerns and seeking feedback about how we can develop our services to continue to provide a strong regulatory framework within which the LCF operates.

## Delivering Value for Money (VfM)

As LCF funds are derived from public funds (from foregone landfill tax diverted into the LCF scheme) we continue to believe that it is essential to widely demonstrate the value that the LCF delivers to local communities. To support this we will:

- Continue to publish scheme VfM data collected through the project completion form (Form 9) to encourage understanding of the LCF and demonstrate the value that the LCF delivers to local communities;
- Continue to publish anonymised data about the performance of EBs against key scheme metrics to enable EBs to benchmark their own performance; and
- Continue to consult with stakeholders about what further VfM information they would like to receive.

## Scheme closure in Wales

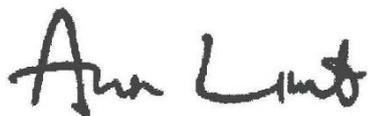
We will work closely with HM Revenue & Customs (HMRC) and the Welsh Government to commence the management of the closure of the scheme in Wales, which will include:

- Delivering the first year of our closure plan;
- Ensure that EBs and other stakeholders are provided with clear information, advice and guidance, about the closure and what action EBs need to take; and
- Provide accurate and up to date information on the operation of the closure plan, ensuring our plan and advice and guidance are regularly updated.

## Organisation

Our organisational structure represents an effective and efficient configuration with which to undertake regulation of the LCF. To utilise our staff most effectively, we have moved to a more cross-skilled organisation, sharing resources and multi-skilling across teams. In 2018/2019 we will:

- Ensure that the Company is ready to be compliant with General Data Protection Regulations (GDPR) from 25 May 2018; and
- Undertake an annual self assessment of cyber security arrangements and ensure we remain cyber certificated.



**Dr Ann G Limb CBE DL**  
**Chair, ENTRUST**



**Christopher Welford**  
**Chief Executive, ENTRUST**

# 1. Service improvement and efficiency

We recognise that the reform measures implemented by HMRC in April 2016, the closure of the LCF in Scotland on 31 March 2017 and the reduction of waste disposed of as landfill has overall led to a reduction in the size of the fund.

We believe as an effective, efficient and lean regulator that the following sections are key to our delivery of regulatory services across this Corporate Plan period. In particular, in 2018/2019 our ethos of 'coaching to compliance' will further be supported by a stronger customer service level and a focus on efficiency which we believe will help to further minimise the administrative burden on EBs.

We will also continue to streamline our activity and increase the transparency of our operations through further disclosure of our work. We consider it essential that all stakeholders have the information they need to participate in the LCF. We will therefore continue to support our stakeholders through the use of EOL, in particular as we continue to move to 100 per cent e-delivery of our services.

## Enrolment for EBs

For organisations wishing to enrol in the LCF as an EB, we provide a range of information and advice on our website and through our email and telephone Helplines. As part of our role, we will continue to provide bespoke help to those who contact us to ensure that the application process progresses as smoothly as possible and we will continue to undertake to complete all enrolments, where all of the required information has been provided to us, within five working days.

Over the last two years, we have invested resources in improving the enrolment process for EBs. This has included the introduction of a new online training module, updating the Form 1 enrolment form on EOL and bringing forward the process by which organisations enrolling as EBs make the enrolment payment to remove delays in the process. In 2018/2019 we will continue to monitor the effectiveness of these measures and respond to feedback from new EBs and funders about the process, taking action when and where it is appropriate.

In 2017/2018 we redeveloped the finding funding area of the ENTRUST website, including the introduction of a new 'Funders search'. This has aided our enquiry handling for all potential applicants looking for funding and provided a clearer and more accessible entry to the LCF. In 2018/2019 we will extend this by implementing a new Funders page within EOL which will enable funding EBs to update their funding information. This information will then automatically feed through to the ENTRUST website and provide up to date, accurate information to organisations seeking funding. We will work with funders to clearly explain the new EOL funder's page and support them to provide the information required.

## Project applications

Following a review of the project application process, we implemented changes to the project approval form (Form 2) in 2017/2018, to focus the information we need at application stage to ensure project proposals comply with the Regulations. We will therefore continue to approve all projects, where all of the required information to complete this task has been provided, within five working days. In April 2018, we will also remove the paper project approval form (Form 2) in line with our e-delivery plan which was published in the 2017–2020 Corporate Plan. We will continue to provide support and guidance to any EB who previously submitted paper project approval forms

and coach them through the EOL process to ensure that this change does not disadvantage any particular group. Although, 97 per cent of project applicants already submit their projects online, we believe this will simplify project approvals by ensuring that all projects are submitted in the same manner, and reduce the risk of any delay incurred through postal applications, thus allowing funds to be distributed to local communities with the utmost expediency.

In order that we can support all of the different ways that funding EBs operate and to ensure that funders do not need to duplicate any of ENTRUST's statutory and contractual work, we will continue to support project applications from EBs whether, or not, funding has been obtained for the project. We will also continue to focus on effective regulation through our Registrations function by ensuring all enrolled EBs remain compliant with the Regulations at the project registration stage, as well as through our further compliance work.

## **Enquiry handling**

We continually strive to improve our enquiry handling and we will continue to focus on swift and accurate enquiry handling, processing all email Helpline enquiries within 24 working hours. In 2017/2018 as part of our planned programme of work to improve the efficiency and quality of the services we provide, we delivered customer service training for all staff to help improve our enquiry handling and stakeholder engagement. We are aware from the results of the 2017 EB Satisfaction Survey that our telephone Helpline is the preferred method of accessing information about the LCF and our monthly Helpline Satisfaction Survey receives consistently high satisfaction scores and allows us to respond quickly to feedback from stakeholders. Additionally, we also know that 97 per cent of stakeholders feel comfortable approaching ENTRUST for information, advice and guidance. It is therefore our intention to maintain our high level of customer service standards in these areas, and use this framework to improve other areas of our business.

As the number of ENTRUST staff members have reduced we have ensured that we retain a frontline support service through our Helpline facility to guarantee that our stakeholders do not experience any reduction in service levels. We monitor our monthly incoming call records and will continue to prioritise resources according to the busiest time periods. We have reviewed roles to ensure that there is always sufficient coverage in the office to allow us to respond to our telephone and email Helplines. Following a review of the telephony system in 2017/2018, we changed our call routing system to remove the customer options. This has ensured that stakeholders are answered more quickly and their call is immediately directed to the right member of staff. We will review stakeholder feedback regarding this new system in the 2018 EB Satisfaction Survey.

## **Information, advice and guidance**

As part of our 'coaching to compliance' ethos we undertake a consultative approach when making changes to our operational framework. One of the key areas where we value and recognise the important contribution that EBs can make is when we review and update our Guidance Manual. Feedback from EBs allows us to provide clear and consistent guidance that is understood by the sector as a whole. We have continued to record EB feedback on our guidance and review the content of the manual for any suitable updates, or suggestions for improvements on an ongoing basis. We receive feedback via all of our interactions with EBs and all comments are recorded on a central list.

The improved guidance manual is published as required with various updates taking place in 2017/2018. We will continue to undertake a quarterly review of our guidance whereby any necessary clarifications can be incorporated into a published update. In order to aid the effective

regulation of the scheme we will update our guidance on notification requirements which will help us better administer the scheme and protect LCF monies. We will introduce or strengthen existing requirements:

- A requirement that EBs notify us of a change to any of their details provided at registration will be strengthened;
- A requirement that EBs notify us if they have an intention to cease trading, wind up, or if they become insolvent will be introduced; and
- A requirement that any Administrator or Liquidator appointed in respect of an EB notify us of his/her appointment will be introduced.

## Training

We consider that it is essential, as an open and transparent regulator, to offer EBs and other stakeholders the opportunity to visit ENTRUST, meet with staff and have an open forum to ask questions and seek advice. This core objective, along with our 'coaching to compliance' ethos, informs the development of our training strategy. Through this we will continue to provide a small number of face to face training sessions to meet demand from EBs, particularly organisations new to the scheme, or individuals new to existing EBs. Again, we plan to hold an Open Day in 2018, to give EBs the opportunity to visit our offices, meet our staff and deal with any specific issues and queries, further demonstrating our accessibility and transparency as a Regulator. We also maintain a suite of training resources and 'How to' guides to help EBs when interacting with the scheme.

We will use the ENTRUST website, our email communications and our social media to ensure that EBs are fully aware of the training, advice and guidance that exists to support them when undertaking their LCF activities.

## Inspection planning

We are required under Regulation 33 (1) (i) to satisfy ourselves, by reference to records, or other documents, or information held by EBs, that the qualifying contributions received by the EB have been spent by it only in the course, or furtherance of the Regulations and the EB's approved objects. Under the Regulations and the TOA, we are required to provide HMRC with assurance that all LCF monies have been spent compliantly. Fundamental to our approach in meeting these statutory requirements is visiting EBs to review their governance arrangements, operating systems and project compliance.

Due to the reduction in the size of the LCF, in 2017/2018 we further reduced the size of our compliance team and the number of inspections that we undertake. To maintain levels of assurance required under the Regulations and the TOA, required a change in our approach to inspection planning and how we assess which organisations to inspect whilst continuing to manage risk across the fund and our own organisational resources. In 2017/2018 we agreed with HMRC to reduce the number of reviews we do and in 2018/2019 we expect a further reduction but we will continue to inspect at least one third of active EBs to monitor compliant spend, focusing on the areas of highest risk based on previous non compliance, risks identified through the risk model and issues identified during the year. We will continue to refocus some of our resources to further review the data provided to us through the statutory reporting obligations of EBs and other information requests to highlight areas of highest risk and target reviews of particular EBs more effectively.

Following feedback from stakeholders in 2016/2017, during 2017/2018, we consulted on the operation of our compliance risk model to ensure that it continued to provide sufficient and

accurate information to allocate our limited resources to the delivery of our statutory assurance role. We responded to recommendations from stakeholders on the model and how it is applied, and published the model on our website. In 2018/2019, we will assess the impact of the changes that we have made and continue to provide transparency of our operations in this way.

We continue to review our inspection workbook to ensure that we maintain appropriate coverage of all key requirements of the LCF scheme following the introduction of reforms, making sure that we maximise the use of data already available to us and at the same time minimise what documentation we require from EBs. In 2018/2019 we will continue to monitor the level of assurance we are able to achieve through our inspection planning, minimising the cost of inspection and the requirements we place on EBs through inspection.

## **Monitoring of levels of EB administration costs**

After the announcement of the Government's reform of the LCF in April 2016, guidance was introduced for EBs to keep their administrative costs at below 7.5 per cent of their project expenditure. HMRC considers the requirement for EBs to ensure that administration costs are at, or below 7.5 per cent to be one of their strategic priorities for the operation of the LCF. Following the introduction of the new guidance, in 2016/2017 and 2017/2018 we have monitored the administration costs of EBs, which also identified where expenditure is still in excess of 7.5 per cent of project expenditure. From the 2016/2017 Statutory Annual Returns, while the sector overall was below this level, from the information that we have gathered, we have identified that a small number of EBs' administration costs were still above the guidance level.

In 2018/2019, we will continue to focus and target our resources on proactively monitoring the level of administration costs incurred by EBs. Where it is appropriate we will robustly challenge the sector and we will work with individual EBs to ensure the target is achieved, for example by issuing further guidance to the sector and to work with individual EBs on the corrective actions they should take to achieve the 7.5 per cent target. We consider that this work will help increase the direct funding that is available for projects, which benefits local communities. The information that we collect from our reviews will be submitted to HMRC for their consideration, and appropriate follow up action will be taken.

## **Reducing the level of unspent funds**

HMRC also considers the reduction in the level of unspent funds held by EBs to be one of its strategic priorities for the operation of the LCF. In 2010 and 2011, the Government issued EBs with a Challenge to reduce the level of unspent funds by 25 per cent, which was extended until 2014. Although many EBs achieved this target, the sector overall did not meet the Challenge. Following our analysis of the 2016/2017 Statutory Annual Returns (Form 4s) submitted to ENTRUST, we have identified that a small number of EBs still do not appear to have made any progress in reducing the level of funds that they hold.

To ensure that the level of unspent funds is reduced further, in 2018/2019 we will continue to target our resources at those EBs which have not reduced the value of their LCF funds, or those organisations ENTRUST considers are holding excessive unspent funds to ensure that they have plans to spend the money for the benefit of local communities. While much progress has been made by many EBs in this area, working with the Association of Distributive and Environmental Bodies (ADEB) we will also encourage sharing of best practice amongst funding EBs to assist in maximising the flow of funding to communities and ensuring that funds are committed and spent in

a timely manner. The information that we collect from our reviews, will be submitted to HMRC for their consideration and appropriate follow up action will be taken.

## Regular enforcement activity

We already publish our enforcement framework and approach on our website so it is clear to EBs where and how we follow up non-compliant activity. In 2018/2019 we will continue with our established monthly monitoring of:

- Late Form 3 submissions, notifying us of an EB receiving a contribution from a LO;
- Late Form 7 submissions, notifying us of a transfer of funds between EBs;
- Late levy payments, where our invoice remains outstanding following notification of a contribution; and
- Spend outside the prescribed period, when payments are notified before the approved start date or after the approved end date of a specific project.

We will also bring any corrective actions required by EBs to their attention through Advice and Guidance, Warning and Enforcement letters where necessary. We will continue to review our processes and procedures and further develop data analysis tools to ensure we are able to identify non-compliance at the earliest opportunity, thereby giving the maximum opportunity for EBs to amend their procedures to achieve compliance.

We will also continue to undertake our casework working with individual EBs demonstrating a range of non-compliance, or serious non-compliance identified through compliance reviews, or notified to us, in order that corrective actions can be agreed. In 2016/2017 and 2017/2018, we identified a number of cases of material failure of EBs to comply with the Regulations. As a direct consequence and to support ENTRUST in carrying out its enforcement role HMRC have requested that ENTRUST inform them at an earlier stage of any issues or potential issues which may bring the LCF into disrepute, or result in a breach in the Regulations in order that they can raise any issue(s) with the relevant contributing LO. We only use our powers to refer cases to HMRC to consider forcible revocation and claw back under circumstances where no agreement on required actions can be reached or agreed actions are not taken in the relevant timescale. In 2018/2019 we will therefore further discuss and review with HMRC, in order to further enhance and clarify the guidance about, the agreed evidence standards that they require, and the associated enhanced powers that we require, to ensure the investigative and enforcement processes are both streamlined and effective.

## Online reporting

EOL allows all EB reporting to be completed online, to reduce the burden on EBs and ensure that compliance can be readily achieved and demonstrated. For example EOL includes a facility to extend projects where they are running beyond their original expected end date. More than 90 per cent of all EBs reporting of their activities to ENTRUST currently takes place online. In line with the general trend in society to move to the e-delivery of services, we plan to move to a single e-system within three years and remove the need to use hard copies of documents. We will continue to provide support to any individuals and/or EBs who find it difficult to work online, but we believe this is the most efficient and cost effective way to support reporting across the LCF.

We will also continue to communicate with EBs through our website and email communications about the change to online reporting and the removal of paper forms, ensuring that we give them notice of the change and making the support materials easily accessible for them. Our migration to

the e-delivery of our services through a single online portal over the next three years was set out in our Corporate Plan for 2017–2020. The following table shows the progress against that plan and the remaining actions outstanding:

Form Number	Date of removal of paper option	Communication of removal of paper option	Progress
1	1 April 2019	1 October 2018	Communications planned
2	1 April 2018	1 October 2017	Communications sent
2x	No paper option	Not applicable	N/A
3	1 April 2017	1 January 2017	Paper form removed
4	Not available for 2019/2020 Annual Returns	1 October 2018	Communications planned
7	1 April 2017	1 January 2017	Paper form removed
9	No paper option	Not applicable	N/A

## Statutory Annual Returns (Form 4)

Our Statutory Annual Return (Form 4) strategy has been successful in recent years with annual increases on the return rates and we have reviewed the 2016/2017 strategy to consider areas of success and some for improvement. The review concluded that the large numbers of EBs contacting ENTRUST between March and April, regarding their Statutory Annual Returns has a disproportionate burden on our call handling capability. A large part of this is due to EBs updating their information and Directors' details, which they have a statutory obligation to do whenever there is a change. To help prevent EBs from becoming non-compliant throughout the year and to ensure that this does not impact on the service we are able to offer our stakeholders during the Statutory Annual Return period, we will introduce a mid-year contact with EBs requesting that they check the information held on EOL, including Directors' details and provide any necessary updates. We will also continue to focus our resources on ensuring EBs holding LCF monies submit their statutory and other returns by the due date.

In 2015/2016 HMRC introduced a condition, whereby any EB who has failed to make a Statutory Annual Return may have their status 'frozen'. Once an EB is classified as frozen it is unable to receive LCF monies, or spend the LCF monies it holds until all outstanding Annual Returns are submitted. ENTRUST will only unfreeze an EB once all of the outstanding information has been submitted to ENTRUST. EBs who transfer money to a frozen EB are also deemed to be non-compliant and subject to enforcement action. A list of frozen EBs is published on our website and updated on a monthly basis. We will discuss with HMRC, whether it would be appropriate to use this sanction for other areas of enforcement activity. Additionally those EBs who remain frozen for the non-submission of a Statutory Annual Return for two years are also sent a final warning letter (to all listed Directors, Trustees and Governing Members) advising them to complete their outstanding returns. Following this they can either return to an enrolled status or voluntarily revoke from the scheme. Based on feedback from EBs and a review of the process in 2017/2018, we believe it is appropriate to add an additional advice and guidance letter to EB Governing Members for all EBs when frozen following lack of communication from their main contact. It is intended this would take place six months after the last failed contact.

Finally, to increase the Statutory Annual Return rate, we will continue to deliver a targeted email communications campaign to ensure that EBs are aware of their obligations and our expectations

of them, making the information specific to their in year activity and location, where there are different requirements as parts of the scheme are closed and devolved. We will further support our email communications with information on our website and through our social media activity.

## **Feedback to EBs on our compliance and enforcement activity**

ENTRUST's overarching ethos remains to coach EBs to compliance. Whenever we discover non-compliance our first action is to raise the matter with the EB in order that they may take corrective action, which we consider will also mitigate future non-compliance.

ENTRUST is committed to the principles of Better Regulation. As an open and transparent organisation, we publish our compliance findings on our website on a quarterly basis and in 2016/2017 we discussed with EBs how this information is used. In response to the feedback that we received, in 2017/2018 we further focused our work in this area, highlighting common areas of non-compliance and detailing the relevant solutions, to help increase compliance by EBs. This approach forms part of our overarching framework to support EBs by offering the appropriate level of advice and guidance wherever needed. We continue to highlight the compliance inspection and review findings and recommendations in our quarterly eNewsletter about how EBs can avoid, or address these common issues of non-compliance. We will also continue to feed any common issues of non-compliance into our training processes and resources, in order to ensure EBs have the information to maximise the potential for compliance. We will particularly focus upon ensuring that EBs are ready to be part of the scheme and have all the necessary information to comply at the point of enrolment.

In 2018/2019, we will provide further information on common non-compliant and enforcement issues with a view to helping EBs meet the requirements of the Regulations, rather than through breaches being identified during the inspection process.

## **Communications**

Our communications activity is undertaken to support our operational and regulatory activity. Through our website, email communication and training support materials we provide information, advice and guidance to support EBs when undertaking their LCF activity. We also provide information for those new to the scheme, which enables them to assess whether their organisation and projects are a good fit with the LCF. Through our funders search prospective applicants are able to find potential funders for their project. 94 per cent of stakeholders who responded to the 2017 EB Satisfaction Survey agreed that the 'general information on the ENTRUST website' is 'very useful/useful' and 91 per cent said the same for the website 'Frequently Asked Questions (FAQs)'. We will continue to conduct a quarterly review of all information and data available on the ENTRUST website to ensure that it remains clear and up to date and we aim to improve these satisfaction scores to 95 per cent.

In addition to the information available 24/7 on the ENTRUST website, we also undertake specific communications activities to support the regulation of the fund. We use our email communications system to communicate directly with the main contacts of EBs where there have been changes, or updates to guidance and also for specific activities such as our Statutory Annual Return Communications Strategy. We will continue to target our email communications to ensure we send the most relevant messages to the most relevant audiences. By sending email communication to only those who require the message we are able to reduce any administrative burden on EBs. We also distribute a quarterly eNewsletter, which provides a quarterly update on the scheme along with key messages and updates on our training materials and events. The following outlines our

annual email marketing communications schedule for 2018/2019. All emails are sent to the registered main contact of the EB:

- Quarterly eNewsletters – April 2018, July 2018, October 2018, and January 2019;
- Corporate Plan to Top 150 – April 2018;
- EB Satisfaction Survey – April – June 2018;
- Annual Report to Top 150/All EBs – July 2018;
- Publication of EB Satisfaction Survey – November 2018;
- Budget Landfill Tax Briefing – November/December 2018; and
- Statutory Annual Return (Form 4) communications – January to April 2019;
- Operational eShots, including Wales closure updates – throughout the year.

We will continue to facilitate an annual meeting between HM Treasury (HMT), HMRC and the Chairs and Chief Executives (CEOs) of the largest EBs. This will be supported by our quarterly briefing notes which include a summary of work undertaken, or upcoming, that we believe Chairs should be aware of and further supports the face to face communications work undertaken by our CEO and Board members. In August 2017 we agreed with HMRC to provide an annual briefing note for Landfill Operators (LO) who have contributed to the LCF in the last three financial years. This briefing note was also published on our website. We will continue this in 2018 as we believe it provides a vital opportunity to increase LO awareness of the scheme, relevant guidance for LOs following the Government's reform of the LCF, their financial responsibilities and the risk to LOs of 'claw-back' by HMRC in the event of EB non-compliance. As part of our LO engagement strategy our Board and CEO will continue to have regular contact meetings with the CEOs and Chairs of the largest LOs. This provides LOs with the opportunity to seek further information more relevant to their needs and interests, on a one-to-one basis.

## **Measuring satisfaction**

We will continue to undertake our annual EB Satisfaction Survey to gain the feedback, thoughts and opinions of our key stakeholders on the quality and performance of our services. We will ensure that we retain key benchmarking questions in order that we can compare our performance year on year. Our annual EB Satisfaction Survey sits alongside our other stakeholder feedback surveys, which include the Compliance Inspection feedback and the Helpline feedback survey. In 2018/2019 we will extend the Compliance Inspection Survey to include Desktop Reviews (DTR) to ensure that we gain stakeholder feedback about this area of our work.

## **ENTRUST Regulator Standards (ERS) assessment**

We launched the ENTRUST Regulator Standards (ERS) in 2015 which consist of a number of standards under seven areas encompassing the regulatory work undertaken by ENTRUST. The ERS reflect the standards detailed in the Regulators' Code which was published in April 2014 and adopt a risk-based analysis approach. Following a review in 2017/2018 we have enhanced the ERS to include further measures on online accessibility and e-delivery of regulatory services. This updated ERS will be applied to the 2017/2018 review with the first report published in July 2018.

## Key outcomes

### Actions:

- Continue to respond to the opinion of users and other stakeholders on the implementation approach for moving to online submission of forms;
- Continue all surveys – helpline, compliance, satisfaction and introduce a new survey for EBs who have a compliance desktop review;
- Update EOL and the ENTRUST website to ensure that funders' information is available to all stakeholders;
- Implement a mid-year contact with EBs asking them to check and update their EB details;
- Communicate with Directors, Trustees and main contacts of frozen EBs following six months of no communication from the main contact;
- Agree updated evidence standards for case referral to HMRC;
- Provide updated information to HMRC on EBs administration cost expenditure and the level of unspent funds; and
- Review satisfaction with the new telephony customer options and call routing in the 2018 EB Satisfaction Survey.

### Measures:

- Maintain the percentage of EBs using EOL;
- Increase survey return rates and maintain satisfaction rates with our services;
- Reduce the number of inspections; and
- Increase enrolments on first submission.

## 2. Delivering Value for Money of the LCF

We believe it remains important to demonstrate the value that the LCF delivers to local communities. In 2015/2016 we shared with EBs the economic impact assessment framework that we had developed. In 2016/2017 we were able to publish data collected via completion forms (Form 9), showing what had been achieved by projects completed in any particular operating year. In 2017/2018 we built on this work and continued to publish data and information about the scheme. Following feedback from EBs we published anonymised data about the performance of EBs against key scheme metrics to enable EBs to effectively benchmark their own performance and assist with identifying areas for action.

In 2018/2019 we will further develop our benchmarking activity to ensure that the data being made available meets the needs of all EBs.

### Scheme Value for Money (VfM)

In accordance with the TOA and the Reporting Schedule agreed between ENTRUST and HMRC, we provide HMRC with an annual VfM report. We agreed with HMRC that we will make available a summary of this information by publishing a short VfM report on our website. The first of these was published in January and the second in October 2017. The reports focus on the expenditure on projects across a three year period, detailing expenditure by Object and provide the sector with information about the amount of funding generated from other sources, which gives a better understanding of the wider financial impact that the LCF delivers to communities and the environment. The report also demonstrates that EBs consider their projects to have achieved its intended aims, improved the lives of people in the community and achieved environmental benefits and whether the project brought people together from different backgrounds.

Publication of this relevant data highlights the achievements and impact of the LCF over the reporting period and will continue in 2018/2019 and beyond. Publishing this data encourages understanding of the LCF and demonstrates the value that the LCF delivers to local communities in a transparent manner.

### Benchmarking EB performance

In 2017/2018, based on the feedback from EBs, we developed a range of performance related benchmarks to help EBs understand their own performance relative to others within the scheme. This data is particularly relevant to larger EBs and EBs which provide funding to other EBs. This data included:

- EB administration costs;
- Levels of unspent funds held by EBs;
- Level of Contributing Third Party (CTP) contribution required by LOs;
- Average project durations taking into account extensions and values;
- Individual compliance risk scores; and
- Number of non-compliant findings at inspection.

In 2018/2019 we will continue to discuss with stakeholders, further relevant data, which may be of interest to them and we will consider any suggestions for publication of this information in consultation with HMRC. We will also encourage EBs to engage with the benchmarking information by both assessing themselves against the benchmarks and by publishing their own data to inform other EBs and to enable the sector to demonstrate good practice.

## Publishing non-compliance

We already publish all the findings (non-compliance and guidance) from our inspections on our website on a quarterly basis. In 2016/2017 we updated the presentation of this data to be more useful to EBs and included the information in our quarterly eNewsletters. In 2017/2018 we further developed this data and information to focus on non-compliance with the Regulations, bringing to the attention of EBs in a more explicit way the most frequent examples of non-compliance and the required corrective action, in order to inform all EBs of the common issues faced in the sector and so they can review whether there is any change in their own operations that they need to make. In 2018/2019 we will assess feedback from EBs on whether this level of information is helpful and also look at the impact it has had on reducing non-compliance in the sector.

## Communications

In 2017/2018 we worked with stakeholders to review the Terms of Reference (TOR) for the LCF Communications Forum. This forum was initially set up as a way for the sector to work together to discuss the communications aims and objectives and to share best practice for publishing information and communicating to the general public about the LCF. As the sector has contracted, the Communications Forum has evolved and in 2017/2018 we agreed with EBs that the group will go forward as an Information and Networking Forum, sharing best practice across a wider remit of LCF activities. This also reflects the broader, more operational, remit within which those attending the forum operate. We will continue to facilitate the updated forum, to support EBs and to provide information, advice and guidance alongside an opportunity for EBs to meet and share ideas. Many EBs have reduced their staff numbers, and some have just one or two members of staff, we consider it will provide VfM to harness the experience and skills across the sector to share information and ideas.

We will continue to work with the sector through the Information and Networking Forum to discuss communication issues and the promotion of the LCF, alongside LCF branding to ensure that there is maximum impact and recognition of the scheme, through the use of the LCF logo and accompanying information about the scheme, alongside individual funder branding.

We will ensure that information on our website and through our other communications channels relating to the LCF, including key statistics, guidance, training materials, scheme data and case studies remain up to date and relevant. Our quarterly eNewsletters will also continue to share key information to stakeholders and all of those interested in the LCF.

## Key outcomes

### Actions:

- Continue to publish benchmarks for EBs;
- Publish an annual VfM report, agreed with HMRC; and
- Conduct a quarterly review of the ENTRUST website to ensure all information is current and accurate.

### Measures:

- Increase the return rate for Form 9s from the baseline in 2017/2018; and
- Facilitate two Information and Networking forums.

### 3. Scheme closure in Wales

As tax devolves across the UK, the LCF closed in Scotland on 31 March 2015 and will close in Wales on 31 March 2018, commencing a two year transitional closure period which will conclude on 31 March 2020. The following outlines the impact of this and our plans to support the smooth closure and transition to the new Welsh Landfill Disposal Tax Communities Scheme (LDTCS).

Following the closure of the LCF in Scotland we undertook and published a full analysis of the lessons learnt during the closure and transitional period and they form the basis of our Wales closure framework. The key milestones in the framework are:

Date	Milestone
30 October 2017	Advice and Guidance issued
31 March 2018	Formal closure of LCF in Wales
20 April 2018	Include guidance regarding closure of the LCF in Wales in eNewsletter
30 June 2018	Wales Closure Report to HMRC (as at 31 March 2018)
30 September 2018	Mid-year monitoring of EBs' funds
31 March 2019	Detailed Communications Plan of final year
30 April 2019	Review of incomplete projects
30 September 2019	Final date for project registration and EB enrolment
30 September 2019	Commence monthly monitoring of EBs' funds and project statuses
31 March 2020	End of transition period in Wales

In 2017/2018 we worked with HMRC to agree closure guidance for EBs operating in Wales. The guidance focuses on ensuring EBs have the correct record keeping in place so they can distinguish UK LCF contributions from any other monies held. EBs are reminded that all LCF monies are to be spent by 31 March 2020 (the end of the two year transitional period).

There will be two important updates to the guidance for the closure of the LCF in Wales, which we identified in managing the closure of the scheme in Scotland. Project registration will end on 30 September 2019, six months prior to the final closure date. This will allow EBs with outstanding funds to allocate them to projects with sufficient time for the project to start and complete by 31 March 2020. Additionally, EBs based in Wales will be informed that their status as an EB enrolled in the LCF will be automatically ceased on termination of the scheme (31 March 2020), provided that all monies are appropriately accounted for, unless the EB specifically requests to remain to conduct projects in England and Northern Ireland.

Our focus during 2018/2019 will be to monitor the remaining funds held by EBs in Wales and on projects completing in Wales during the year. We will consider Wales separately when looking at our risk model and allocating EBs for inspection. We expect that enrolments from organisations based in Wales will diminish during the year, whilst requests for revocation from the scheme will increase. To provide a clear audit trail to account for ENTRUST's resources, during the closure period, ENTRUST staff will be required to complete monthly time sheets for the work they undertake in relation to Wales.

As part of the closure process we have been working with the Welsh Government and as they formalise their plans for the LDTCS, we will update the information available on our website and in our communications with EBs. We will continue to participate in any discussions with the Welsh Government and liaise where appropriate in planning the closure of the current UK scheme in Wales including providing data and information on current EBs and projects.

We will plan bespoke data requests required of EBs and projects taking place in Wales. We will begin to encourage voluntary revocation of EBs based in Wales which have already completed their LCF activity.

We will review the communications and marketing plan for the closure of the LCF in Wales, which was developed in 2016/2017 and update it where necessary. We will utilise our key communications channels which include the ENTRUST website, our email communication system, social media and our training events to ensure that all EBs operating in Wales are informed about the closure of the LCF in Wales, their obligations and any activity we need them to undertake.

We will also utilise our Statutory Annual Return (Form 4) Communications Strategy to segment and target our messages to Welsh EBs. To ensure progress against the Wales Communications Closure plan we will incorporate a new section of questions into the 2018 EB Satisfaction Survey to assess whether EBs feel they are receiving enough information regarding the closure of the LCF in Wales.

## Key outcomes

### Actions:

- Develop a reporting schedule to HMRC about the closure of the LCF in Wales;
- Update advice and guidance relating to scheme closure in Wales;
- Add a new section to the 2018 EB Satisfaction Survey to assess whether EBs feel they are receiving enough information regarding the closure of the LCF in Wales; and
- Review and update the Wales Closure Communications Plan for the first year of the transitional phase.

### Measures:

- Value of remaining LCF funds in Wales reduced and spent compliantly on projects;
- Ensure that 100 per cent of EBs based in Wales are aware of the LCF closure; and
- Increase the number of Welsh EBs voluntarily revoking from the LCF.

## 4. Organisation

Across the last two Corporate Plans, ENTRUST's Senior Management Team (SMT) and Board fundamentally reviewed the operational resource requirements of ENTRUST. Following these reviews, ENTRUST made substantial reductions to the resource requirement and staffing levels. In delivering our statutory role, our overarching strategy is to remain a lean, efficient and effective regulator while providing appropriate levels of support and advice and guidance to EBs and effective levels of assurance to HMRC on the compliant spend of LCF expenditure by EBs. We therefore consider that our 2018/2019 organisational structure reflects the core level of staffing that ENTRUST requires to regulate the LCF to an appropriate standard in accordance with the requirements of the TOA.

### Organisation structure

ENTRUST's organisational structure now represents an effective and efficient configuration with which to undertake our work regulating the LCF. To utilise our staff most effectively, we have moved to a more cross-skilled organisation, sharing resources and multi-skilling across teams, for example Inspectors being able to undertake Registrations work to increase our business resilience and the flexibility in our business model. In 2018/2019 we will further ensure all of our staff are trained to meet requirements across the business.

### Cyber security

As a responsible and security conscious organisation, undertaking a statutory function on behalf of HMRC, we consider it essential to have adequate internal controls in operation to mitigate our risk of exposure to a cyber security attack. In 2018/2019 we will continue to undertake the following measures to mitigate the risk of a cyber attack on our Information Technology systems by:

- Undertaking an annual self assessment of cyber security arrangements against the National Cyber Security Centre's guidance; and
- Ensure we remain Cyber Security Certificated by using an independent accreditation provider to monitor our internal controls.

### General Data Protection Regulation (GDPR)

The European Union (EU) GDPR was approved by the EU Parliament on 14 April 2016 and will apply to all EU countries on 25 May 2018. GDPR replaces the United Kingdom (UK) Data Protection Directive 95/46/EC and was created to bring all data privacy laws across Europe into harmony. In the UK the Information Commissioner's Office (ICO) is an independent authority who uphold the UK legislation relating to Data Protection and other public information rights. The ICO have advised that GDPR will apply in the UK from 25 May 2018, as part of EU law and it is planned that, following the UK's exit from the EU the law will remain extant.

ENTRUST comply with the current Data Protection Act (DPA). In addition to being a legal obligation for all businesses in the UK, this is a key part of the TOA. ENTRUST is designated under the DPA and GDPR as both a Data Controller and a Data Processor. ENTRUST is registered with the ICO as a Data Controller and we have a Registered Data Protection Officer.

In 2017/2018 we set out an action plan to ensure we are compliant with GDPR by the May 2018 enforcement date. This includes updating our privacy policy and notices relating to data protection and cookie consent. Following a comprehensive audit of the data we collect and

how we store it, we will implement a new data retention policy in 2018/2019 which reduces the amount of data we store and ensures that data is anonymised or removed.

## **Sustainability and environmental responsibility**

ENTRUST believes that businesses are responsible for achieving good environmental practice and operating in a sustainable manner. It is our objective to have a low impact on the environment and to take seriously our commitment to the principles of sustainability. We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods.

It is also our priority to encourage stakeholders and suppliers to do the same. Not only is this sound commercial sense for all, but it is also a matter of delivering on our duty of care towards future generations. Overall our approach to ensuring we are meeting our sustainability obligations is to:

- Wholly support and comply with, or exceed the requirements of current environmental legislation and codes of practice;
- Minimise our waste and use recycled materials wherever possible and encourage our staff to recycle;
- Minimise energy and water usage in our office in order to conserve supplies,
- As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same;
- Issue communications electronically when appropriate;
- Encourage our staff to use alternative and more carbon neutral ways of travelling for business purposes and in their commute to work;
- Ensure that outdated computer equipment is sent to an outside vendor for refurbishing and resale; and
- Ensure that printer cartridges are shipped back to the manufacturer for recycling; and
- Monitor and regularly review our environmental performance to assess progress towards reducing our impact on the environment.

## **Resource requirement**

We are committed to delivering VfM from all of our activities. Each year we critically appraise our expenditure requirements for the coming year to ensure that the resource requirement we submit to HMRC, based on our statutory and contractual commitments will deliver VfM. In particular in creating our budget for 2018/2019, and in addition to previous structure changes, we have achieved further savings by reviewing our suppliers and reducing contract costs for external services and reviewing our procedures to improve productivity. Our monthly management accounts have been further developed and our expense analysis details actual spend against budget and previous year actual, to enable us to monitor progress effectively.

To ensure we can meet the costs of activity set out in this plan our resource requirement for 2018/2019 is set out in the table on the following page:

## Details of the requirement submitted

<b>Cost</b>	<b>2017/2018 Approved Budget £</b>	<b>2018/2019 Budget £</b>
<b>Staffing</b>	<b>827,332</b>	<b>827,332</b>
<b>Operating</b>		
Personnel	52,966	52,966
Establishment	104,760	104,760
Operating	19,460	19,460
Professional	20,220	20,220
IT	31,994	31,994
Depreciation	4,560	4,560
<b>Total Operating</b>	<b>233,960</b>	<b>233,960</b>
Investment Income	(12,000)	(12,000)
<b>Total</b>	<b>1,049,292</b>	<b>1,049,292</b>

## 5. HMRC reporting requirements

We report a wide range of information relating to the LCF and our own performance to HMRC and the schedule of formal reports that will be provided during 2018/2019 are set out below:

Timing/Frequency	Title
31 May 2018	Annual Report
30 June 2018	Statutory Annual Return (Form 4) Data
30 June 2018	Wales closure progress report at 31 March 2018
31 July 2018	Regulatory Improvement Report
31 August 2018	Value for Money Report
7 September 2018	Resource Requirement for 2019/2020
30 September 2018	Draft Corporate Plan and KPIs
By end December 2018	Annual Accounts
Quarterly	ENTRUST Board papers
Monthly	TOA report
Monthly	KPI update
Ad hoc	Data requests

## HMRC key performance indicators

HMRC monitor our performance as the Regulator of the LCF and we agree a number of key performance indicators (KPIs) with them that encompass key targets. The KPIs agreed for 2018/2019 are set out below:

<b>Target 1</b>	<b>Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator</b>
1.1	Approve 98 per cent of eligible applications to enrol as an EB within five working days.
1.2	Approve 98 per cent of eligible project applications within five working days.
1.3	Undertake a customer satisfaction survey by 31 August 2018 and use the findings to improve EBs' level of satisfaction with our services with identified improvements included in an action plan developed by 31 December 2018.
<b>Target 2</b>	<b>Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation</b>
2.1	Provide reports to HMRC against the agreed reporting schedule.
<b>Target 3</b>	<b>Secure/increase the level of compliance with the Regulations</b>
3.1	During the 2018/2019 year inspect at least one third of active EBs to monitor compliant spend, focusing on the areas of highest risk based on previous non compliance, risks identified through the risk model and issues identified during the year.
3.2	Ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return (Form 4) by the due date of 28 April 2018.
<b>Target 4</b>	<b>Deliver value for money</b>
4.1	Following the implementation of our e-delivery policy, increase the proportion of Forms 2, 3 and 7 submitted online to 100 per cent in 2018/2019
4.2	Ensure the proportion of Statutory Annual Returns (Form 4) received online is 90 per cent or above.
<b>Target 5</b>	<b>Report to HMRC by 31 July 2018 priority regulatory improvements to the Landfill Tax Regulations 1996. Implement agreed changes to guidance or regulation in accordance with agreed timescales</b>
5.1	Conduct targeted compliance interventions and if necessary consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.