



Regulating the Landfill Communities Fund
Benefiting people and the environment

2018 – 2019 ANNUAL REPORT





Denehurst Park, Rochdale – New Play Area,
Viridor Credits Environmental Company
 Photo courtesy of: Viridor Credits Environmental Company

What is ENTRUST?

ENTRUST is the regulator of the Landfill Communities Fund (LCF), an innovative government tax credit scheme enabling Landfill Operators (LOs) to contribute money to enrolled Environmental Bodies (EBs) to carry out projects in local communities.

The aim of the LCF is to offset some of the impacts that landfill sites have on local communities. All projects must satisfy the environmental objectives contained in the Landfill Tax Regulations 1996 (Regulations).

We regulate both the EBs' activities and the work they undertake through the delivery of approved projects. We assess each project before any LCF money is spent to ensure it is clearly going to deliver an approved object. We do not allocate, or have influence over the distribution of LCF monies.

Our aim

To be an independent, credible and professional regulator that treats all stakeholders fairly in all their dealings with us. To improve awareness amongst our stakeholders of the regulatory role we perform and the work we do.

How the Landfill Communities Fund works

LOs in England and Northern Ireland pay landfill tax to HM Revenue and Customs (HMRC) on every tonne of waste that they dispose of in a landfill site. Under the LCF, LOs are able to pay a proportion of their landfill tax liability to not-for-profit organisations which deliver projects in England, Northern Ireland and Wales* for the benefit of communities and the environment in the vicinity of a landfill site.

In order to receive LCF funds directly from a LO these not-for-profit organisations must become enrolled with ENTRUST as EBs.

Landfill Communities Fund Objects

There are five main areas of work (Objects') that qualify for funding under the LCF

Object A	The reclamation, remediation or restoration of land which cannot currently be used
Object B	The prevention of potential for pollution or the remediation of the effects of pollution
Object D	The provision, maintenance or improvement of a public park or another public amenity
Object DA	The conservation of a natural habitat or of a species in its natural habitat
Object E	The restoration of a place of religious worship or of historic or architectural interest

*Following the closure of the LCF in Wales, LOs in Wales are no longer able to contribute to the LCF from 1 April 2018, however projects can continue to be registered in Wales until 30 September 2019 to allow EBs in Wales to spend their remaining funds. All LCF monies in Wales must be spent by the end of the two-year transitional period on 31 March 2020.

Front cover images (clockwise from top right): Prema Arts Centre, Bethesda Chapel, courtesy of Rupert Russell of RSDR Photography; Silverdale Colliery Pit Wheel, courtesy of Red Industries Ltd; Boynes Coppice Meadow, Worcestershire Wildlife Trust, courtesy of Wendy Carter; Nene Park Peterborough, Sculpture by Jeni Cairns, courtesy of FCC Communities Foundation Ltd.

CHAIR'S OVERVIEW



Dr Ann G Limb CBE DL
Chair,
ENTRUST

ENTRUST has operated as the Regulator of the Landfill Communities Fund (LCF) since the inception of the fund in 1996. Across the last 22 years we have provided independent assurance to HM Revenue & Customs (HMRC) that landfill tax monies diverted to the LCF are spent compliantly in accordance with the Landfill Tax Regulations 1996 (Regulations). During this time, the LCF has supported over 4,000 Environmental Bodies (EBs) to complete almost 60,000 projects, with a value of more than £1.5 billion.

Alongside ENTRUST's core role of providing assurance to HMRC, we also work hard to support the sector, reducing the administrative burden on EBs and using our 'coaching to compliance' ethos to ensure that EBs and projects remain compliant with the Regulations.

As ever, we are committed to improving our performance and the quality of the regulatory services we provide to our stakeholders and we continually assess aspects of our work. In 2018/2019 we considered it appropriate to review and update ENTRUST's aim, vision, mission and values which define how we work with both our key external stakeholders and internally amongst our staff.

Our aim:

To be an independent, credible and professional Regulator that treats all stakeholders fairly in all of their dealings with us. To improve awareness amongst our stakeholders of the regulatory role we perform and the work we do.

Our vision:

To be a first-class regulator facilitating delivery of LCF projects for the benefit of communities and the environment.

Our mission:

Assuring compliant use of the LCF monies while delivering Value for Money (VfM) for our stakeholders.

Our values:

We're **transparent** in all of our activities;

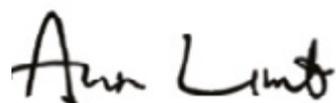
We act with **integrity** in our dealings with stakeholders, the sector and our staff;

We're **consistent** in our actions and approach;

We're **supportive**, promoting good practice, sharing information and providing focused training where it is needed; and

We always pursue **excellence** in our work, delivering value for money to our stakeholders.

This Annual Report sets out the work undertaken in 2018/2019 to deliver against these corporate values as well as the actions and measures which we set out in the 2018-2021 Corporate Plan which was published in April 2018. I am particularly pleased to note that 2018/2019 has been another strong year for ENTRUST, during which we delivered all of our objectives and Key Performance Indicators (KPIs) on time and on budget. Alongside this were strong results from our EB satisfaction survey, where overall satisfaction with our services was maintained at 86 per cent of EBs who responded and the results of our three core satisfaction measures all increased. As always, it is ENTRUST staff who receive the praise and appreciation of our stakeholders and I would like to thank them for their hard work across the last year.



CHIEF EXECUTIVE'S OPERATIONAL REVIEW



Christopher Welford
Chief Executive,
ENTRUST

ENTRUST's Corporate Plan for 2018-2021 was shaped to reflect the reduction in the size of the LCF whilst recognising the importance of maintaining regulatory efficiency and a low administrative burden on EBs. A key priority for 2018/2019 was also the smooth closure of the LCF in Wales, following the devolution of Landfill Tax to the Welsh Government on 31 March 2018, and the start of the two-year transitional period.

Across the last twelve months we have continued to prioritise reducing the administrative burden on EBs and increasing the transparency of our operations, whilst supporting the Government's key strategic priorities following the 2015 Reform of the LCF.

In November 2018, we completed a review of EB's Contributing Third Party practices, which we submitted to HMRC in November 2018. In the same month, to support new guidance agreed with HMRC that an EB's total unspent funds at year end should be no more than 1.5 times an EB's LCF income in that year, we also published our framework for reviewing, monitoring and managing the level of administration costs and unspent funds. We continue to report to HMRC to show the value of the LCF monies held by EBs year on year and the percentage of administration costs they claim as a percentage of project expenditure.

In the 2018-2021 Corporate Plan, KPI 3.2 was updated and required ENTRUST to ensure that 99 per cent of LCF monies were reported through the 2017/2018 Statutory Annual Return (Form 4) by the due date of 28 April 2018. I am pleased to note that we exceeded this KPI, reporting 99.9 per cent of funds by the due date, with 100 per cent of funds reported by 1 May 2018.

As part of our 'coaching to compliance' ethos we also continued to work with individual EBs where breaches of the Regulations were identified. During 2018/2019 there were several open cases of EBs spending LCF funds non-compliantly. Once the issue was identified we worked with the EBs to ensure any loss to the Fund was rectified and a total of more than £314,000 was recovered in relation to five cases.

Following the closure of the scheme in Wales, we submitted our Wales Closure Progress Report to HMRC by 30 June 2018. The first year of the plan to oversee the closure of the scheme has progressed well, with funds reducing from £1.3m at 30 June 2018 to £800k at 31 March 2019 and 48 EBs in Wales, who have completed their LCF activities, voluntarily revoking from the scheme.

We also completed our preparations to be compliant with the new Data Protection Act 2018 which incorporates the General Data Protection Regulation (GDPR) which became law on 25 May 2018. In May 2018 we published a new privacy centre on the ENTRUST website and in July 2018 we implemented a new cookie consent tool on the ENTRUST website. We also renewed our Cyber Security certification.

Finally, in addition to the above I would also like to highlight the following successes during the year:

- We maintained levels of satisfaction with our regulatory services at 86 per cent;
- We have delivered all of our objectives and met all of HMRC's agreed KPIs; and
- Published our third Value for Money (VfM) of the LCF report which shows that 99.8 per cent of LCF projects completed in 2017/2018 achieved their intended aims and 76 per cent of these projects brought together people from different backgrounds.

A handwritten signature in black ink, appearing to read 'C. Welford', written in a cursive style.

In our 2018-2021 Corporate Plan we set out three key areas:

- 1. Service improvement and efficiency**
- 2. Delivering Value for Money (VfM)**
- 3. Scheme closure in Wales**

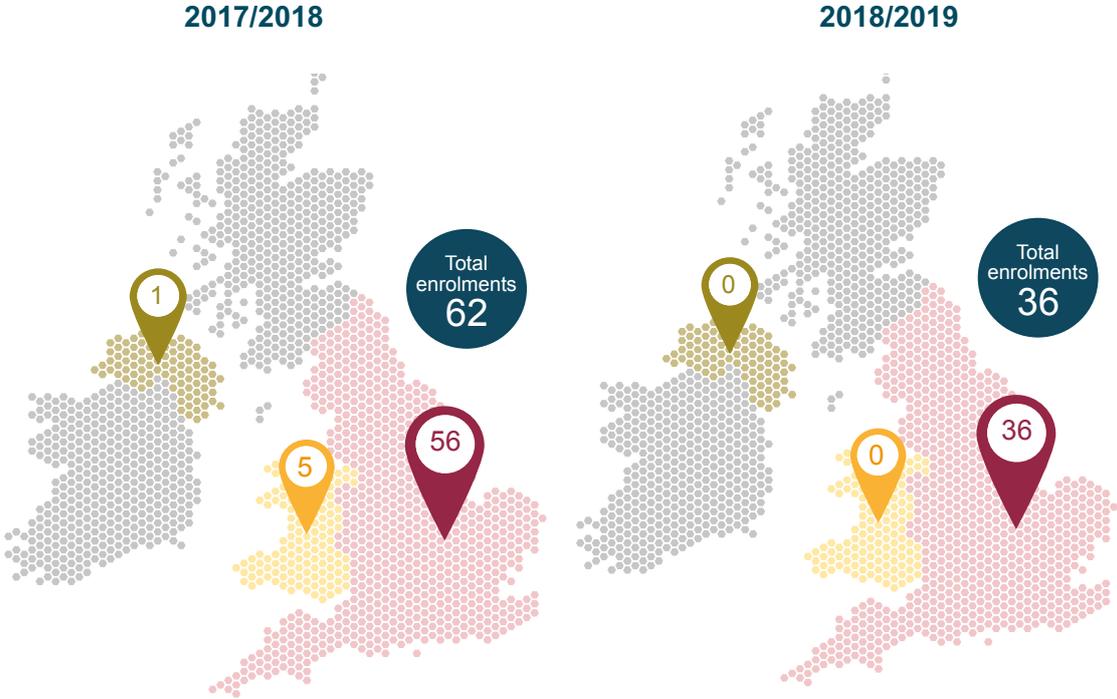
This review sets out our achievements and impact in each of these areas in the past year.

1. Service improvement and efficiency

In 2018/2019 our 'ethos of coaching to compliance' was further supported by increased focus on our strong customer service levels and an emphasis on efficiency to further minimise the administrative burden on EBs. The following paragraphs set out the activities we undertook in 2018/2019.

Enrolment for Environmental Bodies

The majority of funding EBs do not require project applicants to enrol with ENTRUST and therefore many organisations who receive funding from the LCF do so without enrolling as an EB. In 2018/2019 the number of organisations enrolling with ENTRUST reduced from 62 in 2017/2018 to 36 in the reporting period. The number of EBs enrolling in the LCF is dependent on the funding practices of the one major funder who requires enrolment, which will impact on the number of EBs who enrol with ENTRUST within the year. We continue to support all organisations who are required to enrol as an EB to ensure that their application is processed in a timely and efficient manner while aiming to limit the administrative burden on the applicant. In 2018/2019 we exceeded the KPI by enrolling 100 per cent of EBs within the target of five working days (KPI target: 98 per cent).



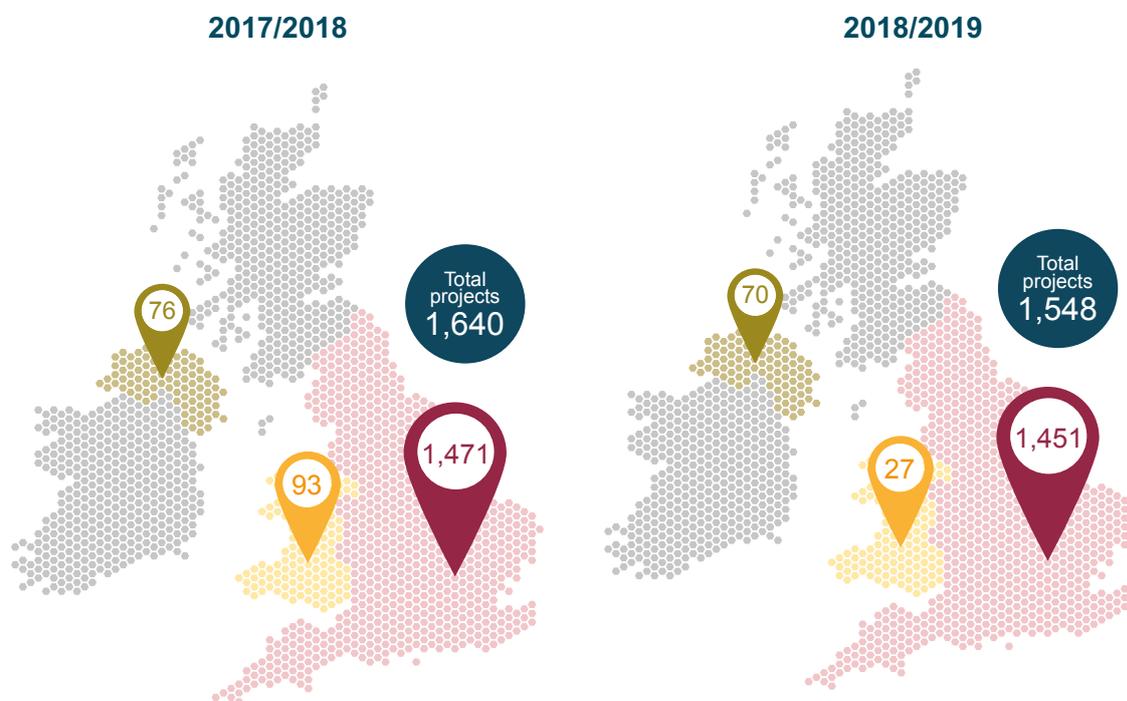
Project applications

Every project application submitted to ENTRUST is assessed against a control framework by our Registrations team to ensure it complies with the Regulations and ENTRUST's guidance.

In 2018/2019, taking into account our compliance and enforcement activities, we undertook a review of the project registration process to identify whether any areas could be further strengthened to mitigate the risk that LCF monies will be spent non-compliantly. On the basis of this review we considered it appropriate to further develop the project approval framework to enhance our approach when processing projects considered high risk.

The framework, which was implemented on 1 April 2019, informs EBs of the further checks in place for projects. The checks either require further assurance about the EB registering the project, or regarding the project applicant itself, if the recipient of LCF monies is not the EB. To facilitate compliance with these checks we also created a new facility in ENTRUST Online (EOL) which allows EBs to upload documents supporting the requirements set out in the new framework. The framework was published on the ENTRUST website in March 2019 and sent to all EB main contacts.

In 2018/2019, 1,548 projects were registered, which was 92 less than the previous year. More than two thirds of this reduction (66 projects) related to Wales following the closure of the scheme on 31 March 2018. In 2018/2019 we exceeded the KPI by registering 99.8 per cent of projects within the target of five working days (KPI target: 98 per cent).



Contributing Third Parties

We completed a review of EB's Contributing Third Party (CTP) practices, which we submitted to HMRC in November 2018. This review provided HMRC with a full analysis of the CTP payments requested by LOs.

Determining whether, or not, a potential CTP is eligible can be a complex matter. Following feedback from stakeholders, we also developed a set of examples to demonstrate whether a potential CTP is eligible under different scenarios. The new resource complements our existing training materials on the topic of CTPs, including the relevant sections in the Guidance Manual, our CTP decision tree and a standalone guidance note, all of which are available on the ENTRUST website.

Information, advice, guidance and training

ENTRUST continues to run an annual training programme for stakeholders, which based on the feedback we received from attendees, we believe helps to coach EBs to compliance and also delivers Value for Money (VfM).

In September 2018, we amended our basic training presentation slides to include a section on the use of EOL. This section takes the form of an interactive workshop and was added to support our move to 100 per cent e-delivery of services (and the consequent removal of paper forms). It covers the completion and submission of each form as well as other common reporting misunderstandings. Additionally, we updated the presentation regarding the closure of the LCF in Wales.

As per the 2018/2019 training strategy, and in response to the reduction in the size of the LCF, we reduced the number of training events delivered to three (where previously four had been scheduled). Furthermore, due to stakeholder feedback we cancelled the proposed Open Day in June 2018 and we have replaced this by implementing an 'Open-Door' policy. This enables us to welcome EBs into the ENTRUST office at any time throughout the year, rather than on one specific formal day. Information about the open-door policy is published on the ENTRUST website.

Further to the ENTRUST basic training events, we also received a request to run a bespoke external training event. This was held in May 2018 and was hosted by an EB who had 10 individuals who wished to attend training about the LCF. It was pleasing to note the positive feedback for the event with an overall score of 5/5 and 100 per cent of attendees responding that they would recommend the training to a colleague.

The average feedback score for 2018/2019 was 4.6, exceeding our target of 4.5/5:

Type of event	No of events	No of delegates	Average feedback
Basic Training	4	35	4.6
Total average feedback			4.6/5.0

*including feedback scores for a basic training event hosted externally by an EB

We updated our training materials and guidance throughout 2018/2019 to reflect changes made to EOL and in response to feedback received from stakeholders and have created three new resources:

- A guide covering how to access information using EOL;
- A training resource on the eligibility of CTP payments (as detailed above); and
- A guide on how to request voluntary revocation through EOL (a new part of the EOL system).

Further to this we also updated our guidance manual to reflect the cessation of the LCF in Wales on 31 March 2018 and commencement of the transitional period from 1 April 2018. The guidance was further updated in October 2018 to provide clarification and improved guidance on the use of the project allocation function and again in November 2018 to include new guidance that an EB's total unspent funds at year end should be no more than 1.5 times an EB's LCF income (including contributions and transfers) in that year.

Our four training videos, introduced in 2014/2015 and updated in 2015/2016 continue to provide a popular and useful introduction to the LCF and ENTRUST's role and an overview of the most utilised objects and the requirements placed on EBs.

[Our full report reviewing the 2018/2019 Training Strategy is available on our website](#)

Environmental Body administration costs

Administration costs are defined within Regulation 30 (1) as those costs "incurred in connection with the management and administration of an EB or its assets". Running costs should be reasonable and relevant to the administration of the LCF and not exceed 7.5 per cent of the organisation's actual funding spent during the year on LCF project expenditure.

In monitoring EBs' behaviour in implementing and complying with the Government's Reform of the LCF, HMRC asked ENTRUST to provide a report detailing the value of LCF monies spent by EBs on administration costs during 2017/2018 and identifying those EBs whose costs were above 7.5 per cent of their LCF project expenditure. A report was issued to HMRC in June 2018 which identified that whilst the number of EBs incurring any administration costs decreased from 86 in 2016/2017 to 69 in 2017/2018, the ratio of costs to project expenditure increased from 6.7 per cent in 2016/2017 to 7.3 per cent in 2017/2018. The report also identified 21 enrolled EBs which had incurred administration costs in excess of the 7.5 per cent guidance level.

As part of our follow up work, we therefore implemented a framework for working with those EBs to ensure that they complied with ENTRUST's guidance, this included:

- Seeking an explanation for the reason(s) why their administration costs were above the 7.5 per cent guidance level; and
- Details of the organisation's plans to reduce the value of their administration costs to 7.5 per cent of LCF expenditure or below, during 2018/2019.

All 21 EBs responded and we provided HMRC with an update on our work in November 2018. In November 2018 we also published our framework for reviewing, monitoring and managing the level of administration costs and unspent funds and created a new area of the ENTRUST website to provide further information.

Environmental Body unspent funds

Unspent funds are those LCF funds remaining at the end of each reporting period. EBs are required to state within their Statutory Annual Return whether these funds are committed to projects or retained for winding up, any other funds are classed as uncommitted. New guidance was published in November 2018 that an EB's total unspent funds at year end should be no more than 1.5 times an EB's LCF income (including contributions and transfers) in that year.

As part of ENTRUST's compliance work, in December 2018 we provided HMRC with a report to show the value of LCF monies held by EBs and a comparison of the change between 2016/2017 and 2017/2018. During this period, we noted that unspent funds reduced by £7m, continuing the previous pattern, for example at the end of 2013/2014, EBs held £130m, at end of 2014/2015 it was £118m and this reduced to £71m at 31 March 2017 and £63m at 31 March 2018.

As part of our Statutory Annual Return (Form 4) analysis follow up work, we wrote to all EBs that held in excess of £1,000 of unspent and/or uncommitted funds and had increased those levels from the previous year and requested an explanation of the plans to reduce the funding they held. 37 EBs responded to the information request and the responses were provided to HMRC. We also followed up non-respondents and reviewed each individual case against information already held. From this information, 26 EBs were allocated for compliance reviews during 2018/2019.

Compliance inspection planning

ENTRUST has a statutory responsibility to ensure LCF monies are spent compliantly in accordance with the Regulations. To meet this responsibility, we carry out an annual schedule of risk-based compliance inspections on EBs. These inspections ensure that LCF monies have been spent compliantly and may take the form of visits to EBs and their projects or a desktop review where a visit would not be cost effective. The annual inspection programme is based on an EB risk model.

A full review of the EB risk model was carried out as part of a stakeholder consultation exercise in May 2017 and following stakeholder feedback the model was updated and published on our website in September 2017. In February 2019 we undertook an internal review to ensure the risk model continued to reflect current scheme priorities. Each EB generates an individual risk score consisting of a number of key risk indicators which are based on the data held on EOL. The risk scores are updated in real time based on EBs activity and performance.

The key risk indicators which make up an EB's risk score include, for example:

- The amount of LCF funding received;
- The amount of LCF monies held as unspent;
- The number of projects completed by the EB;
- Performance in submitting statutory reports to ENTRUST; and
- The number of previous non-compliance issues identified at an EB.

As an open and transparent regulator the risk model indicators are published on the [Compliance Process page of our website](#).

During 2018/2019 we reviewed all of our compliance activity to inform the development of the 2019/2020 inspection programme to ensure that it continues to deliver VfM. The 2019/2020 programme has been developed taking into account available resources and to maximise the assurance that ENTRUST can provide to HMRC to:

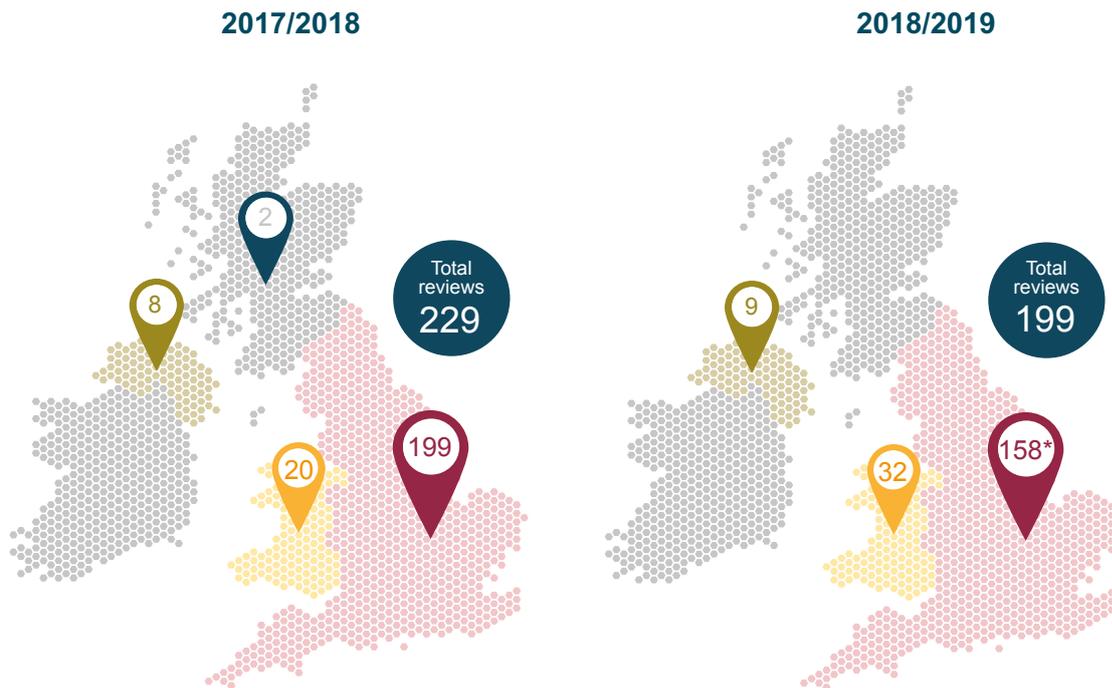
- Reflect HMRC’s strategic priorities for the management of the LCF;
- Ensure the KPIs that HMRC set ENTRUST are delivered; and
- Ensure that the compliance programme reflects HMRC’s focus on risk and issues.

Compliance reviews in 2018/2019

There was one KPI for the Compliance Team which was agreed with HMRC for 2018/2019:

“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.”

A total of 199 compliance reviews were completed which delivered the KPI.



*includes Landtrust who are based in Scotland but operate in England

During the period April 2018 to March 2019, 205 draft Compliance reports were issued. A total of 229 recommendations were raised, of which 77 (34 per cent) were made to correct issues of non-compliance and 152 (66 per cent) were guidance recommendations.

The most common non-compliant issues identified included:

- Spending outside the prescribed period;
- Non-compliant use of LCF funds;
- CTP compliance;
- Failure to maintain records of expenditure; and
- Statutory reporting omissions.

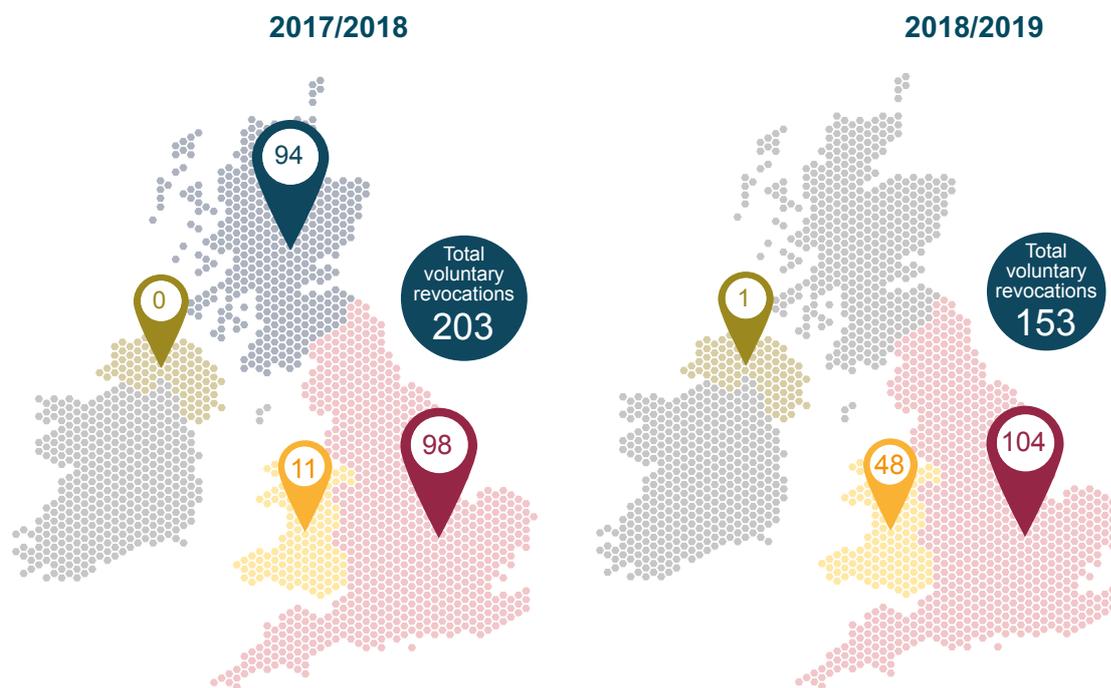
Compliance satisfaction survey

A link to the online compliance satisfaction questionnaire is issued with the draft compliance report following every compliance review. During 2018/2019, the compliance team achieved an overall satisfaction score of 4.7 out of 5.0, which is above the target of 4.5.

Overall satisfaction with compliance process*			
Target	4.5	Actual	4.7

Voluntary revocations

In 2018/2019 there were 153 requests for voluntary revocation, which were reviewed and approved by the ENTRUST Board, this compared to 203 in the previous year. The reason for this reduction was due to the final closure of the scheme in Scotland.



Tollerton – Play Area and Gym Equipment,
FCC Communities Foundation Ltd
Photo courtesy of: FCC Communities Foundation Ltd

Statutory Annual Returns (Form 4)

In ENTRUST'S 2018-2021 Corporate Plan, KPI 3.2 was updated and required ENTRUST to ensure that 99 per cent of LCF monies were reported through the 2017/2018 Statutory Annual Return (Form 4) by the due date of 28 April 2018. This reflects a change on the previous KPI, as agreed with HMRC in our 2017 Regulatory Improvement Report.

At the year end, the Statutory Annual Return (Form 4) strategy for 2017/2018 was deemed a success as 99.9 per cent of LCF funds were reported by 28 April 2018, exceeding the KPI. While five funded EBs did not return their forms by the due date, they were all submitted by 1 May 2018. Furthermore, for all EBs, 86.6 per cent had submitted their Annual Return by the due date of 28 April, exceeding the overall return rates from previous years.

Aim	2016/2017	2017/2018 achieved
Key Performance Indicator (KP 3.2): Proportion of the value of LCF monies held by EBs by the due date (target 99 per cent)	99%	99.9% 
% of EBs who submitted the Statutory Annual Return (Form 4) by 31 March year end	29.6%	34.1% 
% of EBs who submitted the Statutory Annual Return (Form 4) by the deadline (28 April 2018)	84.1%	86.6% 
EBs sent advice and guidance letter regarding failure to submit the Statutory Annual Return	339	169 

169 advice and guidance letters were sent to all those that had failed to return their forms as at 11 May 2018. This compares to 339 letters sent in May 2017. The letters were sent to the main contact of the EB to state that if the outstanding return(s) were not completed the EB would be frozen within two weeks of receipt of the letter. Unfortunately, 98 EBs did not comply with this request and had their status frozen, this compared with 202 EBs in 2016/2017. The list of frozen EBs was published on our website and regularly updated throughout the year.

Based on feedback from EBs and a successful trial in 2017/2018, in September 2018 we implemented an additional stage in our Statutory Annual Returns (Form 4) Strategy. This involved sending advice and guidance letters to all listed Governing Members of one-year frozen EBs, following lack of communication from their main contact. Previously this had only been included for two-year frozen EBs

Just five EBs failed to submit a Statutory Annual Return for two or more years. Following enforcement action and contact from our Policy and Regulations team, by September 2018 these cases had been resolved and no EBs were required to be referred to HMRC for consideration for forcible revocation.

Enforcement cases

In 2018/2019 we reviewed our evidence standards with HMRC, and the revised standards were agreed and implemented from 1 April 2019. The updates to the standards further developed the following areas:

- A balanced approach to evidence gathering ensuring that all viewpoints and circumstances are considered;
- Identifying the key facts and the progress of the enquiry;
- The content and required length of the referral document; and
- The provision of supporting case information on request.

We also continued to work with individual EBs where breaches of the Regulations were identified via compliance reviews, or were notified to us in order that corrective actions can be agreed. Throughout 2018/2019 there were thirteen open enforcement cases which were initiated for the following reasons:

- Non-compliant spend of LCF funds including spending on non LCF activity;
- Non-compliant project expenditure;

- Project expenditure not being supported by invoices;
- EB not able to provide proof of LCF monies held;
- EBs not responding to ENTRUST regulatory requests for information;
- EB not reporting significant transfer of monies appropriately;
- EB failing to respond to Compliance report; and
- EB failing to respond to requests to return unspent funds.

There were no cases referred to HMRC for consideration of forcible revocation during 2018/2019. At the beginning of the 2019/2020 period, five cases are subject to ongoing enforcement proceedings to resolve the issues. During the year we closed nine cases following satisfactory resolution and where appropriate, the return of non-compliant spend.

During 2018/2019 there were several open cases of EBs spending LCF funds non-compliantly. Once we identified these incidences of non-compliant spend, we worked with the EB to ensure the loss to the fund was rectified. A total of £314,807 was recovered in 2018/2019 in relation to five cases. There are still two ongoing cases where our efforts to recover the non-compliant spend of LCF monies continue.

Regular enforcement activity

We continued to utilise the updated Enforcement Framework introduced in 2015/2016 applying it to all cases where a breach of the Regulations was identified. The Enforcement Framework, which is available on our website, was developed to ensure that ENTRUST's enforcement action was fair, transparent and consistent for all organisations found to be in breach of the Regulations.

We continued to undertake 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 or after the approved end date of a specific project.

By continuing to monitor these issues on a monthly basis we ensured that monies within the LCF scheme were monitored and correctly accounted for and that breaches of the Regulations were identified and rectified in a timely fashion. In accordance with the enforcement framework EBs were informed of the actions required to rectify breaches through advice and guidance, warning and enforcement letters. EBs which breach the Regulations are issued with an enforcement letter only if the breach has not already been addressed through the Compliance process.

The table below provides the number of letters addressing regulatory breaches sent during the financial year 2018/2019. If an EB has had multiple breaches in a month then they receive one letter covering all breaches, to minimise the administrative burden.

Regulatory Breach	Advice and guidance letter	Warning letter	Enforcement letter	Total letters sent for each type of breach
Late Statutory Reporting – Form 3 (notification of contribution from Landfill Operator)	13	2	0	15
Late Statutory Reporting – Form 7 (notification of transfer of monies between Environmental Bodies)	5	5	0	10
Late levy payment	8	0	0	8
Project expenditure outside of the prescribed period	9	1	1	11
Total letters sent	35	8	1	44

Contributions and Transfers

Contributions are notified to us by EBs via a Form 3. The Regulations provide that this notification should be made within seven days of the EB receiving the contribution. In 2018/2019 there were 239 contributions notified to us, of which 16 were submitted more than seven days after receipt by the EB. This equates to 7 per cent of reported contributions and is in line with the 2017/2018 performance of 8 per cent.

Transfers of funds between EBs are notified to us by EBs via a Form 7. The Regulations also provide that this notification should be made within seven days of the EB making the transfer. In 2018/2019 there were 597 transfers between EBs notified to us, of which 13 were submitted more than seven days after the transfer was made. This equates to 2 per cent of transfers, representing a decrease on the previous year (2017/2018: 5 per cent).

Project expenditure outside the prescribed period

In April 2015, HMRC approved a condition which means any project expenditure outside of the estimated start and end dates in the project approval will be non-compliant and a breach of that condition.

Following our communications activity about this condition and our enforcement activity for those who spend outside of the prescribed period, in 2018/2019 there was a continued marked reduction in the number of breaches, with 22 instances of spend outside the prescribed period, compared to 96 instances in 2017/2018 and 273 instances in 2016/2017. This illustrates that since the introduction of the condition, EBs have improved their processes to manage project activity and spending.

ENTRUST Online (EOL), online reporting and eDelivery

In January 2018 we undertook a stakeholder review of EOL, aimed at identifying aspects of EOL which could be further improved to reduce the administrative burden on EBs and support ENTRUST's move to full digital delivery of services. An action plan was published in April 2018 and throughout 2018/2019 we continued to review and update EOL to implement the action plan. The following changes to EOL were implemented:

- Reduction in the number of forms where assets need to be identified;
- Improvement to the project extension process;
- Validation of dates entered on the Statutory Annual Return; and
- Clarification that some questions on the project completion form (Form 9) are object specific.

In our 2017-2020 Corporate Plan, in order to reduce the administrative burden on EBs, we informed the sector of our intention to move to 100 per cent e-delivery of our services and published the schedule for phased removal of paper forms. EOL allows all EB reporting to be completed online to ensure that compliance can be readily achieved. We continue to provide support to any individuals and EBs who find it difficult to work online.

Following feedback from stakeholders, and in line with our move to 100 per cent e-delivery, in February 2019 we developed a new process for EBs to submit a request to leave the scheme, a process known as 'voluntary revocation'. A new page on the EB EOL dashboard was created which replicates the information previously requested on the paper Voluntary Revocation request form. It also ensures that EBs have considered all of the actions they need to undertake before a request to leave the scheme can be approved.

In line with our published schedule for the phased removal of paper forms, in April 2018 we removed the Paper Form 2 (project registration). During 2018 we communicated with EBs to remind them of the removal of the Paper Form 1 (EB enrolment) from 1 April 2019 and the removal of the Paper Form 4 (Statutory Annual Return) for the 2019/2020 reporting year.

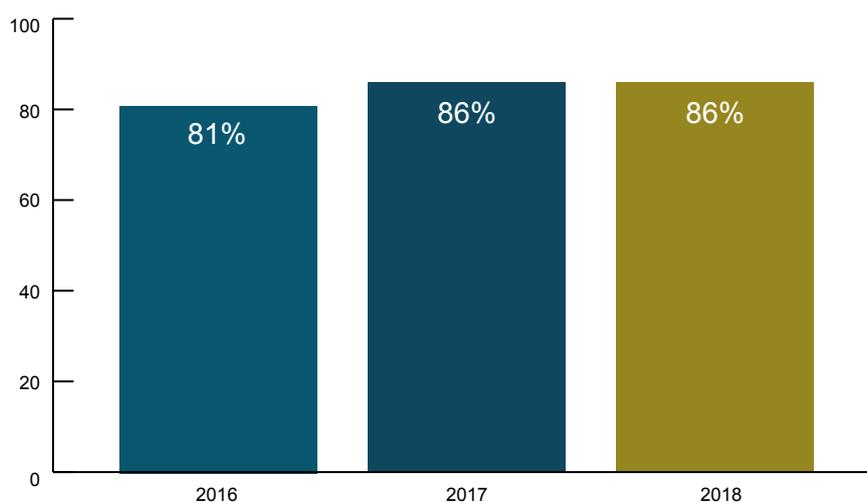
Measuring satisfaction

In line with best practice, we undertake an annual stakeholder satisfaction survey in May each year, which provides EBs with an opportunity to submit their feedback, thoughts and opinions on the quality and performance of our services. The responses and the findings that we receive enable us to form a better understanding of our effectiveness in regulating the LCF.

In 2018 we refined the questions, making updates as per the 2017 action plan whilst retaining key benchmarking measures to ensure we can compare our performance year on year. We also considered it appropriate to include new question areas relating to the ENTRUST corporate values, in order to assess how well our stakeholders agree that we uphold and adhere to these values. Following the closure of the LCF in Wales on 31 March 2018 we also considered it appropriate to include a new question for EBs who operate in Wales to ensure that stakeholders are receiving enough information about the closure of the scheme in Wales.

Overall satisfaction

In 2018 we received 179 responses, which was an increase on the 2017 and 2016 response rates (2017: 164 responses, 2016: 133 responses). The overall level of satisfaction reported for 2018 was 86 per cent, which was the same as recorded in 2017, and five percentage points higher than 2016 (81 per cent). This rating is calculated across the overall survey results as a percentage of questions requiring a response from 1-5 which were responded to positively, with a rating of 4 (agree) or 5 (strongly agree).



Overall satisfaction (average response across all survey questions)

Since 2013, we have asked three core questions, with the aim of obtaining EB views on our performance and the quality of our services. Only respondents from EBs who had worked with us, contacted us, or accessed our services since 1 April 2017 were able to provide a response. All three core satisfaction measures showed an increase on the 2017 results. [The full report is available on our website.](#)

Satisfaction scores for these measures remain high at:

- 96 per cent agree that they 'understand the role that ENTRUST undertakes as Regulator of the LCF' (2017: 90 per cent);
- 91 per cent agree that 'ENTRUST staff are very professional when dealing with me and my EB' (2017: 90 per cent); and
- 85 per cent agree that 'overall ENTRUST provides high quality services' (2017: 84 per cent).

With these results in mind we developed an action plan to make improvements which was implemented and completed by 31 March 2019. The action plan is available on our website.

ENTRUST Regulator Standards (ERS)

In 2017 the ERS were reviewed to ensure they remained applicable and relevant. In particular they were reviewed in keeping with the Government's 'digital by default' strategy, in light of our move to digital information and service provision. Following the review, the ERS were extended from the original 25 standards across seven areas, to 31 standards encompassing the regulatory work undertaken throughout the organisation and reflecting the standards detailed in the Regulators' Code.

In June 2018 we published our first assessment against the updated ERS. As part of our self-assessment each area of the ERS was considered and evidence provided in support of the assessment made.

The report concluded that all requirements of the ERS were rated as completed and met in 2017/2018.

[The full report is available on the ENTRUST website.](#)

Enquiry handling

We continue to collect and monitor feedback relating to enquiry handling via our monthly helpline satisfaction survey. For the year April 2018 to March 2019 we received consistently high feedback scores with 91 per cent of respondents to the survey identifying that we had responded to their query within 24 hours, 92 per cent of respondents were satisfied/very satisfied with the way their query was handled and 92 per cent of respondents reported a good/very good experience of the helpline service.

To ensure that we continue to offer the highest level of customer service to our stakeholders, we undertook training with all staff in October 2018 to strengthen our customer service skills. Following a successful trial in March 2018, we again added a time limited Statutory Annual Return (Form 4) Helpline option in March 2019 to help manage the flow of enquiries relating to the Annual Return. Furthermore, in the 2018 EB satisfaction survey we added a new question to assess how easy our stakeholders find using our Helpline phone menu. 77 per cent of stakeholders found it very easy or somewhat easy, 20 per cent found it neither easy nor difficult and just under 3 per cent found it somewhat difficult.

Complying with the General Data Protection Regulation

In 2018/2019 we completed our preparations to be compliant with the new General Data Protection Regulation (GDPR) which became law on 25 May 2018, as part of the Data Protection Act 2018 (DPA 2018). In May 2018 we published a new privacy centre on the ENTRUST website. This area clearly sets out ENTRUST's Privacy Policy in accordance with the new law, and informs stakeholders of:

- When and why ENTRUST collect personal data;
- What personal data we collect;
- How we use individual's personal data;
- How we store personal data;
- The conditions under which we may share an individual's personal data; and
- When we may destroy an individual's personal data.

In July 2018 we implemented a new cookie consent tool on the ENTRUST website and EOL to ensure that our cookie policy was brought in line with the relevant changes in GDPR and added a cookie area to the privacy centre on the ENTRUST website to better inform stakeholders of their rights in relation to cookies and about ENTRUST's use of 'necessary' cookies.

We also conducted our annual audit of the personal data we collect, hold, process and store and commenced our data anonymisation process which removes all personal data according to our updated data retention policy. We continue to remain registered as a data controller with the Information Commissioner's Office (ICO).

Website and email communications

Our communications activity is taken to support our operational and regulatory activity. In 2018/2019 we reviewed the funding information available on the ENTRUST website and contacted the listed funders to ask them to review and update their funding information. This has aided our enquiry handling for all potential applicants looking for funding and provided a clearer and more accessible entry to the LCF. We also removed funders who no longer fund within the LCF, ensuring that applicants are only directed to current available funders within the scheme.

Throughout 2018/2019 we undertook quarterly reviews of the content on the ENTRUST website, regularly updating guidance, 'How To' guides and information about the closure of the scheme in Wales.

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 Returns Communications Strategy. We continue to undertake a mid-year contact to EBs to remind them of their obligation to keep their Governing Members and Documents up to date. Where we have lost contact with EB main contacts we have also developed a more proactive strategy for contacting other Governing Members to bring the EB back into contact with ENTRUST, thus minimising the potential for non-compliance.

We also continued to distribute our quarterly eNewsletter, which provides a quarterly update on the scheme along with key messages and updates on our training materials and events. The following shows the annual email communications sent in 2018/2019. All emails are sent to the registered main contact of the EB:

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

In June 2018 we facilitated the annual meeting between HMRC and the Chairs and Chief Executives of the largest EBs. This continued to 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. With the agreement of HMRC, we continue to engage with LOs by sending all of those who have contributed to the LCF over the last three years an annual briefing note in July 2018. As part of our LO engagement strategy our Board and CEO continued to have regular contact meetings with the CEO and Chairs of the largest LOs. Additionally, in 2018/2019 we summarised our services to LOs, including guidance regarding their role in the scheme in a document which was published on the ENTRUST website in April 2019.

Service improvement and efficiency 2018-2021 Corporate Plan actions

To deliver service improvement and efficiency we have completed the following actions:

- Provided updated information to HMRC on EBs administration cost expenditure and the level of unspent funds;
- Agreed updated evidence standards with HMRC, for case referrals;
- Responded to the opinion of users and stakeholders of the implementation approach for moving to the online approach to submission of forms;
- Continued to collect stakeholder feedback through our Helpline, Compliance and EB satisfaction surveys;
- Reviewed satisfaction with the new telephony customer options and call routing in the 2018 EB satisfaction survey;
- We updated the funders information available on the ENTRUST website;
- Following a successful trial in Autumn 2017 we implemented a mid-year contact with EBs asking them to check and update their EB details; and
- Communicated with all Governing Members of frozen EBs following six months of no communication with their main contact.

Progress against measures set in 2018-2021 Corporate Plan

- We maintained the proportion of EBs using EOL;
- Survey responses increased from 164 responses in 2017 to 179 responses for the 2018 EB satisfaction survey and from 25 per cent in 2017/18 to 31 per cent in 2018/19 for the Helpline survey. Survey rates for the Compliance Inspection survey reduced from 43 to 34 per cent;
- We met the measure to reduce the number of inspections from 229 inspections in 2017/2018 to 199 inspections in 2018/2019;
- We increased the number of enrolments on first submission from 4 per cent in 2017/18 to 30 per cent in 2018/19; and
- We maintained levels of satisfaction with our regulatory services at 86 per cent.

Riverhill Himalayan Gardens, Sevenoaks Riverhill Rock Garden Restoration

Project Cost: £105,840

LCF Support: £21,000

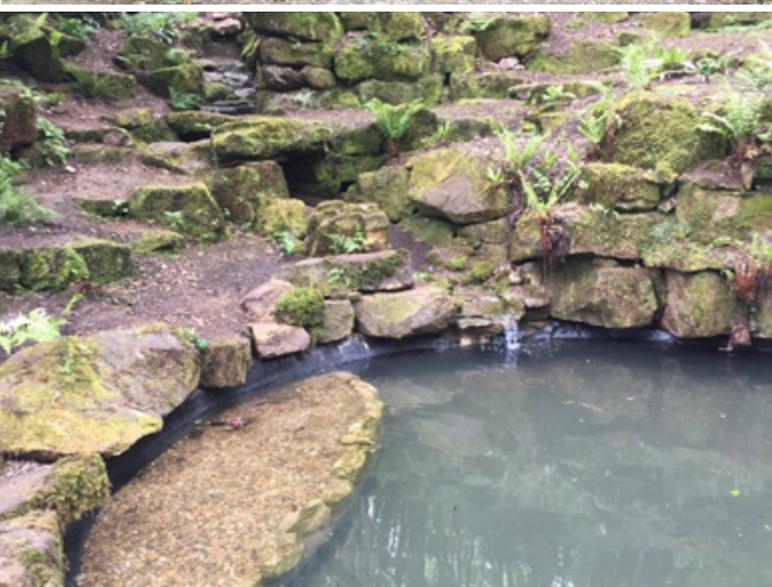
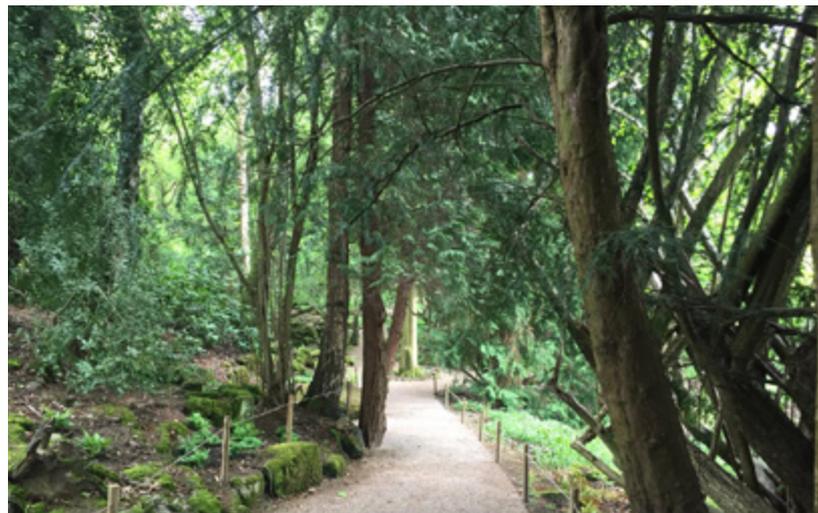
**Funder: Enovert Community Trust and
Ibstock Enovert Trust**

Completed: May 2019

Two projects, one funded by Enovert Community Trust and one funded by Ibstock Enovert Trust have come together to restore the Riverhill Rock Garden and allow access to the feature.

The Rock Garden at Riverhill is a listed feature which was neglected approximately 50 years ago. The Enovert Community Trust project has restored this 'lost' feature, allowing visitor access to the rockery for the first time in 2018.

Ibstock Enovert Trust contributed towards the restoration of the pathways up to and through the Rock Garden to allow access to the restored listed rockery.



“The transformation of the Rock Garden at Riverhill Himalayan Gardens is a real sight to behold. From a rather sorry looking overgrown mound, the restoration has seen a beautiful water feature, including cascade and pond, reinstated, surrounded by an imposing rockery and vast amounts of planting. The Rock Garden already looks really impressive, but in a few years’ time, when the many juvenile ferns have matured, it really will look fantastic and will be a real destination site for the community in and around Sevenoaks.”

**Angela Haymonds,
Enovert Community Trust
and Ibstock Enovert Trust**

Photos courtesy of: Enovert Community Trust

2. Demonstrating Value for Money

We believe it remains important to demonstrate the value that the LCF delivers to local communities and the environment. In 2015/2016 we shared with EBs the economic assessment framework that we had developed. This was reviewed, updated and re-published in March 2018 for EBs to use throughout 2018/2019 when reporting on their activities. We continually assess and work with HMRC to publish information which demonstrates the VfM of the LCF.

Scheme Value for Money (VfM)

In accordance with the TOA and the Reporting Schedule agreed with HMRC, ENTRUST provides HMRC with yearly reports regarding the VfM of the LCF scheme. The reports give a summary of data collected from the Project Completion Form (Form 9) which provides data about the benefits delivered by projects. Since 2016 we have also published a summary of the data so that interested parties may access the information, the latest data was published in September 2018. The data highlights the achievements of the LCF and demonstrates the positive impact of the LCF on communities and the environment. For the 1,371 projects for which there was a submitted Project Completion form for 2017/2018, the table below shows EBs reporting whether the project had achieved its intended outcome.

	Total for projects in 2016/2017	Percentage of 2016/2017 projects with positive response	Total for projects in 2017/2018	Percentage of 2017/2018 projects with positive response
Achieved intended aims	2,245	99.7%	1,368	99.8%
Improved the lives of people in the community or achieved environmental benefits	2,124	94.3%	1,308	95.4%
Brought together people from different backgrounds	1,498	66.5%	1,045	76.2%

You can read the full [Value for Money \(VfM\) report on our website](#). The report for 2018/2019 data will be published in September 2019.

Publishing non-compliance

In accordance with our coaching to compliance ethos and to assist EBs to comply with the Regulations, we continued to publish a quarterly summary of our compliance findings and the corrective actions made by EBs, alongside a summary of our enforcement activity. The summary includes:

Compliance findings

- A breakdown of the number of recommendations made during the year to date;
- Analysis of the recommendations raised;
- A summary of the findings; and
- The corrections made by EBs.

Enforcement findings

- Late statutory reporting of the notification of a contribution from a LO;
- Late statutory reporting of the notification of a transfer to an EB;
- Late levy payment;
- Project expenditure outside of the prescribed period;
- Anonymised details of enforcement cases; and
- The number of EBs frozen for failure to submit a Statutory Annual Return.

Benchmarking EB performance

In 2017/2018, based on the feedback of EBs, we developed a range of performance related benchmarks to help EBs understand their own performance relative to other EBs within the scheme. We published the second set of benchmarking data in July 2018. This data is particularly relevant to larger EBs and EBs which distribute funds to other EBs. The areas covered by the benchmarking metrics are:

- EBs' administration costs;
- Level of unspent funds held by EBs;
- Level of uncommitted funds held by EBs;
- Percentage CTP requirements of LOs;
- EB risk scores calculated from EB return data;
- Non-compliant recommendations arising from compliance reviews; and
- Project value and duration data.

The data is not EB specific and is provided to allow individual EBs to assess their performance in relation to other EBs within the quartiles or banding, on key areas within the overall scheme. It also allows EBs to identify where actions could be taken by EBs to improve performance on individual measures.



The Young People's Forest at Mead
Woodland Trust and Veolia Environmental Trust
Photo courtesy of: Veolia Environmental Trust

Communications

The LCF Communications Forum, which is facilitated by ENTRUST, was originally set up as a way for the sector to work together to discuss communications aims and objectives and to share best practice for publishing information and communicating to the general public about the LCF. Following the reduction in the size of the Fund, and as the sector contracted, the forum has evolved and in 2017/2018 it was agreed that the forum would be renamed as the Information and Networking Forum (INF) as this would better reflect the broader, more operational, remit within which those attending the forum operate. Additionally, those EBs who attend felt the primary strength of the forum was the ability for EB staff and volunteers to meet, network and share best practice across all areas of the LCF – not just communications. It was particularly felt to be beneficial as many EBs have reduced their staff numbers, and some have just one or two members of staff, therefore the group's ability to network provided VfM through harnessing the experience and skills across the sector.

In 2018/2019 the INF met for two formal meetings. A further additional meeting was called by the Association of Distributive Environmental Bodies (ADEB) to request the forum discuss the potential development or removal of the ADEB website. In October 2018 the group specifically discussed and considered VfM data for the LCF and how EBs could best represent and utilise the information they have to show the benefits that the LCF delivers to local communities and the environment.

Throughout 2018/2019 we have continued to ensure that the information on our website and through our other communication channels relating to the LCF, including key statistics, guidance, training materials, scheme data and case studies remained up to date and relevant. In particular we undertook a quarterly review of the content on the website, with a full content review in the final quarter of 2018/2019. Through our quarterly eNewsletters we continued to share key information to stakeholders and all of those interested in the LCF. Throughout the reporting period we also published four new case studies on the ENTRUST website.

Provision of information consultation

In the 2018-2021 Corporate Plan we outlined our plans to further improve the transparency of our operations and the LCF scheme as a whole. Between October 2018 and January 2019 we undertook a stakeholder consultation on the provision of information about the LCF and ENTRUST. The aim of the consultation was to assess the value of the information which we currently provide and to identify any opportunities for improvement. It was also hoped that by completing the survey, respondents would get a better idea of the information available to them and how to access it. The final report was published in January 2019.

The majority of respondents (83 per cent) found the current level of information provision to be sufficient. No suggestions were received for the provision of new, additional sources of information. However, there were a small number of suggestions by survey respondents for improvement to information provision currently available. Following the consultation and during 2019/2020 we will consider whether to implement a number of actions subject to a cost/benefit appraisal to ensure they offer value for money.

Delivering VfM of the LCF 2018-2021 Corporate Plan actions

To deliver and demonstrate the VfM of the LCF we have completed the following actions:

- In July 2018 we published our second set of benchmarking data to enable EBs to assess their own performance against a series of sector-wide measures;
- We published a VfM report in September 2018; and
- We undertook a quarterly review and update of all information on the ENTRUST website to ensure information remained current and accurate.

Progress against measures set in 2018-2021 Corporate Plan

- The return rate for the Project Completion Form (Form 9) increased to 85 per cent for projects completing in 2018/2019 compared to 83 per cent for projects completing in 2017/2018 at the same reporting point. EBs have until the end of June 2019 to complete their 2018/2019 Form 9s; and.
- Chaired two LCF Information and Networking Forums and one additional informal meeting.

Norwich Castle Museum Visitor Centre Toilet and Rotunda Refurbishments

Total Project Cost: £232,723

LCF Support: £210,000

Funder: FCC Communities
Foundation Ltd

Completed: Phase 1 May 2019

The aim of the project was to create more inspiring, welcoming and family-friendly spaces. The update includes the complete refurbishment of the main toilets and a refreshed look for the Rotunda, which is a well-used multi-purpose space at the heart of the museum.

Home to the Castle café, the Rotunda now has new furniture, new tables and benches for school group lunches. A further stage of the project will be completed in Autumn 2019 and will involve the development of the Early Years Gallery.



“The refurbishment of the public areas of the Castle was overdue, with the last major upgrade taking place back in 2001. The Rotunda is the hub of the museum and is so important to visitors’ overall experience as, of course, are good toilets! With the imminent transformation of the Keep back to its original layout as a Norman palace, it was important to ensure that these spaces live up to what will be an amazing new visitor experience. We are very grateful to FCC Communities Foundation for supporting our ambition with such a generous grant.”

**Hannah Jackson, Project Manager for
The Gateway to Medieval England project,
Norwich Castle Museum**

Photos courtesy of: Norwich Castle Museum
and original artwork by Ben Hawkes

3. Scheme closures

Scheme closure in Wales

Responsibility for Landfill Tax in Wales was devolved to the Welsh Government from 1 April 2018. This affected the LCF in Wales which also ceased from 1 April 2018. However, similar to the closure of the scheme in Scotland, there is a two-year transitional period to enable LCF projects in Wales to be completed and for all remaining LCF funds in Wales to be spent. The transitional period runs from 1 April 2018 to 31 March 2020.

To prepare for the smooth closure of the scheme in Wales, in 2017/2018 we launched our Wales Closure Plan, which was developed and agreed with HMRC and which was published in our 2018-2021 Corporate Plan. Following the closure of the scheme in Wales on 31 March 2018, we submitted our Wales closure progress report to HMRC by 30 June 2018. This report provided HMRC with a summary of the actions taken in relation to the closure of the LCF in Wales and the status of the LCF in Wales at June 2018.

The first year of the plan to oversee closure of the scheme has progressed well. The following chart shows the reduction of LCF funds in Wales since the closure. Welsh EBs were able to receive contributions in the first quarter of 2018/2019 relating to the 2017/2018 financial year so these are shown separately.

Value of LCF monies:	31 March 2018 ⁷	Contributions of old monies received in Q1 (1 April to 30 June 2018)	Monies held by Welsh EBs at 30 June 2018	31 March 2019
Total funds held	£1,056,222	£248,798	1,305,020	£800,655

Following the closure of the LCF in Scotland, we carried out a post evaluation review of our closure programme. Having completed this exercise, ENTRUST identified several opportunities to improve the overarching LCF closure framework (ENTRUST Final Scotland Closure report issued to HMRC in May 2017), which HMRC subsequently endorsed. These changes were communicated to EBs through our communication plan and published in the 2018-2021 Corporate Plan. They are also summarised below:

- Enrolment of organisations as EBs and project registrations will cease in Wales on 30 September 2019, six months prior to the end of the transitional period; and
- The enrolment of EBs based in Wales will cease automatically on 31 March 2020, this automatic process will be deemed voluntary revocation and will only apply to those EBs with all their funds accounted for. If an EB based in Wales wishes to retain their enrolment after 31 March 2020 they must notify ENTRUST by 30 September 2019.

The total number of enrolled EBs based in Wales at 31 March 2019 was 131, of which 17 held funds. The number of current enrolled EBs includes 16 that have applied for voluntary revocation. There are currently 28 projects ongoing in Wales, and of these 25 are due to be completed in 2019/2020. The three that were due to finish in 2018/2019 have not been reported as complete by the EB on EOL, but we believe that they are in fact physically complete. We are in contact with the EBs involved to ensure they update their records.

We continued to implement a targeted regulatory inspection and reporting schedule which includes compliance inspection reviews. During 2018/2019, 32 compliance reviews were carried out on EBs based in Wales. EBs which had completed all approved projects and spent all LCF funds were advised to voluntarily revoke from the scheme if they did not intend to seek any further LCF funding. Those EBs intending to continue in the scheme were advised of the closure requirements and deadlines for registering projects and spending LCF monies. During 2018/2019 there were 48 voluntary revocation requests from EBs based in Wales.

We have regularly reviewed and updated the Wales closure page of our website with information, advice and guidance relating to the closure of the LCF. As part of the closure process we also worked closely with the Welsh Government in the lead up to 31 March 2018, and as they formalised their plans for the Landfill Disposals Tax Community Scheme (LDTCS) we provided regular updates on the Wales closure page of the ENTRUST website. We also relay information about the closure of the LCF in Wales and provide signposting to the new scheme through the ENTRUST helpline for new project applicants seeking funding in Wales.

Throughout 2018/2019 we also issued the following targeted communications to EBs based in Wales and UK EBs with projects in Wales:

- eShot campaigns to inform EBs based in Wales of the devolution of the landfill tax to Wales, voluntary revocation, and the deadlines for; enrolment, project registration and expenditure of LCF monies;
- Targeted Statutory Annual Return (Form 4) communications to explain what closure of the LCF in Wales means for an EB with relation to the Annual Return, including information about voluntary revocation; and
- Targeted communications to EBs which hold funds to remind them of the deadline for project registration and their obligation to ensure that any funds held be spent compliantly by 31 March 2020 or transferred to another EB to be spent by 31 March 2020.

Scheme closure in Wales 2018-2021 Corporate Plan actions

To support the closure of the LCF in Wales we have completed the following actions:

- Implemented the reporting schedule to HMRC about the closure of the LCF in Wales and submitted our Wales closure report to HMRC in June 2018;
- Updated our Guidance Manual and information on the ENTRUST website relating to the closure of the scheme in Wales;
- In May 2018 we added a new section to the 2018 EB satisfaction survey, which showed that 85 per cent of EBs operating in Wales felt they had received enough information about the closure of the scheme. No EB disagreed with the statement; and
- Throughout 2018/2019 we implemented our communications plan to inform and update EBs about the closure of the scheme in Wales.

Progress against measures set in 2018-2021 Corporate Plan

- We reduced the value of remaining LCF funds in Wales from £1.3m to £800,000 at 31 March 2019;
- 100 per cent of EBs based in Wales have been informed of the scheme closure and directed to advice and guidance for ensuring the smooth closure of the scheme;
- 64 projects completed in Wales in 2018/2019; and
- 48 EBs in Wales voluntarily revoked from the scheme in 2018/2019.



St Fagan's Lambing Shed, Amgueddfa Cymru – National Museum Wales
Photo courtesy of: Amgueddfa Cymru – National Museum Wales

Maddington Church Room, Shrewton Window replacement

Total Project Cost: £7,750

LCF Support: £3,875

Funder: The Hills Group Ltd through
Community First

Completed: June 2019

The Maddington Church Room in Shrewton, Wiltshire had a problem. It was well used by the local community for meetings and functions but the room was very cold in the winter months due to the windows, which were old, rotten and in need of replacement. Additionally, as the windows could not be opened, the room was stuffy and uncomfortable in summer months too. After a chance meeting, the Secretary of the Maddington Church Room was made aware of the Landfill Communities Fund by Mary Hardwidge, Grants Officer for Community First, who give out LCF grants on behalf of The Hills Group.

In June 2018 the application for a grant of £3,785 to The Hills Group Ltd was submitted and the wheels were set in motion. By May 2019, and after a huge fundraising effort to reach the shortfall of funds by all involved, the windows were in!



“The new windows will make such a difference to those users who hire the hall in the winter months, but not only that, the new windows will provide much needed ventilation in the summer too! We could not have done this so quickly without the help of the Landfill Communities Fund, so thank you!”

**Mary Ruck,
Secretary of the Maddington Church Room**

Photos courtesy of: Mary Hardwidge, Community First and Maddington Church Room

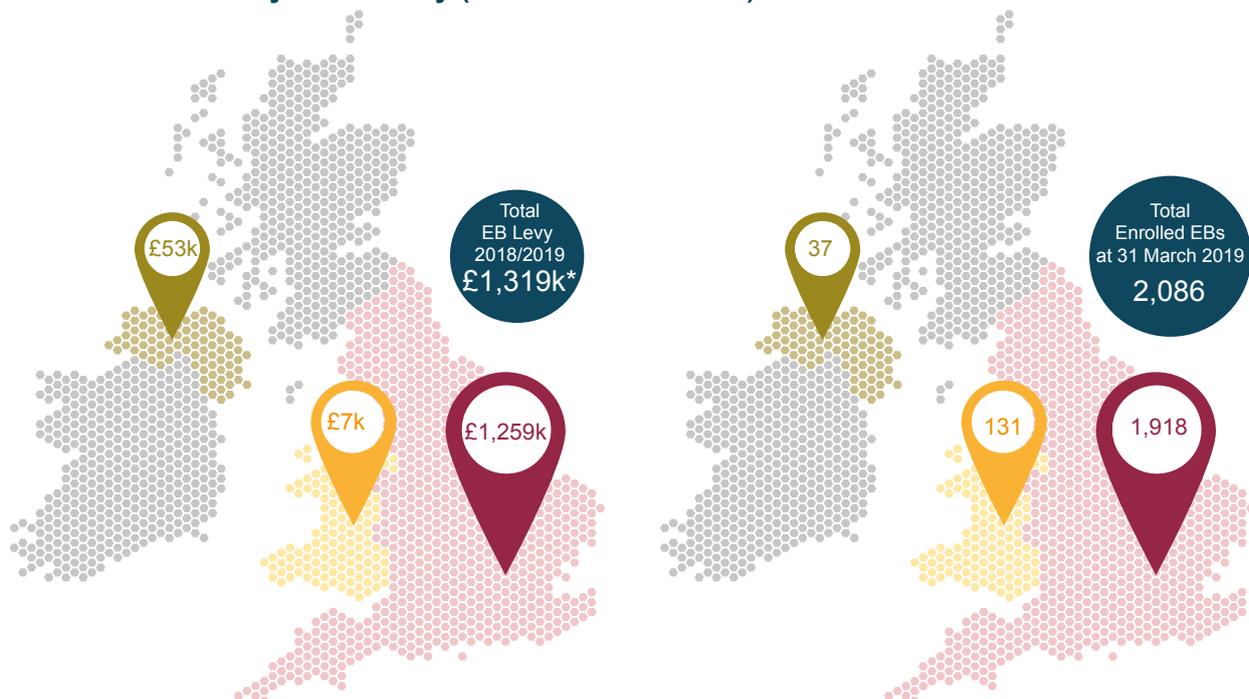
4. Organisation

Across the last three 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 alongside effective levels of assurance to HMRC on the compliant spend of LCF expenditure by EBs. We therefore considered that our 2018/2019 organisational structure reflected the core level of staffing that ENTRUST required to regulate the LCF to an appropriate standard in accordance with the requirements of the ENTRUST/HMRC Terms of Approval (TOA).

Our reported operating surplus after interest and taxation for 2018/2019 is £155k (2017/2018: £197k). The table below provides more information on this reported position for the year. Any operating surplus is held as part of the General Reserve to meet future contingencies and liabilities. We also received contributions in the year above our agreed funding requirement. As previously agreed with HMRC this will be offset by a reduction of the levy in future years, as per the agreed ENTRUST/HMRC levy calculation mechanism.

	2018/2019 £'000	2017/2018 £'000
Turnover	1,185	1,247
Cost of regulatory activity	(1,044)	(1,059)
Operating surplus	141	188
Interest less taxation	14	9
Operating surplus after taxation	155	197

Breakdown of LCF by EB country (as at 31 March 2018)



*includes late levy payments from previous years.

HMRC KEY PERFORMANCE INDICATORS

Target		Target Value	Actual	Target met
1	Standards of service delivery			
1.1	Approve 98 per cent of eligible applications to enrol as an EB within five working days.	98% (applications to enrol as an EB)	100%	☑
1.2	Approve 98 per cent of eligible project applications within five working days.	98% (project applications)	99.8%	☑
1.3	Undertake a customer satisfaction survey by 31 August 2018. 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.	31 August 2018	Our annual EB satisfaction survey closed in July 2018 and the findings were published in November 2018. An action plan was published in November 2018 and has been implemented throughout the year.	☑
2	Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation			
2.1	Provide reports to HMRC against the agreed reporting schedule.	Agreed reporting schedule	All due dates were met	☑
3	Compliance with the Regulations			
3.1	During the 2018/2019 year inspect at least one third of active EBs to monitor compliant spend, focusing on previous non-compliance and areas of risk identified through the risk model.	One third of active EBs	199 EBs were inspected, which exceeds the KPI target to inspect a third active EBs.	☑
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	99%	99.9% of funds were reported by 28 April 2018 and all funds were reported by 2 May 2018.	☑
4	Deliver value for money			
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.	100%	100%	☑
4.2	Ensure the proportion of Statutory Annual Returns (Form 4) received online is 90 per cent or above.	90%	91.3%*	☑
5	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			
5.1	Conduct targeted compliance interventions and if necessary consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.		Submitted the Priority Regulatory Improvement report to HMRC by 31 July 2018 Conducted 199 targeted compliance inspections	☑

* includes those supported to complete electronic returns via email, as well as those completed directly online

The Board and our Committees

Our Board sets the strategic direction of the company and our objectives each year.

The ENTRUST Board April 2018 – March 2019

Non Executive Directors

Chair: Dr Ann G Limb CBE DL

Jon Carlton

Anna East

Gerry McCormack

Justin McCracken

Executive Director

Chief Executive: Christopher Welford

Our Board is also observed by a representative from HMRC.

Committees

In addition to the board we also have three sub committees of the Board to steer the direction of the organisation and provide governance.

General purposes

The general purposes committee meets as and when required, and met three times during the last financial year. The committee comprises all of the company's Board members.

Audit

Chair: Gerry McCormack

Jon Carlton

Dr Ann G Limb CBE DL

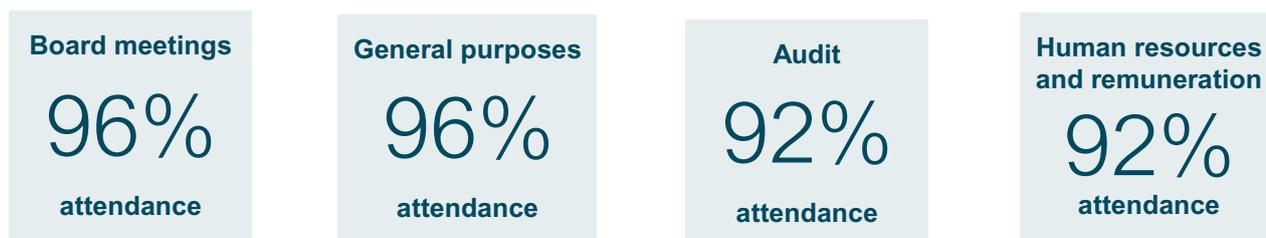
Human resources and remuneration

Chair: Anna East

Dr Ann G Limb CBE DL

Justin McCracken

The average attendance by Board and committee members at meetings during the last year:





ENTRUST

Regulating the Landfill Communities Fund
Benefiting people and the environment

www.entrust.org.uk

