



**Regulating the Landfill Communities Fund
Benefiting people and the environment**

2019 – 2020 ANNUAL REPORT





Compton Bassett Village Hall roof replacement, Community First
 Photo courtesy of: Peter Alberry, Chairman, Benson Hall Compton Bassett

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 their work in delivering ENTRUST approved projects. Our processes (if complied with by EBs) assess individual projects before any LCF money is spent to ensure a project complies with the Regulations from the outset. 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 and Northern Ireland 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 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

Front cover images (clockwise from top left) courtesy of: Milton Keynes BMX Racing Club and Mick George Ltd; 2WK Sea Scouts, FCC Communities Foundation; All Saints Church East Pennard, Viridor Credits Environmental Company; Connecting Trails, Bore Place, image courtesy of Ibstock Enovert Trust, West Mersea Play Park Refurbishment, Enovert Community Trust.

CHAIR'S OVERVIEW



Dr Ann G Limb CBE DL
Chair,
ENTRUST

The Landfill Communities Fund (LCF) was launched in 1996 and ENTRUST has operated as the Regulator of the scheme since its inception. As always, this report covers our activities across a full twelve-month reporting period. However, during the final quarter of 2019/2020 our normal office based business model was (and continues to be) interrupted by the need to adapt to the unprecedented COVID-19 (Coronavirus) pandemic.

At ENTRUST, our first priority was to ensure the health and well-being of our staff, stakeholders and their families and as a responsible organisation we acted proactively to take appropriate and proportionate steps to ensure we could continue providing services to our stakeholders. In March 2020 we implemented our Business Continuity Plan (BCP), moving all staff, where possible, to home working. We believe that our innovative work, delivered between 2017 and 2020, to move to 100 per cent e-delivery of services enabled us to quickly and efficiently respond in an agile manner which has ensured that ENTRUST can still provide a 24/7 service for our stakeholders.

I am proud of ENTRUST's ability to manage our business and respond to the fast changing and challenging circumstances we have all operated under, and as part of this process, ensuring that we regularly updated stakeholders on the changes we were implementing to support them during this period of uncertainty. For example, applying the automatic extension of all projects due to complete between March and August 2020.

As this situation continues to unfold, I consider it is appropriate to reassure you that ENTRUST will continue to do all we can to support our stakeholders over the next financial year.

Reflecting back on our activities over the course of 2019/2020, we have continued to work closely with all LCF stakeholders including the Association of Distributive and Environmental Bodies (ADEB), the Chairs of the largest Environmental Bodies (EBs) and Landfill Operators (LOs) and HMRC.

Finally, despite the disruption caused by COVID-19 in the final quarter of the year, I believe that 2019/2020 was another strong year for ENTRUST, during which we delivered all of our objectives and Key Performance Indicators (KPIs) on time and on budget and completed the end of the transitional phase of the closure of the LCF in Wales. Alongside these achievements, we continued to receive positive feedback from our annual EB satisfaction survey, which highlighted an 86 per cent overall level of satisfaction from those EBs who responded.

As ever, these results would not be possible without ENTRUST's most important asset – our staff. I would like to end by thanking them for their hard work, and in particular for how they have adapted and responded to the significant changes that the last few months have brought.

A handwritten signature in black ink that reads "Ann Limb".

CHIEF EXECUTIVE'S OPERATIONAL REVIEW



Christopher Welford
Chief Executive,
ENTRUST

ENTRUST's Corporate Plan for 2019-2022 set out the activities which we considered key to our delivery of regulatory services across the Corporate plan period. Alongside delivery of our core services we further implemented plans for strategic change and service improvement, looked to better ensure Value for Money (VfM) of the scheme and completed the closure of the scheme in Wales with the end of the transitional period. Furthermore, we continued to place emphasis on ensuring the Government's strategic priorities for the LCF were met. In particular to:

- Reduce EB administration costs to below the recommended guidance of 7.5 per cent of annual project expenditure; and
- Reduce EB unspent funds at year end to no more than 1.5 times an EB's LCF income in that year.

As part of our continuous improvement programme, in April 2019 we introduced an innovative new framework to enhance our approach when processing projects considered high risk, by implementing enhanced checks for such projects to further mitigate the risk that LCF monies may be spent non-compliantly. During the year we also further developed the project approval approach to introduce criteria to assess the need for a pre-approval project visit under certain circumstances. This approach was due to be implemented from April 2020, but due to the COVID-19 outbreak, we have adapted it to allow us to continue this work, by requesting applicants provide us with digital evidence.

We implemented an in-house improvement plan to future proof ENTRUST Online (EOL) in relation to the underlying code system, its support platform and to provide a more robust security framework. We also undertook a competitive tender exercise to identify the best option for bringing the entrust.org.uk website Content Management System (CMS) up to date. Following this we appointed a new supplier to upgrade the existing website software, thus extending its life and offering the best VfM option. Whilst the content of the website remains principally the same, we also took the opportunity to make some changes following stakeholder feedback during the 2018 Provision of Information consultation.

Under our agreed Performance Indicators with HMRC, KPI 3.2 requires us to ensure that 99 per cent of LCF monies are reported through the Statutory Annual Returns (Form 4) by the due date of 28 April each year. I am pleased to note that we exceeded this KPI, reporting 99.5 per cent of funds by the due date, with all funds reported by 9 May 2019.

Following the closure of the scheme in Wales, I am pleased to report that all funds in Wales have been fully accounted for and as part of our closure work, we will be submitting a final report on the closure of the scheme in Wales to HMRC in June 2020.

Whilst recent events in relation to COVID-19 may be top of mind, I hope that the content of this report will showcase the depth and breadth of work that ENTRUST has undertaken across the previous twelve months.

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

In our 2019-2022 Corporate Plan we set out three thematic key areas of work:

- 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

As an effective, efficient and lean regulator, our Corporate Plan for 2019-2022 focused on the activities which we considered key to the delivery of our regulatory services for the LCF during the reporting period. The Corporate Plan was developed considering the positive feedback from the 2018 EB Satisfaction Survey, alongside feedback from our stakeholders throughout the year.

As always, during 2019/2020 we continued to prioritise our 'coaching to compliance' ethos, which was further supported by continued 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 during 2019/2020.

Monitoring of levels of EB 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, ENTRUST provided a report to HMRC in June 2019 detailing the value of LCF monies spent by EBs on administration costs during 2018/2019 and which identified those EBs whose costs were above the guidance level of 7.5 per cent of their LCF project expenditure. The report identified that the number of EBs incurring administration costs decreased by 31 per cent from 71 EBs in 2017/2018 to 43 EBs in 2018/2019, and the ratio of costs to project expenditure for those EBs incurring administration costs decreased from 6.89 per cent in 2017/2018 to 5.87 per cent in 2018/2019. The report also identified six enrolled EBs which had incurred administration costs in excess of the 7.5 per cent guidance level.

We implemented our Framework for reviewing, monitoring and managing the level of Administration Costs and Unspent Funds held by EBs in accordance with HMRC's guidance levels to work 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 2019/2020.

Reducing the level of unspent funds held by EBs

Unspent funds are those LCF funds held by EBs 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. HMRC has set as one of its strategic priority objectives for the LCF that the value of unspent funds held by EBs should be reducing year on year. ENTRUST's current guidance requires 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.

In monitoring EBs' behaviour in implementing and complying with our guidance, ENTRUST provided a report to HMRC in June 2019 detailing the value of unspent funds held by EBs and which identified those EBs holding funds at 31 March 2019 in excess of the 1.5 times annual income guidance level.

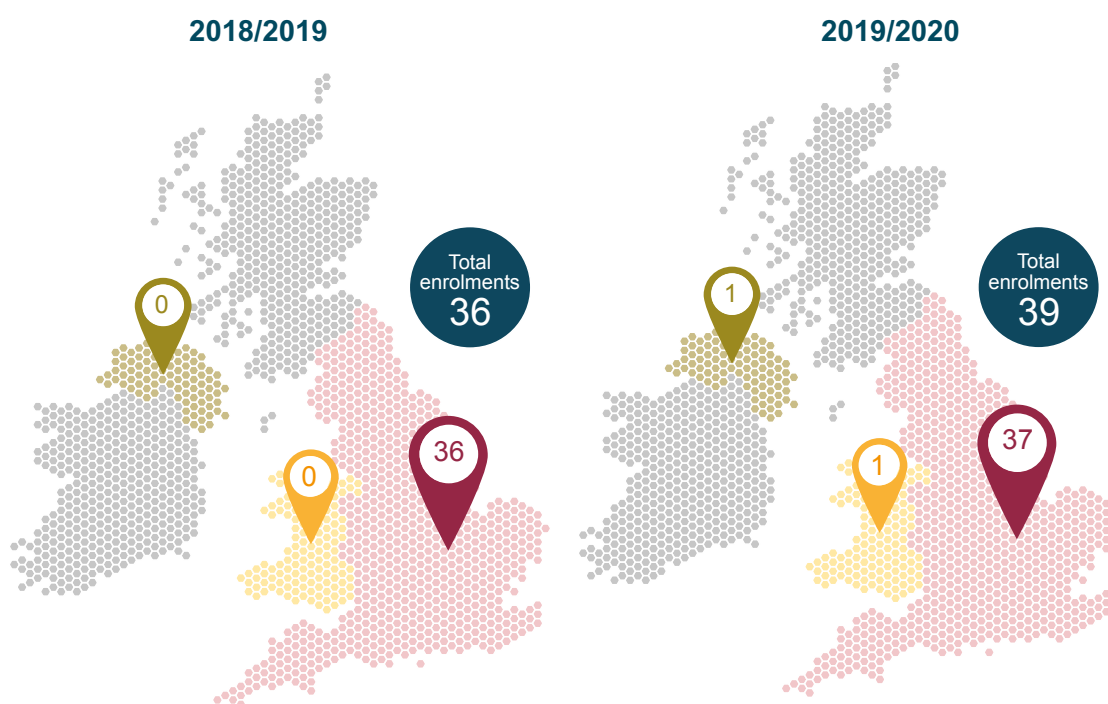
The report identified that, for the sector as a whole, the total value of unspent LCF funds held by EBs as at 31 March 2019 reduced by 13 per cent from the 2017/2018 level to £54,707,409.40. Within this total, the level of uncommitted funds continued to decrease from £18,810,756.05 in 2017/2018 to £11,070,293.86 in 2018/2019 – a reduction of £7,740,462.19 (41.15 per cent).

We worked with those EBs which had exceeded the guidance level to ensure that they complied with ENTRUST's guidance, this included:

- Seeking an explanation for the reason(s) why the level of unspent funds was above the 1.5 times income guidance level;
- Details of the organisation's plans to reduce the value of their unspent funds to 1.5 times income or below, during 2019/2020; and
- Scheduled a compliance review of each EB during 2019/2020

Enrolment for EBs

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 2019/2020 the number of organisations enrolling with ENTRUST increased slightly to 39 from 36 in 2018/2019. The number of EBs enrolling in the LCF is dependent on the funding practices of the one major funder who requires organisations to enrol with ENTRUST, which will impact on the number of EBs which enrol with ENTRUST during 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 2019/2020 we exceeded the KPI by enrolling 100 per cent of EBs within the target of five working days (KPI target: 98 per cent).



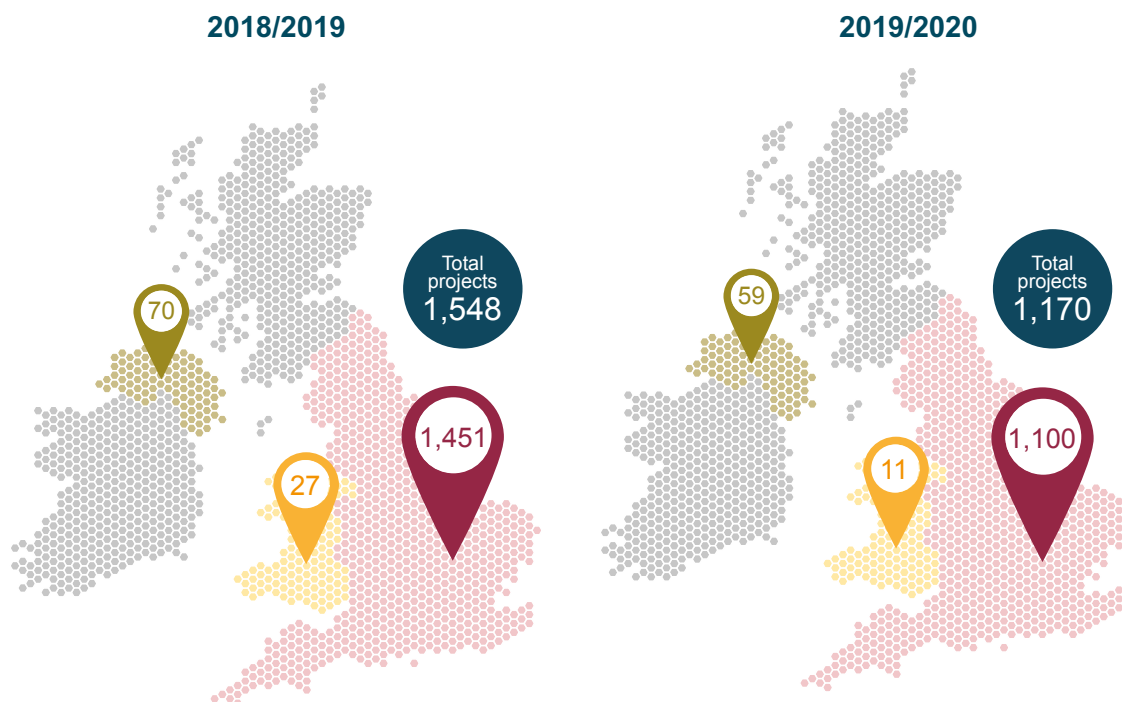
Project applications

We continue to approve projects, where all of the required information to complete this task has been provided, within five working days. 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. 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.

As part of our continuous improvement programme, on 1 April 2019 we introduced a new framework to enhance our approach when processing projects considered high risk by implementing enhanced checks for such projects to further mitigate the risk that LCF monies may be spent non-compliantly. The framework requires further assurance about the EB registering the project, or regarding the project applicant itself, if the recipient of LCF monies is not the EB. The framework was developed based on our compliance and enforcement activities as we were able to identify areas where risk of non-compliant project spend is higher. In December 2019, we reviewed its operation and based on our experience and feedback from EBs, we published an update to clarify the information required when processing certain project applications.

During the year, we also further developed the project approval approach to introduce criteria to assess the need for a pre-approval project visit under certain circumstances. This approach enables ENTRUST to verify information provided at the project approval stage to help mitigate any potential compliance issues before a project commences. It also provides a valuable opportunity for project applicants to discuss the project with a member of ENTRUST's staff. This process was implemented from 1 April 2020, but it has not been fully implemented due to the COVID-19 outbreak although we have found innovative means to allow us to continue our work in this area, for example, asking applicants to provide digital evidence.

In 2019/2020, 1,170 projects were registered, which was 378 fewer than the previous year. In 2019/2020 we exceeded the KPI by registering 99.3 per cent of projects within the target of five working days (KPI target: 98 per cent).



Enquiry handling

We continue to collect and monitor feedback relating to enquiry handling via our monthly helpline satisfaction survey. For the year April 2019 to March 2020 we received consistently high feedback scores with 96 per cent of respondents to the survey identifying that we had responded to their query within 24 hours, 94 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.

In March 2019, we reviewed our enquiry handling strategy for the Statutory Annual Return (Form 4) period in light of the COVID-19 outbreak to ensure that we could support EBs in completing their returns, which we achieved by replacing the telephone Helpline Form 4 option with a new Form 4 Annual Return email address to ensure that EBs could readily contact a member of the Compliance Team to ask for advice and guidance where needed.

Information, advice, guidance

We continued to coach EBs to compliance by offering advice and guidance through face to face meetings, inspections, telephone calls and emails. The impact this approach has is monitored through our review of quarterly compliance and enforcement activities. This monitoring identifies any patterns or new themes in EBs failing to comply with the Regulations and ENTRUST's guidance. This flows through to our approach, not only in the production of training guides, but in how we focus our resources in increasing EBs' understanding through our relationship management framework. For example, it is a frequent failing of EBs in updating their details on EOL such as governing member information; this is now stressed as being of key importance at training events.

Training

Our basic training event presentation continues to provide essential information to delegates including on the use of ENTRUST Online (EOL) in the form of an interactive workshop to support the 100 per cent e-delivery of services covering the completion and submission of each form as well as other common reporting misunderstandings. In accordance with the 2019/2020 training programme, the number of training events scheduled was three, however, only two were delivered at our offices in Leamington Spa (the September 2019 event was cancelled due to insufficient interest).

While we recognise that attendance of formal training events has slightly decreased this year, we have observed that for those delegates who do attend the training it is a valuable tool in facilitating their organisation's compliance with the Regulations. As such, considering the low additional cost of running training events, we consider that the basic training event delivers excellent VfM and represents a great opportunity for delegates, particularly those new to the scheme, to ask questions and meet the ENTRUST staff as well as the opportunity to network with other EBs.

We also continue to operate our 'Open-Door' policy, which welcomes EBs into the ENTRUST office at any time throughout the year, rather than on one specific formal day. Information about our open-door policy is published on the ENTRUST website.

The average training feedback score for 2019/2020 was 4.9, exceeding our target of 4.5/5:

Type of event	No of events	No of delegates	Average feedback
Basic Training	2	6	4.9
Total average feedback			4.9/5.0

One new training guide was published in 2019/2020. This new guide, published in August 2019, was in relation to how EBs upload documents to EOL as part of the inspection process, to reflect a change to EOL as this was a new facility. Our website now contains a significant number of downloadable training resources that we have developed over the past few years. These documents are focused on providing advice on how to use EOL for certain functions ('How To' guides) or provide further help or information to aid EBs in understanding their obligations (e.g. 'Reporting and Record Keeping responsibilities'). These guides consistently receive positive feedback via surveys.

[Our full report reviewing the 2019/2020 Training Strategy is available on our website](#)

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; inspecting at least one third of active EBs each year. 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 (DTR) where a visit would not be cost effective. The annual inspection programme is based on an EB Risk Model.

The EB Risk Model is published on the [Compliance Process page of our website](#) and is subject to an annual review to ensure the risks continue to accurately reflect current regulatory issues and the emerging findings from carrying out our compliance work.

The Risk Model generates an individual risk score for each EB which is calculated from 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.

The 2019/2020 programme was developed taking into account ENTRUST's available resources with the aim of delivering more for less and to maximise the assurance that ENTRUST can provide to HMRC to:

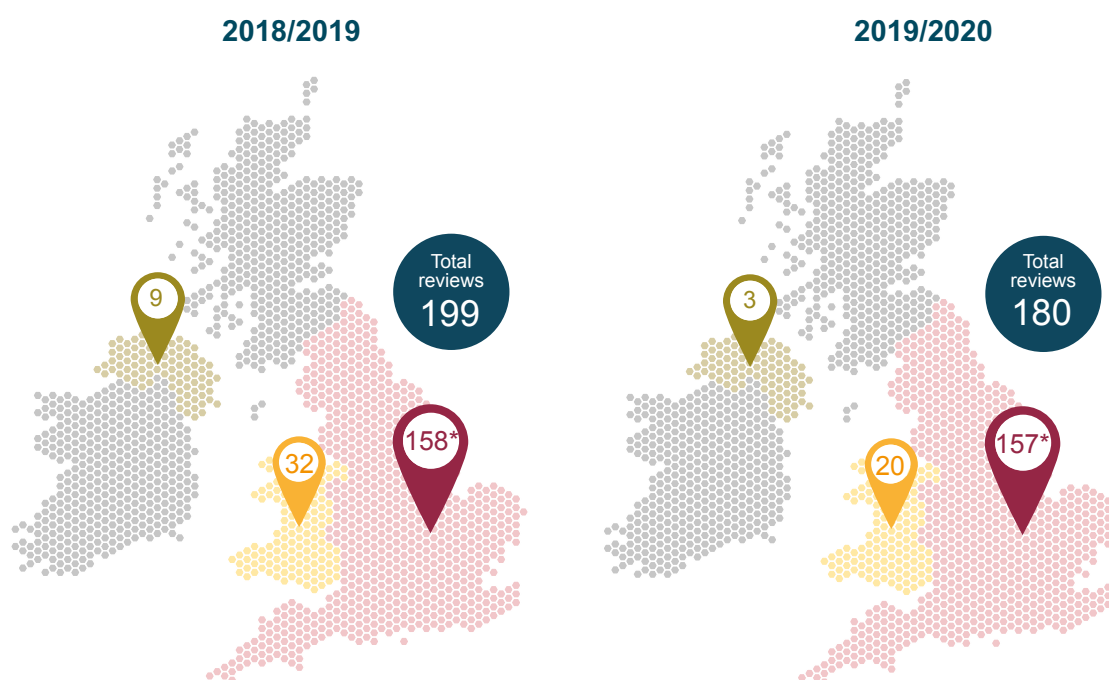
- Reflect HMRC's Strategic Priorities for the management of the LCF;
- Ensure the KPI that HMRC set ENTRUST to inspect at least one third of active EBs was delivered; and
- Ensure that the compliance programme reflects HMRC's focus on risk and issues.

Compliance reviews in 2019/2020

There was one KPI for the Compliance Team which was agreed with HMRC for 2019/2020:

"During the 2019/2020 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 180 compliance reviews were completed which was lower than in the previous year as resources were focused on reviewing the highest risk areas in line with the KPI set by HMRC. The findings identified from our compliance reviews are published quarterly on our website.



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

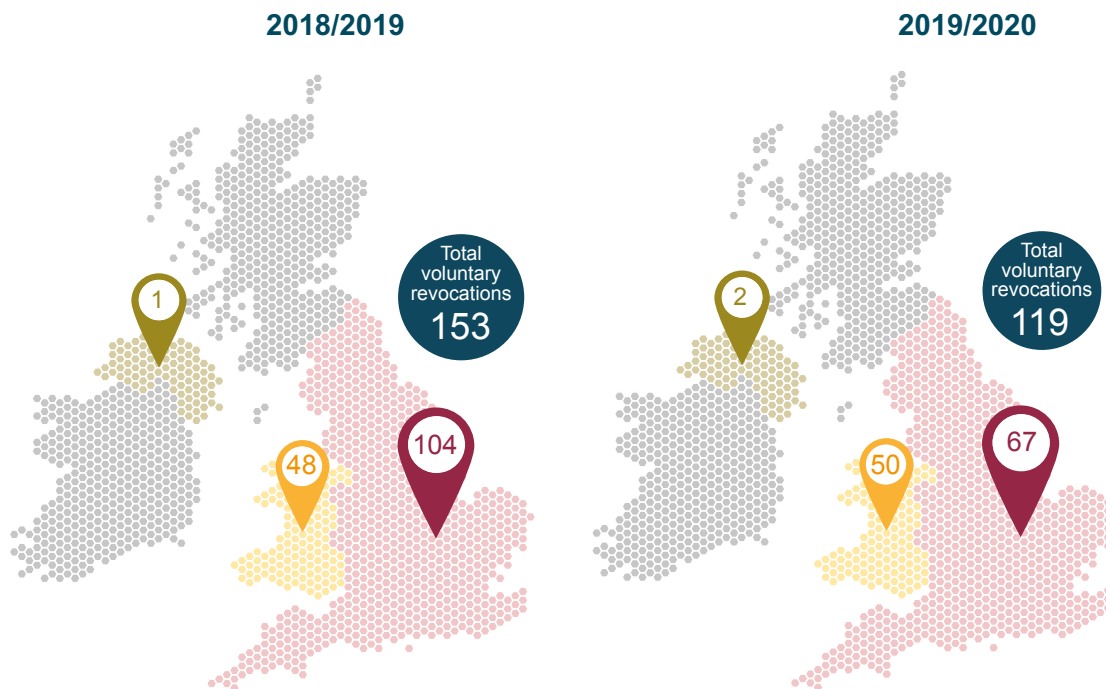
Compliance satisfaction survey

A link to the online compliance satisfaction questionnaire is issued with the draft compliance report following every compliance review. During 2019/2020 we increased the survey rate for the Compliance Inspection survey from 34 per cent in 2018/2019 to 53 per cent. The Compliance Team achieved the target score of 4.5 out of 5.0 for overall satisfaction with the compliance process:

Overall satisfaction with compliance process*			
Target	4.5	Actual	4.5

Voluntary revocations

In 2019/2020 there were 119 requests for voluntary revocation, which were reviewed and approved by the ENTRUST Board, this compared to 153 in the previous year. The number of requests from EBs based in England has decreased from the previous year. However, requests from EBs based in Wales has remained constant during the two-year transitional period following closure of the scheme in Wales.



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 following table provides the number of letters addressing regulatory breaches sent during the financial year 2019 - 2020. If an EB has had multiple breaches in a month then they receive one letter covering all breaches; to minimise any 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 LO)	6	2	0	8
Late Statutory reporting – Form 7 (notification of transfer of monies between EBs)	7	2	1	10
Late levy payment	2	0	0	2
Project expenditure outside of the prescribed period	11	1	3	15
Total letters sent	26	5	4	35

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 2019/2020 there were 215 contributions notified to us, of which 11 were submitted more than seven days after receipt by the EB. This equates to five per cent of reported contributions and is an improvement on the 2018/2019 performance of seven 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 2019/2020 there were 427 transfers between EBs notified to us, of which 16 were submitted more than seven days after the transfer was made. This equates to four per cent of transfers, representing a small increase on the previous year (2018/2019: two 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 2019/2020 there were 21 instances of spend outside the prescribed period – in line with the 2018/2019 result, compared to 96 instances in 2017/2018 and 273 instances in 2016/2017. This illustrates that since the introduction of the condition, EBs have made improvements to their processes to manage project activity and spending.

Enforcement cases

We also continued 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. Across 2019/2020 there were 12 cases being handled with five still subject to proceedings at the end of March 2020. The twelve cases were opened to address the following breaches:

- Non-compliant spend of LCF funds including spending on non-LCF activity;
- EB not able to provide proof of LCF monies held;
- EB failing to respond to requests to return unspent funds;
- Project expenditure not being supported by invoices;
- EBs not responding to ENTRUST regulatory requests for information;
- EB charging administration costs to the LCF that are not reasonable or relevant to the level of LCF activity; and
- EB transferring funds to another EB to fund their management of the transferring EB's projects.

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. One case was referred in 2019/2020 to HMRC for consideration of forcible revocation and claw-back of the relevant tax credit.

From 1 April 2019, following a review in partnership with HMRC we implemented updated evidence standards in relation to our approach when handling cases, which included:

- 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 will continue to work with HMRC to ensure that any cases are handled appropriately and as per the agreed framework and updated evidence standards for referral and that we use the powers available to us effectively to address the risk and incidence of non-compliant activity by EBs.

ENTRUST Online (EOL), online reporting and eDelivery

In 2019/2020 we completed our three-year plan, which was set out in our 2017-2020 Corporate Plan, to migrate to 100 per cent online reporting and e-delivery of our services through EOL. 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 allow EBs to submit a request to leave the scheme, a process known as 'voluntary revocation'. This was brought in during February 2019.

100 per cent of EBs reporting on their activities now takes place via EOL and as such the agreed HMRC KPI 4.1 for 2020/2021 has been updated to reflect this. The Statutory Annual Return for 2019/2020 reporting period was the first year to take place with no paper form available and there was no impact on the return rate. As always, we continued to support and work with any individuals and/or EBs who found it difficult to work online.

An in-house Improvement Plan was also implemented during the year to future proof EOL in relation to the underlying code system, its support platform and to provide a more robust security framework.

Statutory Annual Returns (Form 4)

Under our agreed Performance Indicators with HMRC KPI 3.2 requires us to ensure that 99 per cent of LCF monies are reported through the Statutory Annual Returns (Form 4) by the due date of 28 April each year.

The Statutory Annual Return (Form 4) strategy for 2018/2019 was deemed a success as 99.5 per cent of LCF funds were reported by 28 April 2019, exceeding the KPI. Nine funded EBs, holding £291,419 of LCF funds, did not return their forms by the due date, but the returns were all submitted by 9 May 2019. Furthermore, for all EBs, 87.8 per cent had submitted their Annual Return by the due date of 28 April, exceeding the overall return rates from previous years:

Aim	2017/2018	2018/2019 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)	99.9%	99.5%
% of EBs who submitted the Statutory Annual Return (Form 4) by the deadline (28 April 2018)	86.6%	87.8%
EBs sent advice and guidance letter regarding failure to submit the Statutory Annual Return	169	178

178 advice and guidance letters were sent to all those that had failed to return their forms as at 8 May 2019. This compares to 169 letters sent in May 2018 and 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, 100 EBs did not comply with this request and had their status frozen, this compared with 98 EBs in 2017/2018 and 202 EBs in 2016/2017. The list of frozen EBs was published on our website and regularly updated throughout the year.

In October 2019 we sent advice and guidance letters to all listed Governing Members of one-year frozen EBs, following lack of communication from their main contact and at 31 March 2020 just 20 EBs remained on the Frozen list.

Just three EBs failed to submit a Statutory Annual Return for two or more years. By March 2020, following enforcement action and contact from our Policy and Regulations Team, these cases had been resolved. This included one Frozen EB, which in agreement with HMRC, has been marked as dissolved. No EBs were therefore required to be referred to HMRC for consideration for forcible revocation for this reason.

Website and email communications

Our communications activity is taken 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.

In 2019/2020 we were advised by our website supplier that the software operating the website was considered 'end of life'. During the year we undertook a competitive tender exercise to identify the best way forward for the entrust.org.uk website. Having completed the exercise it was considered that the option which delivered the best Value for Money (VfM) to the Fund was to upgrade the existing website. The recommendation also took into account that the existing website and Content Management System (CMS) operated well and had been subject to significant user development, feedback and updates where required. The updated website was launched on 4 February 2020. Whilst the site is principally the same, we also used the upgrade to make some changes following stakeholder feedback during the 2018 Provision of Information consultation to include:

- The addition of our Helpline telephone number on the top right hand side of each page, in the website header banner, thus making it central to the support we offer stakeholders;
- Two new fields in the EB search and Funders search to show when the EB was enrolled in the LCF and what their enrolment status is. This more easily allows funders to check to see if an organisation is enrolled, frozen or whether they are in the process of revoking from the scheme; and
- Updates to the content which explains the LCF to stakeholders and potential applicants who are new to the scheme.

Throughout 2019/2020 we undertook quarterly reviews of the content on the ENTRUST website, regularly updating guidance and 'How To' guides. In March 2020, following the unprecedented change in UK working conditions in relation to COVID-19 (Coronavirus) we issued substantial communications through the website and our email communication system to ensure that stakeholders were clear on ENTRUST working arrangements and the updated guidance, agreed with HMRC, in relation to the LCF and the virus. The COVID-19 guidance was featured in a prominent position on the ENTRUST home page, in order to ensure that all EBs and stakeholders could easily find the guidance.

More widely, throughout 2019/2020 we continued to 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 also 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 an update on the scheme along with key messages and details on our training materials and events. The following shows the annual email communications sent in 2019/2020. All emails are sent to the registered main contact of the EB:

- Quarterly eNewsletters – April 2019, July 2019, October 2019, and February 2020;
- Corporate Plan to Top 150 – April 2019;
- EB satisfaction survey – April – June 2019;

- Annual Report to Top 150/All EBs – July 2019;
- High Risk Project Application Framework – December 2019
- VfM Consultation – January 2020
- Statutory Annual Return (Form 4) communications – January to April 2020
- LCF Guidance in relation to COVID-19; and
- Operational eShots, including Wales closure updates – throughout the year.

In June 2019 we facilitated the annual meeting between HMRC and the Chairs and Chief Executives (CEOs) 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 (sent August 2019). 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. In addition, we continue to work with, and hold regular meetings with, the trade body representing LOs, the Environmental Services Association (ESA).

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 2019 we received 209 responses, which was an increase on previous years' response rates (2018: 179 responses, 2017: 164 responses). The overall level of satisfaction reported for 2019 was 86 per cent, which was the same as recorded in 2018 and 2017. 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 four (agree) or five (strongly agree).

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 2018 were able to provide a response. [The full report is available on our website.](#)

Satisfaction scores for our three core satisfaction measures remain high at:

- 94 per cent agree that they 'understand the role that ENTRUST undertakes as Regulator of the LCF' (2018: 96 per cent);
- 91 per cent agree that 'ENTRUST staff are very professional when dealing with me and my EB' (2018: 91 per cent); and
- 83 per cent agree that 'overall ENTRUST provides high quality services' (2018: 85 per cent).

With these results in mind we developed an action plan to make improvements which was implemented and completed by 31 March 2020. [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 2019 we published our second 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 2018/2019. [The full report is available on the ENTRUST website.](#)

Service improvement and efficiency 2019-2022 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;
- Implemented updated evidence standards for case referrals to HMRC;
- Responded, where required, to the opinion of users and stakeholders of the implementation approach for moving to the online approach to submission of forms;
- Conducted our mid-year contact with EBs asking them to check and update their EB details;
- Communicated with all Governing Members of frozen EBs following six months of no communication with their main contact; and
- Continued to collect stakeholder feedback through our Helpline, Compliance and EB satisfaction surveys.

Progress against measures set in 2019-2022 Corporate Plan

- We contained the number of EBs, contacted under the framework, with administration costs above 7.5 per cent of project expenditure to five in 2019/2020 (five in 2018/2019);
- We reduced the number of EBs, contacted under the framework, with unspent funds at year end, above 1.5 times income received in year, from 32 in 2018/2019 to 19 in 2019/2020;
- The level of unspent funds held by EBs reduced from £55m in 2018/2019 to £46m in 2019/2020;
- We maintained the proportion of EBs using EOL;
- Survey responses increased from 179 responses in 2018 to 209 responses for the 2019 EB satisfaction survey. We increased the survey rate for the Compliance Inspection survey from 34 per cent in 2018/2019 to 53 per cent in 2019/2020. Survey rates for the Helpline survey reduced from 31 per cent in 2018/19 to 19 per cent in 2019/2020.
- We maintained levels of satisfaction with our regulatory services at 86 per cent.
- We met the measure to reduce the number of inspections from 199 inspections in 2018/2019 to 180 inspections in 2019/2020; and
- The number of enrolments on first submission was 21 per cent in 2019/2020.



Batheaston Gardens, Riverside Garden, Ibstock Enover Trust
Photo courtesy of: Ibstock Enover Trust

Milton Keynes BMX Racing Club New Start Gate

Total Project Cost: £23,300

LCF Support: £23,300

Funder: Mick George Ltd, via Grantscape

Completed: April 2019

The purpose built BMX track was built in 1984 at Pineham, Milton Keynes. The old start gate could no longer be used due to safety reasons and the schedule for both training sessions and competitive race meetings had been severely hampered.

The project installed a brand-new UCI (Union Cyclist International) standard barrel start gate, allowing the track to become fully operational again.

As one of the countries most established BMX clubs, boasting more than 350 members from across Milton Keynes and the surrounding counties, it is hoped that the new start gate will enable further success stories associated with the Club, having already had representatives compete at national and international levels.



“The start gate is the heartbeat of the track and forms a vital part of any race. The new addition will bring the track back to life enabling us to actively continue to develop our riders and encourage the local community to get involved. We are over the moon with results and are very grateful to Mick George Ltd for their contribution.”

**Karis Pattinson, Chairman,
Milton Keynes BMX Racing Club**

“Although we’ve supported over 100 different projects through the Landfill Community Fund, this is the first BMX led initiative. It’s pleasing to see that the money is being utilised by a wide range of audiences.”

**Stuart Costello, Marketing Director,
Mick George Ltd**

Photos courtesy of: Milton Keynes BMX Racing Club and Mick George Ltd

2. Delivering Value for Money

As LCF monies are derived from public funds (foregone landfill tax diverted into the LCF scheme) we believe it remains important to demonstrate the value that the LCF delivers to local communities and the wider environment. The information provided by EBs is key in supporting our regulatory activities and to provide Government and other stakeholders with information on the impact, VfM and effectiveness of the LCF. We continued to develop our internal reporting capacity so we can report scheme level data quickly and accurately to HMRC and we continually assess and work with HMRC to publish information which demonstrates the VfM of the LCF.

Scheme Value for Money

In accordance with the ENTRUST/HMRC Terms of Approval (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 October 2019. The data highlights the achievements of the LCF and demonstrates the positive impact of the LCF on communities and the environment.

The report focuses on the expenditure on projects across a three-year period, detailing expenditure by LCF Object and provides 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 their intended aims, improved the lives of people in the community and achieved environmental benefits and whether the project brought people together from different backgrounds.

For the 1,500 projects for which there was a submitted Project Completion form for 2018/2019, EBs reported whether the project had achieved its intended outcome:

	Total for projects in 2017/2018	Percentage of 2017/2018 projects with positive response	Total for projects in 2018/2019	Percentage of 2018/2019 projects with positive response
Achieved intended aims	1,507	99.8%	1,498	99.9%
Improved the lives of people in the community or achieved environmental benefits	1,446	95.8%	1,454	96.9%
Brought together people from different backgrounds	1,134	75.1%	1,144	76.3%

You can read the full [VfM report on our website](#). The report with 2019/2020 data will be published in September 2020.

Value for Money consultation

In the 2019-2022 Corporate Plan we outlined our plans, following the development work undertaken with the Association of Distributive and Environmental Bodies (ADEB) in 2018/2019, to continue to discuss alternative measures of value for the LCF and to undertake a consultation with EBs. The purpose of the consultation was to seek the view of stakeholders on the current VfM questions asked as part of the Project Registration Form (Form 2) and the Project Completion Form (Form 9). Specifically, we sought the views

of EBs on whether revisions to the current VfM questions, or the way they are structured, are necessary to appropriately measure the VfM delivered by projects funded through the LCF. A survey to seek these views was launched in January 2020.

ENTRUST is reviewing the feedback and suggestions received and it is expected that publication of the final Consultation report will take place during 2020/2021.

Benchmarking EB performance

In 2017/2018, based on the feedback of EBs, and in consultation with ADEB, 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 third set of benchmarking data in May 2019. 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 of Contributing Third Party (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;
- Report their performance against sector benchmarks to their own Directors or Trustees; and
- Identify where actions could be taken by EBs to improve performance on individual measures.

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.

The full 2019/2020 [Compliance and Enforcement Findings report can be read here on our website.](#)

Communications

During 2019/2020, following an internal review of our Communications activity, and after discussion with HMRC, we updated the scope of the LCF case studies which are published on the ENTRUST website. Within the reporting year we published four new case studies, including two very large projects – the National Army Museum and Norwich Castle. Our objective continues to be to showcase the VfM that the LCF can bring to local communities and the environment across a diverse range of quality projects – whether this be for a project that

has received just a small sum of money but has a big impact on the local community, to projects which receive in excess of £1m and allow the wider project to leverage far greater funds and have an impact at national level, as well as for the local community. We also continue to showcase the breadth and depth of the LCF through case studies in this annual report and you can read about three projects in this report on pages 16, 20 and 22.

The Information and Networking Forum (INF) brings together EB staff and volunteers to meet with ENTRUST, network and share best practice across all areas of the LCF – not just communications. It is particularly felt to be beneficial as some EBs have just one or two members of staff, and the INF's opportunity to network provides VfM by harnessing the experience and skills across the sector. During 2019/2020 the INF met for one formal meeting. A further planned meeting was postponed due to the Budget moving from Autumn 2019 to Spring 2020.

The statistics page of the ENTRUST website is updated live from EOL data on an hourly basis and includes the latest figures for all stakeholders interested in the LCF. This includes the total number of enrolled EBs at present and the total number who have received funding from the LCF. It also includes a cumulative count of the contributions that LOs have made to the scheme since its inception (at May 2020 this is £1.69 bn). The page also shows the total number of projects which have been approved, completed and are currently underway within each LCF Object category – this enables all stakeholders to see, in real time, the difference that the LCF has historically, and continues to make, to local communities and the environment.

Throughout 2019/2020 we continued to ensure that the information on our website and through our other communication channels relating to the LCF, including 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 2019/2020. Through our quarterly eNewsletters we continued to share key information to stakeholders and all of those interested in the LCF.

Delivering VfM of the LCF 2019-2022 Corporate Plan actions

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

- In May 2019 we published our third set of benchmarking data to enable EBs to assess their own performance against a series of sector-wide measures;
- In January 2020 we commenced the VfM Consultation regarding the questions asked in the Project Completion form (Form 9);
- We published a VfM report, agreed with HMRC, in October 2019; 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 2019-2022 Corporate Plan

- The return rate for the Project Completion Form (Form 9) was 99.3 per cent for projects completing in 2018/2019; and
- We chaired one LCF Information and Networking Forums.



Yate Hockey Pitch, surface replacement
Ibstock Enover Trust and Enover Community Trust
Photo courtesy of: Ibstock Enover Trust and Enover Community Trust

Teigngrace Meadow Nature Reserve, Wildflower project

Total Project Cost: £20,000

LCF Support: £20,000

Funder: Devon Wildlife Trust, funded by Viridor Credits Environmental Company

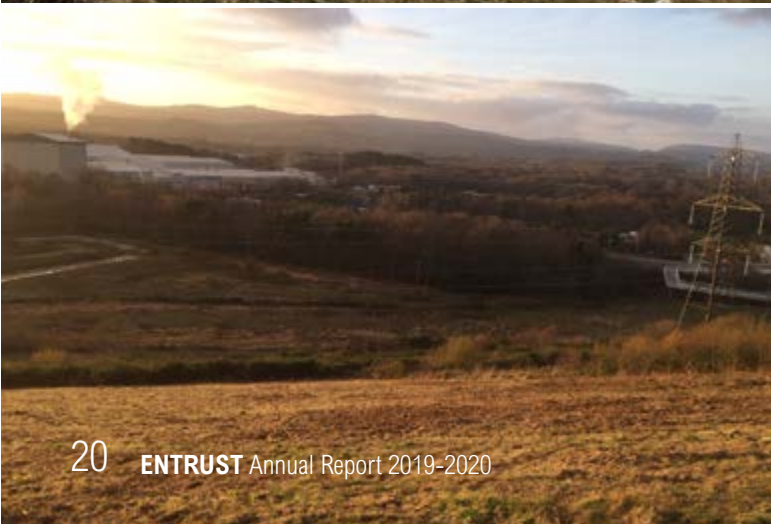
Completed: January 2019

The project set out to protect and enhance species-rich grassland habitat at Teigngrace Meadow nature reserve. Since its restoration as lowland meadow, gorse and scrub had taken over much of the former quarry site.

The project involved invasive scrub removal, together with the facilitation of grazing to prevent scrub regrowth and to encourage diverse and colourful wildflower displays.

The grazing infrastructure included installing fences and gates; a pumped water supply from the River Bovey to a new tank on the reserve's plateau area; and gravity-fed pipework, drinking troughs and livestock operated pasture pumps enabling various areas to be grazed independently.

The nature reserve is open to the public 365 days a year and is free to visit.



“Funding from Viridor Credits Environmental Company has allowed us to make some key changes which will help local wildlife. The provision of a water supply and stock-proof fencing has meant we’re now able to bring cattle on to the reserve. In turn the cattle are providing us with a valuable ‘workforce’. Their grazing will keep in check the rough grasses and scrub which could otherwise overwhelm the site and dominate the orchids and other wildflowers that grow here.”

Andy Bakere, Devon Wildlife Trust

Photos courtesy of: Devon Wildlife Trust

3. 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, commencing a two year transitional closure period which concluded on 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 end of the first year of the transitional period, we submitted our second Wales closure progress report to HMRC by 30 June 2019. 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 2019.

Throughout 2019/2020 we continued to implement our Wales communications plan, including informing EBs about the closure and key information such as the requirement to register any new projects in Wales by 30 September 2019 and complete all projects and spend or transfer all remaining LCF funds by 31 March 2020. In the 2019 EB Satisfaction Survey 78 per cent of EBs operating in Wales agreed they had received sufficient information from ENTRUST regarding the closure of the LCF in Wales, with the remaining 22 per cent neither agreeing nor disagreeing. No EB disagreed.

The scheme closed in Wales on 31 March 2020. All funds were reported as spent and all projects reported as completed at that date through the Statutory Annual Returns at 28 April 2020. The final expenditure is subject to final compliance checking and a closure report will be provided to HMRC by 30 June 2020.

50 Welsh EBs applied for voluntary revocation during the second year of the transitional period following the closure of the scheme. As at 1 April 2020 there were 79 enrolled EBs based in Wales, including six who have requested voluntary revocation since the last ENTRUST Board meeting and one Frozen EB.

Following the closure of the scheme in Scotland, ENTRUST proposed, and HMRC agreed, that all Welsh EBs who remain enrolled at 31 March 2020 will have automatic cessation of their enrolment, unless the EB informed ENTRUST by 30 September 2019 of their intention to remain and operate in England and/or Northern Ireland. No EBs stated such an intention and therefore all remaining EBs, based in Wales, will have their enrolment automatically ceased following a final compliance review of the activities of the EB, assuming there are no outstanding issues, during quarter one of 2020/2021. However, EBs in Wales who are frozen, for failure to complete their Statutory Annual Return, will not be eligible for the automatic cessation of their enrolment and will be subject to normal enforcement action during 2020/2021.

Scheme closure in Wales 2019-2022 Corporate Plan actions

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

- Continued to deliver our reporting schedule to HMRC about the closure of the LCF in Wales and submitted our Wales closure report to HMRC in June 2019;
- Updated information, advice and guidance on the ENTRUST website relating to the closure of the scheme in Wales; and
- Throughout 2019/2020 we implemented our communications plan to inform and update EBs about the closure of the scheme in Wales.

Progress against measures set in 2019-2022 Corporate Plan

- We reduced the reported value of remaining LCF funds in Wales from £800,000 at 31 March 2019 to nil at 31 March 2020;
- 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; and
- 50 EBs in Wales voluntarily revoked from the scheme in 2019/2020 and the remainder will be subject to automatic cessation of enrolment during the first quarter of 2020/2021, if they have completed all of their statutory obligations.

The Hamlet at Three Sisters Recreational Area, Wigan

Total Project Cost: £65,000

LCF Support: £50,000

Funder: Enover Community Trust

Completed: March 2019

Based at one of Wigan's beauty spots, The Three Sisters Recreational area, The Hamlet has been set up by Hope School and College in Marus Bridge, thanks to a grant of £50,000 from Enover Community Trust.

The community enterprise provides young adults with additional needs aged 19-25 the opportunity to train for voluntary or full-time work. Trainees run a number of small businesses on the site, including a community café, printing business and conference venue, gaining important skills and experience through work-based learning.

In addition to providing young adults with additional needs the opportunity to learn vocational skills for future employment, The Hamlet provides the community with important and valued public facilities at one of Wigan's most popular and well-used beauty spots. The Hamlet was officially opened by HRH Prince Edward, Earl of Wessex in November 2019.



“We are extremely grateful to Enover Community Trust for its generous grant, which has turned our vision for The Hamlet into a reality. With this facility we are now providing our trainees with work experience and training in vocational skills that will help them to find employment, while also delivering a valuable facility for the whole community to enjoy.”

**Gemma Crompton, Head of Provision
Hope School and College**

Photos courtesy of: Enover Community Trust

4. Organisation

In delivering our statutory role, our overarching strategy is to remain a lean, efficient and effective regulator whilst providing appropriate levels of support and advice and guidance to EBs and effective levels of assurance to HMRC on the compliant spend of LCF monies by EBs. Our 2019-2022 Corporate Plan considered that the 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 TOA, and to mitigate the risk of financial loss to the Exchequer by providing HMRC with independent assurance.

In 2019/2020, to utilise our staff most effectively, we continued to ensure that staff were multi-skilled across teams – developing a cross-skilled organisation, which can share resources and staff members across teams, for example Inspectors being able to undertake Registrations work to increase our business resilience and flexibility in our business models.

In light of the COVID-19 outbreak ENTRUST implemented our Business Continuity Plan (BCP) in March 2020. Where possible, our staff began working from home, in line with the UK Government (UKG) and Public Health England (PHE) advice. As a 24/7 e-enabled business, ENTRUST had already built into its operating model sufficient business resilience to move from office to home working with minimal disruption and impact. We believe this framework has enabled us to continue to fully regulate the LCF in accordance with the requirements of the TOA and Corporate Plan. We also consider that the positive feedback that we have received from our stakeholders provides independent feedback to support our position.

Our reported operating surplus after interest and taxation for 2019/2020 is £150k (2018/2019: £155k). The following table provides a more detailed breakdown of our financial 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:

	2019/2020 £'000	2018/2019 £'000
Turnover	1,206	1,185
Cost of regulatory activity	(1,073)	(1,045)
Operating surplus	133	140
Interest less taxation	17	15
Operating surplus after taxation	150	155

Breakdown of LCF by EB country (as at 31 March 2020)



Cyber security and complying with Data Protection

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 2019/2020 we continued to undertake the following measures to mitigate the risk of a cyber attack on our systems by:

- Providing key statistics to the Board on the operation of our multi-layered defence to cyber-attacks;
- Undertaking an annual self assessment of cyber security arrangements against the National Cyber Security Centre's (NCSC) guidance; and
- Ensuring we remained Cyber Security Certificated by using an independent accreditation provider to monitor our internal controls.

The European Union (EU) General Data Protection Regulation (GDPR) was approved by the EU Parliament on 14 April 2016 and became law in all EU countries on 25 May 2018. GDPR replaced the United Kingdom (UK) Data Protection Directive 95/46/EC and was created to bring all data privacy laws across Europe into harmony. Furthermore, on 25 May 2018, the UK's third generation of data protection law, the Data Protection Act 2018 (DPA 2018), received Royal Assent. The GDPR and DPA 2018 sit side by side. In the UK the Information Commissioner's Office (ICO) is an independent authority who upholds the UK legislation relating to Data Protection and other public information rights.

In addition to being a legal obligation for all businesses in the UK, GDPR and the DPA 2018 are key to the ENTRUST/HMRC TOA. ENTRUST is designated under the 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.



Morton-Arthur Radford Ground Play Area, FCC Communities Foundation

Photo courtesy of: James Dymond

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)	99.3%	✓
1.3	Undertake a customer satisfaction survey by 31 August 2019. Use the findings to improve EBs' level of satisfaction with our services with identified improvements included in an action plan developed by 31 December 2019.	31 August 2019	Our annual EB satisfaction survey closed in July 2019 and the findings were published in September 2019 An action plan was published in September 2019 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 2019/2020 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.	One third of active EBs	180 EBs were inspected, meeting 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 2019.	99%	99.5% of funds were reported by 28 April 2019 and all funds were reported by 9 May 2019.	✓
4	Deliver value for money			
4.1	Following the implementation of our e-delivery policy, maintain the proportion of Forms 2, 3 and 7 submitted online at 100 per cent in 2019/2020.	100%	100%	✓
4.2	Ensure the proportion of Statutory Annual Returns (Form 4) received online is 90 per cent or above.	90%	99.9%*	✓
5	Report to HMRC by 31 July 2019 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 2019 Conducted 180 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 2019 – March 2020

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 four 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

*All Board and Committee meetings in March 2020 were held by conference call.

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

Board meetings*

96%
attendance

General purposes*

96%
attendance

Audit*

100%
attendance

Human resources and remuneration*

100%
attendance



ENTRUST

Regulating the Landfill Communities Fund
Benefiting people and the environment

www.entrust.org.uk



St Mary's Church, Lychgate, Washfield, Viridor Credits Environmental Company
Photo courtesy of: Viridor Credits Environmental Company