



# **ENTRUST Corporate Plan**

## **2020-2023**

## Chair and Chief Executive's Summary

ENTRUST's 2020-2023 Corporate Plan sets out the activities which we consider are key to ensuring that ENTRUST provides HM Revenue & Customs (HMRC) with independent assurance that Landfill Communities Fund (LCF) monies are spent in compliance with the Landfill Tax Regulations 1996 (Regulations). It also sets out the delivery of our services as an efficient, proactive and robust regulator. Finally, it recognises the positive change in behaviour of Environmental Bodies (EBs) in complying with two of HMRC's key strategic priorities for the LCF:

- Reducing EB administration costs to below the recommended guidance of 7.5 per cent of annual project expenditure; and
- Reducing the level of unspent funds held by EBs.

The following themes provide a basis for the delivery of improvement of our regulatory services for the same cost base, across the lifetime of this plan:

### Service improvement and efficiency

In 2020/2021 we will maintain our 'coaching to compliance' ethos by focusing on the stakeholder experience that we offer to EBs and minimising the administration burden on them. In achieving this objective, we will continue to use innovative methodologies in developing our service levels based on identifying best practice and consulting stakeholders at every opportunity.

Aligned to this approach, we will continue to operate a streamlined system and ensure our operations are transparent, building upon our work in previous years. We consider it essential that all stakeholders have the information they need to participate in the LCF. We will support stakeholders through the use of ENTRUST Online (EOL), by providing written guidance, telephone support and updates to ensure ease of use. We will also:

- Provide updated information to HMRC, under the published framework, on EBs administration costs and the level of unspent funds they hold;
- Implement pre-registration project visit and inspection criteria to allocate our resources to the areas of highest risk;
- Utilise our risk model and risk-based compliance approach to inspect at least one third of active EBs to monitor compliant spend;
- Publish our annual self-assessment against the ENTRUST Regulator Standards (ERS) and maintain strong self-scrutiny of our operations through our internal Quality Management System (QMS);
- Undertake mid-year contact with EBs asking them to check and update their EB details;
- Communicate with Directors, Trustees and main contacts of frozen EBs following six months of no communication from the main contact; and
- Undertake all feedback surveys – helpline, compliance, and satisfaction.

Vital to our service improvement and efficiency is our innovative stakeholder engagement plan which includes positive partnering relationships between the ENTRUST Board members and Chief Executive (CEO) and the Boards and CEOs of our largest stakeholders. We will also continue to facilitate an annual engagement meeting between these stakeholders and HMRC.

## Delivering Value for Money (VfM)

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. To support this, we will:

- Facilitate the Information and Networking Forum (INF) for EBs to meet and share ideas and best practice;
- Publish annual benchmarking data for EBs;
- Report on Statutory Annual Return (Form 4) data and contribution (Form 3) data to HMRC;
- Publish quarterly compliance and enforcement activity and feedback;
- Update ENTRUST's Economic Impact Assessment (EIA) framework, which allows an objective assessment to be made of the added value that the LCF brings to communities and the environment;
- Publish an annual Value for Money (VfM) report, agreed with HMRC; and
- Conduct a quarterly review of the ENTRUST website to ensure all information is current and accurate.

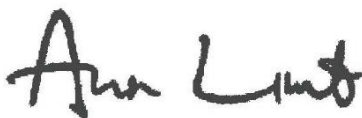
## Scheme closure in Wales

Following the end of the transitional period for the closure of the LCF in Wales on 31 March 2020, we will complete our regulatory activities. We will then be able to provide assurance to HMRC that all LCF monies in Wales have been spent compliantly, and all Welsh organisations enrolled in the LCF have either revoked from the scheme, had their enrolment ceased or specifically requested to remain to complete projects in England and/or Northern Ireland.

## Organisation

Our organisational structure remains an effective and efficient configuration with which to undertake regulation of the LCF. To utilise our staff most effectively, we ensure that they are multi-skilled across teams. In 2020/2021 we will:

- Continually seek methods to improve and increase our regulatory assurance to HMRC whilst minimising our resource requirement;
- Ensure we maintain our compliance with the Data Protection Act (DPA 2018), General Data Protection Regulation (GDPR) and the Privacy and Electronic Communications Regulation (PECR); and
- Undertake our annual self-assessment and external verification of our cyber security arrangements and ensure we remain cyber certificated.



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



**Christopher Welford**  
Chief Executive, ENTRUST

# 1. Service improvement and efficiency

As an effective, efficient and lean regulator, our Corporate Plan for 2020-2023 sets out the activities which we consider are key to the delivery of our regulatory services across this Corporate Plan period. This Corporate Plan has been developed taking into account the positive responses from our 2019 EB Satisfaction Survey and feedback from our stakeholders throughout the year.

In 2020/2021 we will maintain our 'coaching to compliance' ethos by focusing on the stakeholder experience that we offer to EBs and by minimising the administration burden on them. In achieving this objective, we will continue to use innovative methodology in developing our service levels based on identifying best practice and consulting stakeholders at every opportunity.

Aligned to this approach, we will also continue to operate a streamlined approach and ensure our operations are transparent, building upon our work in previous years. We consider it essential that all stakeholders have the information they need to participate in the LCF. We will therefore support our stakeholders through the use of ENTRUST Online (EOL), by providing written guidance, telephone support and updates to ensure ease of use, in particular as we have completed the transition to 100 per cent e-delivery of our services.

## 1.1 Monitoring of levels of EB administration costs

HMRC has set as one of its key strategic objectives for the LCF that the level of administration costs incurred by EBs, should be at, or below 7.5 per cent of annual project expenditure. In 2018/2019 we updated our framework for supporting EBs to achieve this target. While this target has been achieved at sector level there remain a small number of EBs whose administration expenditure exceeds 7.5 per cent and we will focus our resources to promote achievement of this target.

## 1.2 Reducing the level of unspent funds

HMRC has also advised ENTRUST that another of its key strategic priorities relates to the year on year reduction in the level of unspent funds held by EBs. We updated our framework to review the level of unspent funds held by EBs and in 2018/2019 introduced the guidance level that for an individual EB, unspent funds held at the yearend should not exceed 1.5 times the income received by the EB in that year. The guidance level was reviewed against all EB Statutory Annual Returns at March 2019 and individual EBs were challenged to take further action where necessary. This target has been achieved at sector level.

In 2020/2021 we will target our resources at the small number of EBs which have not reduced the value of their LCF funds and have breached the guidance level, or are holding excessive unspent funds to ensure that they have plans to spend the money for the benefit of local communities within guidance timescales. While much progress has been made by many EBs in this area, there remain a number of EBs which ENTRUST will work with during the year to achieve this target.

## 1.3 Enrolment of EBs

We will continue to enrol eligible organisations as EBs within five working days. We are committed to ensuring that we adopt a proactive approach to enrolments by offering a bespoke service to organisations to ensure that the application process runs smoothly. In achieving this objective, we have invested resources for those seeking to enrol with ENTRUST improving the range of training materials and guidance available digitally on our website.

In addition to this service, we will maintain our support for EBs by providing a wide range of materials whilst monitoring the effectiveness of this approach to ensure we remain innovative and identify if there are further opportunities for the development of our service. Following the removal of the paper enrolment form (Form 1) in April 2019 as part of our e-delivery strategy we will continue to offer support to EBs in utilising the online form.

We will process enrolments via our risk assessment approach, which we updated in 2019/2020, to ensure that any potential risks with a new organisation enrolling as an EB are identified and addressed at an early stage. Whilst we believe that our enrolment process remains fit for purpose in ensuring that any risks are identified and handled at an appropriate time, we operate a continual review approach, to ensure that the enrolment process remains innovative, responsive, flexible and agile, as appropriate.

## **1.4 Project applications**

We will continue to register eligible project applications within five working days. We offer a range of tailored guidance and materials for EBs to aid them through the project registration process and we also provide a bespoke tailored support service to help EBs register a project.

Following the introduction of our updated project registration framework from 1 April 2019, which was reviewed and updated in December 2019, in 2020/2021 we will focus on ensuring that any potential risks to the fund from non-compliant project spend are proactively mitigated and managed. Our overarching focus is to minimise the risk of non-compliant project spend and we will therefore keep under review our processes and procedures to deliver this key objective.

Following our review of the Form 2 in 2019/2020, we will identify any further opportunities to improve the form in order to remain flexible in how we collect project data from applicants.

We will also maintain our 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. Our project registration framework remains part of our overall commitment to ensuring that the process captures any risk and addresses it by seeking more information at the project registration stage. This information is then actively used in the Compliance process in ensuring that the project that took place matches what was approved.

In 2020/2021, we will further develop criteria by which any projects considered high risk are visited, and reviewed to provide further assurance as to their eligibility. These visits will be targeted at certain projects in development and will act in conjunction with the compliance inspection programme in order that we continue to deliver a Value for Money (VfM) service.

## **1.5 Enquiry handling, information, advice and guidance**

As part of our ongoing commitment to customer service and satisfaction in December 2019 we reviewed and updated the ENTRUST Customer Charter and standards of service. As ever we continually strive to improve our enquiry handling and we will focus on swift and accurate responses, processing all email Helpline enquiries within 24 working hours. Our monthly Helpline Satisfaction Survey receives consistently high satisfaction scores and allows us to respond quickly to feedback from stakeholders.

Our guidance manual is a key resource for us and EBs and one of the areas where we value and recognise the important contribution that EBs can make is when we review and update the Guidance

Manual. Feedback from EBs allows us to provide clear and consistent guidance that is understood by all end users. To ensure that our guidance complies with the Regulations and meets EB needs, we continually review the manual and as part of this process, we take into consideration EBs' feedback. This feedback is received from all of our interactions with EBs and all comments are recorded on a central list. We welcome feedback at any point and not just through formal routes and we record and act on any feedback.

## **1.6 Training**

We consider that it is essential, as an open, flexible and transparent regulator, to offer EBs and other stakeholders the opportunity to visit ENTRUST, meet with staff and have an open forum to ask questions and seek advice. This core objective, along with our 'coaching to compliance' ethos, informs the development of our training strategy. In 2020/2021, we will provide a small number of face-to-face training sessions to meet demand from EBs, particularly organisations new to the scheme, or individuals new to existing EBs. Our training courses can be held either at ENTRUST offices, or at an EB's location if there is sufficient demand. We also operate an open-door policy at ENTRUST welcoming EBs at any time to discuss any areas of the LCF and to meet our staff.

We maintain a suite of training resources and 'How to' guides on our website to help EBs when interacting with the scheme. This suite of documents is now considerable and we will ensure these remain accurate and relevant. Furthermore, in order to remain innovative and proactive, we will create new guidance materials as and when opportunities arise. In 2020/2021, we will review our training strategy and our offer to ensure that it remains cost effective and well used by EBs and drives continuing levels of compliance with the scheme requirements.

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

## **1.7 Inspection process**

We are required under Regulation 33 (1) (i) to satisfy ourselves, by reference to records, or other documents, or information held by EBs, that qualifying contributions received by EBs have been spent only in the course, or furtherance, of the Regulations and the EB's approved objects. Under the Regulations and the Terms of Approval (TOA), we are required to provide HMRC with independent assurance that all LCF monies have been spent compliantly. To support this objective, we operate an annual schedule of targeted risk-based compliance inspections of EBs and project sites, which is fundamental to our approach in meeting these statutory requirements. This schedule utilises our risk model and risk-based compliance approach to inspect at least one third of active EBs to monitor compliant spend, as per the Key Performance Indicator (KPI) agreed with HMRC.

We regularly review the scope of our inspections to ensure that we maintain appropriate coverage to take into consideration all of the key risks and requirements of the LCF scheme, making sure that we maximise the use of data already available to us and at the same time minimise the amount of additional documentation we require from EBs.

In 2019/2020 we introduced a secure document upload facility via EOL for EBs to provide documents to us in a safe, cost-effective and timely manner, further minimising the impact of inspection on EBs.

Review of compliance issues arising from previous inspection programmes has identified that the levels of assurance which we can obtain and our ability to identify and address issues of non-

compliance within the LCF scheme is improved by conducting a greater number of physical inspections to project sites. This is an area of our work, which we intend to update during 2020-2023 through the introduction of:

- A project mapping system which will allow ENTRUST to efficiently target inspection resources to projects of greatest risk; and
- A project assessment process identifying the potential risk of non-compliance.

## **1.8 Enforcement case activity**

ENTRUST manages cases of non-compliance according to our enforcement framework which is published on our website. This framework and the underlying processes and principles are reviewed periodically to ensure that our approach to cases is agile, fit for purpose and meets the standards we have agreed with HMRC, which were reviewed and updated in 2018/2019. These enhanced standards focused on ensuring our enforcement and referral activity adhered to up to date best practice principles.

All enforcement cases are subject to ongoing case management review to ensure that any misuse of funds is put right as soon as is practicable and money is returned to the scheme to be used on a compliant project for the benefit of the environment and communities.

We will continue to manage the portfolio of cases working with other stakeholders such as the police and other regulators as appropriate, to bring cases to a close with lost funds recovered either through the EB, or Landfill Operator (LO) repaying funds voluntarily or via claw-back proceedings which recover the tax credit from the LO following a case file referral to HMRC. We only use our powers to refer cases to HMRC to consider forcible revocation of the EB and claw-back under circumstances where no agreement on required actions can be reached or agreed actions are not taken in a relevant timescale.

We continually review our approach to enforcement cases to identify areas of improvement in how we handle non-compliant use of LCF monies. As a flexible and agile regulator, we always strive for innovation in our case handling processes to enhance the assurance level whilst minimising the risk of loss of LCF funds. We further enhance the enforcement case handling process by incorporating earlier intervention wherever possible, which we believe mitigates the loss to the Fund. We will also review if there are opportunities to enhance our work with LOs in relation to enforcement cases with the aim of directly mitigating their risk for potential claw-back.

## **1.9 Regular enforcement activity**

We will continue with our established monthly monitoring of:

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

We will bring any corrective actions required by EBs to their attention through Advice and Guidance, Warning and Enforcement letters where necessary in accordance with our published enforcement framework. We will review our processes and procedures to ensure that our enforcement activity



meets the aim of reducing the incidences of non-compliance and ensuring that LCF monies are monitored and accounted for correctly.

## **1.10 eDelivery**

In our 2017-2020 Corporate Plan, we set out a three-year plan to migrate to 100 per cent online reporting and eDelivery of our services through EOL and the final paper form was removed in April 2019. In 2020/2021, we will undertake a post evaluation of our e-delivery of services and if required make any changes for the organisations and individuals who may not possess the relevant skills to use an e-delivery system and ensure that it delivers VfM.

In 2019/2020 we updated the operating system for EOL to ensure it remains robust and secure and interfaces with the latest browsers and operating systems used by EBs. We will keep this under review and actively manage our stakeholders ongoing experience of EOL.

## **1.11 Statutory Annual Returns (Form 4)**

The agreed HMRC KPI for 2017/2018 and 2018/2019 was updated to state that ENTRUST will ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return by 28 April. The Form 4 strategy worked well, delivering against this target with 99.5 per cent of funds reported by the deadline for 2018/2019 returns. We will review the strategy for Annual Returns to further consider areas for improvement.

We will undertake our mid-year communication plan to ensure that EB information and Director details are up to date, to ensure that out of date records do not impact on the service we are able to offer our stakeholders during the Statutory Annual Return period. Furthermore, following the successful trial in 2018/2019 of an additional Advice and Guidance letter sent to all EB Governing Members of 'Frozen' EBs following lack of communication from their main contact, we will include this within our Form 4 strategy to encourage a return to compliance.

Following the success in recent years of our targeted Form 4 email communication campaigns we will maintain our strategy of segmenting our communications. This includes segments and different key messages for EBs with funds, versus EBs not holding funds. Additionally, we will continue to undertake a flexible and agile approach to segmenting our email communications according to whether EBs have started/not started their Statutory Annual Return and offer reminders regarding the deadline of 28 April, thus ensuring that EBs are aware of their obligations and our expectations of them. In order to meet the KPI of 99 per cent of funds reported we will support our email communication towards the end of the reporting period with one to one support by telephoning funded EBs who our records show have not yet started a return.

## **1.12 Communications**

Our communications activity is undertaken to support our operational and regulatory activity. Through our website, email communication and training support materials we provide information, advice and guidance to support EBs when undertaking their LCF activity. We also provide information for those new to the scheme, which enables them to assess whether their organisation and projects comply with the Regulations. Following stakeholder feedback, we will update the information available on the ENTRUST website to help those new to the scheme to understand how it operates and whether they are eligible for LCF funding. Through our funders search prospective applicants are able to find potential funders for their project.



In 2019/2020 our website software became end of life. Following a competitive tendering exercise, we appointed a preferred supplier to upgrade the existing ENTRUST website, which was completed in February 2020. This has allowed us to future proof the technology, whilst providing minimal disruption to stakeholders at a low cost to our financial resources, offering the best possible VfM.

In addition to the information available 24/7 on the ENTRUST website, we also undertake specific communication activities to support the regulation of the fund. We use our email communication system to communicate directly with the main contacts of EBs where there have been changes, or updates to guidance and also for specific activities such as our Statutory Annual Return Communications Strategy.

We also distribute a quarterly eNewsletter, which provides an update on the scheme along with key messages and updates on our training materials and events. The following outlines our annual email marketing communication schedule for 2020/2021:

- Quarterly eNewsletters – April 2020, July 2020, October 2020, and January 2021;
- Corporate Plan to Top 150 – April 2020;
- EB Satisfaction Survey – May – June 2020;
- 2019/2020 Annual Report to Top 150/All EBs – July 2020;
- Publication of EB Satisfaction Survey – October 2020;
- Budget Landfill Tax Briefing – November/December 2020;
- Statutory Annual Return (Form 4) communications – January to April 2021; and
- Operational eShots – throughout the year.

### **1.13 Stakeholder Engagement**

Vital to undertaking our service improvement and efficiency is our innovative stakeholder engagement plan which includes positive partnering relationships between the ENTRUST Board members and CEO and the Boards and CEOs of our largest stakeholders, through a series of targeted meetings and discussions. We will facilitate an annual meeting between HMRC and the Chairs and CEOs of the largest EBs. This will be supported by our quarterly briefing notes which include a summary of work undertaken, or upcoming, that we believe Chairs should be aware of and further supports the face to face communication work undertaken by our CEO and Board members.

In August 2019, we published the third annual briefing note for LOs who have contributed to the LCF in the last three financial years. This briefing note was also published on our website. We will retain this in 2020 as we believe it provides a vital opportunity to increase LO awareness of the scheme, relevant guidance for LOs following the Government's reform of the LCF, their financial responsibilities and the risk to LOs of 'claw-back' by HMRC in the event of EB non-compliance. In addition, we have been working with the trade body representing LOs, the Environmental Services Association (ESA) and we will hold an annual meeting between ENTRUST and ESA.

### **1.14 Measuring satisfaction**

We remain committed to gathering the feedback, thoughts and opinions of our key stakeholders on the quality and performance of our services through the annual EB Satisfaction Survey, retaining key benchmarking questions in order that we can compare our performance year on year. Our annual EB Satisfaction Survey sits alongside our other stakeholder feedback surveys, which include the Compliance Review feedback and the Helpline feedback surveys. We always review the outcome of

the satisfaction survey and create a published action plan for improvement based on the feedback received.

## 1.15 ENTRUST Regulator Standards (ERS) assessment

ERS comprise 31 standards under seven areas, which were updated in 2018. These standards encompass the regulatory work undertaken by ENTRUST and reflect the standards detailed in the Regulators' Code. We will continue to assess our regulatory services against the ERS in 2020/2021 to ensure that we are appropriately and responsibly carrying out our regulatory duties on behalf of HMRC and publish our self-assessment against the standards.

## 1.16 Key outcomes

### Actions:

- Under the agreed framework we will provide updated information to HMRC on EBs administration costs and the level of unspent funds that they hold;
- Implement the pre-registration project visit and inspection criteria to allocate our resources to the areas of highest risk;
- Utilise our risk model and risk-based compliance approach to inspect at least one third of active EBs to monitor compliant spend;
- Publish our annual self-assessment against ERS and maintain strong self-scrutiny of our operations through our internal Quality Management System (QMS);
- Undertake a mid-year contact with EBs asking them to check and update their EB details;
- Communicate with Directors, Trustees and main contacts of frozen EBs following six months of no communication from the main contact; and
- Undertake all feedback surveys – helpline, compliance, and satisfaction.

### Measures:

- Reduction in the number of EBs with administration costs above 7.5 per cent of annual project expenditure and sector level performance below 7.5 per cent;
- Reduction in the number of EBs with unspent funds at yearend above 1.5 times income received in year and sector level performance below 1.5;
- Year on year reduction in the value of uncommitted funds held by EBs;
- Maintain the percentage of EBs using EOL;
- Increase survey return rates and maintain satisfaction rates with our services;
- Increase the number of risk-based project site visits; and
- Increase enrolments on first submission.

## **2. Delivering Value for Money of the LCF**

It remains important to demonstrate the value that the LCF delivers to local communities and the wider environment. In March 2018 we shared with EBs the updated economic impact assessment framework we had developed. This followed on from the original framework which was published in 2015. In 2020/2021 we will further review the framework to ensure that the published indices for evaluating economic impact remain up to date and relevant to the scheme.

Since 2016/2017 we have published data collected via project completion forms (Form 9), showing what has been achieved by projects completed in any particular operating year. Since 2017/2018 to increase sector transparency we have published anonymised data about the performance of EBs against key scheme metrics to enable EBs to effectively benchmark their own performance and assist with identifying areas for action, including overall costs.

### **2.1 Scheme Value for Money**

In accordance with the TOA and the Reporting Schedule agreed between ENTRUST and HMRC, we provide HMRC with an annual VfM report. Since 2017 we have published an annual report which summarises the VfM reporting data, taken from the project completion form (Form 9), for the LCF. The report contains an analysis of data collected regarding LCF monies which have been invested across three financial years, detailing expenditure by 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.

In 2020/2021, we will publish the latest VfM data, and ensure that it is shared with all EBs and interested stakeholders through news items on the ENTRUST website and through our quarterly eNewsletter. Publishing this data encourages understanding of the LCF and demonstrates the value that the LCF delivers to local communities in a transparent manner.

In 2019/2020, we undertook a consultation with EBs regarding the VfM data we collect through the project completion form (Form 9) to ensure that it remains useful and the most appropriate measures for assessing the impact of the scheme. The results of this consultation will input into the VfM report from 2021/2022 onwards.

### **2.2 Benchmarking EB performance**

We continue to publish sector-wide benchmarking data on the ENTRUST website and include the EB's own data in their individual compliance inspection reports. We will further review the data we collect on the operation of the LCF and seek to improve the benchmarks available to EBs by including additional data where possible, which is relevant and helpful to stakeholders in improving the operation and transparency of the LCF.

We will also encourage EBs to engage with the benchmarking information by both assessing themselves against benchmarks and by publishing their own data to inform other EBs and to enable the sector to demonstrate good practice, whilst continuing to tackle HMRC's strategic priorities to reduce administration costs and levels of unspent funds held.

## 2.3 Contributing Third Party (CTP) payments

LOs receive a tax credit of 90 per cent of their contributions – the remaining 10 per cent is either met by the LO or the LO can ask for a CTP to pay the shortfall or a portion of it. LOs are expected to absorb some or all of this 10 per cent shortfall themselves. Some LOs request project applicants to make a CTP payment of over 10 per cent to allow for the fact that there is no CTP mechanism for contributions used for the ENTRUST levy payments and EB administration costs. This practice is subject to monitoring via the compliance inspection process.

In 2020/2021, we will continue to monitor CTP requests through Form 3 LO contribution data, Form 9 project completion data and through compliance inspections.

## 2.4 Publishing non-compliance

ENTRUST is committed to the principles of Better Regulation. As an open and transparent organisation, we publish our recent compliance findings and enforcement activity on our website on a quarterly basis. This approach forms part of our framework to support EBs by offering the appropriate level of advice and guidance wherever needed. We have continued to refine this report to make it more useful to EBs and to provide guidance on how to avoid the common areas of non-compliance. As ever, we will seek feedback from EBs as to whether this level of information is helpful and also look at the impact it has on reducing non-compliance in the sector.

In 2020/2021, we will highlight the compliance inspection and review findings and recommendations in our quarterly eNewsletter signposting to relevant resources to help EBs maintain compliance. We will also feed any common issues of non-compliance into our training processes and resources, in order to ensure EBs have the information to maximise the potential for compliance.

## 2.5 Information and Networking

Across the life of this Corporate Plan we will continue to offer EBs the opportunity to network and share best practice, by facilitating the INF which replaced the previous Communications Forum in 2017/2018. The forum provides ENTRUST with an opportunity to support EBs and to provide information, advice and guidance alongside an opportunity for EBs to meet and share ideas. Many EBs have reduced their staff numbers, and some have just one or two members of staff. We therefore consider it provides VfM to harness the experience and skills across the sector to share information and ideas. Furthermore, to ensure that the group is beneficial to as many EBs as possible, we ensure that the group can be accessed by conference call facility if preferred. This will reduce any travel costs or burden of attending. Additionally, we will ensure that the details of the group are shared more widely so that smaller EBs can also take advantage of the shared best practice and networking opportunities.

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

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

## 2.6 Key outcomes

### Actions:

- Facilitate the Information and Networking forum for EBs to meet and share ideas and best practice;
- Publish annual benchmarking data for EBs;
- Report on Statutory Annual Return (Form 4) data and Contribution (Form 3) data to HMRC;
- Publish quarterly compliance and enforcement activity;
- Update ENTRUST's Economic Impact Assessment (EIA) framework, which allows an objective assessment to be made of the added value that the LCF brings to communities and the environment;
- Publish an annual VfM report, agreed with HMRC; and
- Conduct a quarterly review of the ENTRUST website to ensure all information is current and accurate.

### Measures:

- Increase the return rate for Form 9s from the baseline in 2019/2020.

### 3. Scheme closure in Wales

Landfill tax was devolved to the Welsh Government on 1 April 2018 which also meant the LCF closed in Wales from 1 April 2018, commencing a two-year transitional closure period which concluded on 31 March 2020. The following outlines the work which ENTRUST will undertake in the first quarter of 2020/2021 to finalise the smooth closure of the LCF in Wales:

| Date          | Milestone   |
|---------------|---|
| 31 March 2020 | End of transitional period in Wales                                   |
| April 2020    | Final revocation checks for EBs based in Wales                        |
| June 2020     | Final closure report to HMRC for the scheme in Wales                  |
| June 2020     | Voluntary revocation for EBs in Wales agreed at ENTRUST Board meeting |

In order to limit the administrative burden on Welsh EBs their enrolment in the LCF will cease, automatically, at the end of the transitional period unless they notify ENTRUST that they wish to retain their enrolment. This automatic process will only apply to those EBs with all their funds accounted for and all Statutory Annual Returns completed. This will be deemed voluntary revocation. ENTRUST will process any final revocation checks on EBs during the first quarter of 2020/2021 and the final voluntary revocations in Wales will be sent to the ENTRUST Board for approval in June 2020. A final 2019/2020 Statutory Annual Return will be required from all remaining EBs in Wales in order for this process to operate.

#### 3.1 Key outcomes

##### Actions:

- Report to HMRC about the closure of the LCF in Wales; and
- Complete voluntary revocations from the scheme for those EBs based in Wales meeting the requirements.

##### Measures:

- Value of remaining LCF funds in Wales reduced to zero and spent compliantly on projects; and
- All Welsh EBs cease enrolment in the scheme.



## 4. Organisation

In delivering our statutory role, our overarching strategy is to remain a lean, agile, proactive and efficient regulator, committed to providing continual improvements in the regulation of the LCF while providing appropriate levels of support and advice and guidance to EBs and effective levels of assurance to HMRC on the compliant spend of LCF monies by EBs.

We continually seek methods to improve and increase our regulatory assurance to HMRC whilst minimising our resource requirement and we therefore consider that our 2020/2021 organisational structure continues to reflect the core level of staffing that ENTRUST requires 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.

ENTRUST's organisational structure represents an effective and efficient configuration with which to undertake our work regulating the LCF. To utilise our staff most effectively, our organisation is cross-skilled, sharing resources and multi-skilling across teams, for example Inspectors being able to undertake Registrations work to increase our business resilience and flexibility in our business model. As a modern, efficient regulator, we are committed to identifying and implementing new ways of working to mitigate any potential losses to the Fund and to also ensure that we minimise the administration burden on EBs.

As a responsible regulator we maintain strong self-scrutiny of our operations through our rigorous QMS and annual schedule of Quality Assurance (QA) reviews. These reviews are considered and approved by the ENTRUST Audit Committee to provide the appropriate level of governance and assurance for the organisation.

### 4.1 Data protection and cyber security

In 2020/2021, we will ensure we maintain our compliance with the rigorous statutory obligations to protect our stakeholders' data. This includes maintaining compliance with the Data Protection Act 2018 (DPA 2018) which incorporates the European Union (EU) General Data Protection Regulation (GDPR) and the Privacy and Electronic Communications Regulations (PECR). ENTRUST's data protection policies provide assurance to both HMRC and our stakeholders that we fully protect the personal data that we collect in order to undertake our regulatory duties under the Landfill Tax Regulations. ENTRUST is registered with the Information Commissioner's Office (ICO) as a Data Controller and we have a registered Data Protection Officer.

As a responsible and security conscious organisation, undertaking a statutory function on behalf of HMRC, it is essential to have adequate internal controls in operation to mitigate our risk of exposure to a cyber security attack. In 2020/2021 we will continue 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 remain Cyber Security Certificated by using an independent accreditation provider to monitor our internal controls.

We have updated EOL and our website to ensure that the underlying operating systems are up to date and adhere to the latest cyber security standards in order to minimise the risk to personal and other data.

## **4.2 Sustainability and environmental responsibility**

ENTRUST believes that businesses are responsible for achieving good environmental practice and operating in a sustainable manner. We are therefore still committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. It is also our priority to encourage stakeholders and suppliers to do the same. Not only is this sound commercial sense for all, but it is also a matter of delivering on our duty of care towards future generations. Overall our approach to ensuring we are meeting our sustainability obligations is to:

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

## **4.3 Resource requirement**

We are committed to delivering VfM from all of our activities. Each year we critically appraise our expenditure requirements for the coming year to ensure that the resource requirement we submit to HMRC, based on our statutory and contractual commitments will deliver VfM. Our monthly management accounts have been further developed and our expense analysis details actual spend against budget and previous year actual, to enable us to monitor progress effectively.

In 2020/2021, we have submitted a capital bid for resources for one off expenditure, for example replacement servers and upgrade to our website, which are outside our ongoing operational activities. To ensure we can meet the costs of activity set out in this plan our resource requirement for 2020/2021 is set out in the table on the following page:

#### 4.4 Details of the requirement submitted

| Cost                          | 2019/2020<br>Approved Budget<br>£ k | 2020/2021<br>Resource Requirement<br>£k |
|-------------------------------|-------------------------------------|---|
| Salary                        | 840                                 | 856                                     |
| Personnel                     | 45                                  | 43                                      |
| Establishment Expenses        | 101                                 | 102                                     |
| General Expenses              | 16                                  | 16                                      |
| Professional Fees             | 21                                  | 21                                      |
| Information Technology        | 35                                  | 35                                      |
| Depreciation                  | 5                                   | 5                                       |
|                               |                                     |   |
| <b>Gross Operating Budget</b> | <b>1,063</b>                        | <b>1,078</b>                            |
|                               |                                     |   |
| Investment Income (Net)       | (12)                                | (12)                                    |
|                               |                                     |   |
| <b>Resource Requirement</b>   | <b>1,051</b>                        | <b>1,066</b>                            |
|                               |                                     |   |
| <b>Capital Requirement</b>    | <b>0</b>                            | <b>57</b>                               |
|                               |                                     |   |
| <b>Less Surplus Income</b>    | <b>(105)</b>                        | <b>(261)</b>                            |
|                               |                                     |   |
| <b>Funding Requirement</b>    | <b>946</b>                          | <b>862</b>                              |

## 5. HMRC reporting requirements

We report a wide range of information relating to the LCF and our own performance to HMRC and the schedule of formal reports that will be provided during 2020/2021 are set out below:

| Timing/Frequency     | Title  |
|----------------------|--|
| 31 May 2020          | Annual Report  |
| 30 June 2020         | Statutory Annual Return (Form 4) Data                            |
| 30 June 2020         | Final Wales closure report                                       |
| 31 July 2020         | Regulatory Improvement Report                                    |
| 31 August 2020       | Value for Money Report   |
| 7 September 2020     | Draft Corporate Plan and KPIs and 2021/2022 Resource Requirement |
| By end December 2020 | Annual Accounts  |
| 31 January 2021      | Update to Corporate Plan and KPIs                                |
| Quarterly            | ENTRUST Board papers   |
| Monthly              | TOA report   |
| Monthly              | KPI update   |
| Ad hoc               | Data requests  |

## 6. HMRC key performance indicators

HMRC monitor our performance as the Regulator of the LCF and we agree a number of key performance indicators (KPIs) with them that encompass key targets. The KPIs agreed for 2020/2021 are set out below:

|                 |   |
|-----------------|---|
| <b>Target 1</b> | <b>Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator</b>   |
| 1.1             | Approve 98 per cent of eligible applications to enrol as an EB within five working days.  |
| 1.2             | Approve 98 per cent of eligible project applications within five working days.  |
| 1.3             | Undertake a customer satisfaction survey by 31 August 2020 and use the findings to improve EBs' level of satisfaction with our services with identified improvements included in an action plan developed by 31 December 2020.                        |
| <b>Target 2</b> | <b>Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation</b>   |
| 2.1             | Provide reports to HMRC against the agreed reporting schedule.  |
| <b>Target 3</b> | <b>Secure/increase the level of compliance with the Regulations</b>   |
| 3.1             | During the 2020/2021 year inspect at least one third of active EBs to monitor compliant spend, focusing on the areas of highest risk based on previous non-compliance, risks identified through the risk model and issues identified during the year. |
| 3.2             | Ensure that 99 per cent of LCF funds are reported through the 2019/2020 Statutory Annual Return (Form 4) by the due date of 28 April 2020.  |
| <b>Target 4</b> | <b>Deliver value for money</b>  |
| 4.1             | Following the implementation of our e-delivery policy, maintain the online submission of all Forms at 100 per cent in 2020/2021.  |
| 4.2             | Publish 2019/2020 benchmarking data for EBs by 30 June 2020.  |
| <b>Target 5</b> | <b>Report to HMRC by 31 July 2020 priority regulatory improvements to the Landfill Tax Regulations 1996. Implement agreed changes to guidance or regulation in accordance with agreed timescales</b>  |
| 5.1             | Conduct targeted compliance interventions and if necessary, consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.   |