



ENTRUST Corporate Plan

2021-2024

Chair and Chief Executive's Summary

The Landfill Communities Fund (LCF) is an innovative tax credit scheme enabling operators of landfill sites in England and Northern Ireland to contribute money to organisations enrolled with ENTRUST as Environmental Bodies (EBs). EBs carry out projects in England and Northern Ireland that comply with the objectives set out in The Landfill Tax Regulations 1996 (Regulations).

ENTRUST has operated as the Regulator of the LCF since its inception in 1996. In undertaking this role, ENTRUST:

- Mitigates the risk of financial loss to the Exchequer by providing HM Revenue & Customs (HMRC) with independent assurance that LCF monies are spent compliantly in accordance with the Regulations; and
- Continues to deliver the requirements of the ENTRUST/HMRC Terms of Approval (TOA), which ensure that we fully support HMRC in regulating the fund and delivering the annual objectives and Key Performance Indicators (KPIs) set by HMRC.

Our Corporate Plan for 2021-2024 sets out the regulatory activities across our business which we consider are key in supporting these objectives across this Corporate Plan period. During the COVID-19 pandemic, at the end of 2019/2020 and throughout 2020/2021 we continued to operate using our Business Continuity Plan (BCP). The regular testing and structure of this plan enabled ENTRUST to maintain a 24/7 e-delivery framework, which delivered the continuation of a fully-serviced regulatory function. ENTRUST's proven ability to manage our business and respond to fast changing and challenging circumstances provides HMRC with robust assurance in relation to the regulation of the LCF and with regard to any continuing challenges from the pandemic in 2021/2022.

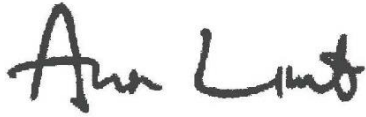
In 2020/2021 we undertook a post implementation review of the BCP and following the 'live-fire' test of the BCP during the COVID-19 pandemic we have made a number of recommendations based on the lessons learnt. These will be carried forward in 2021/2022 to further strengthen the BCP in light of the pandemic or other future situations.

In 2021/2022 we will continue to 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 undertake a formal consultation regarding our training package and the format of our Guidance Manual to ensure they both continue to meet stakeholder needs.

Due to the potential ongoing effects of COVID-19 on normal business operating models, we will utilise virtual technology (such as video conferencing) to support 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, regular liaison meetings with the Association of Distributive and Environmental Bodies (ADEB) and our Information and Networking Forum (INF) which allows EBs to get together and share best practice and ask for advice and guidance.

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. We continually seek to improve and increase our regulatory assurance to HMRC whilst minimising our resource requirement and we consider that our 2021/2022 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. Our organisational structure has been developed to utilise our staff most effectively, delivering more for less. To achieve this, we ensure our organisation is cross-skilled, sharing resources and multi-skilling across teams and functions.



Dr Ann G Limb CBE DL
Chair, ENTRUST



Christopher Welford
Chief Executive, ENTRUST

1. Registrations

Our Registrations function is our first point of access to our regulatory services. This includes the telephone calls and emails we receive and respond to through our Helpline, as well as the enrolment of organisations as EBs and the registration of project applications.

In delivering these objectives, we will continue to enrol eligible organisations as EBs and to register compliant projects within five working days. We will also ensure that our Registration services remain robust, and assist in our overall aim of providing independent assurance to HMRC that LCF monies are spent compliantly in accordance with the Regulations and ENTRUST's guidance.

1.1 Enrolment of EBs

We will continue to enrol eligible organisations as EBs within five working days. To achieve this objective, 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 continue to invest our resources to support stakeholders who are seeking to enrol as an EB, for example by improving the range of training materials and guidance available on our website.

Whilst we believe that our enrolment process provides a robust mechanism to assess the capability of an organisation to comply with the Regulations, we operate a continual review approach, which includes responding to feedback from EBs and any issues they encounter to ensure that the enrolment process remains responsive, flexible and agile. During 2021/2022 we will review our risk assessment approach to ensure that any potential risks with a new organisation enrolling as an EB are identified and addressed at an early stage.

1.2 Project applications

We will continue to register eligible project applications within five working days. We offer a range of targeted guidance and materials for EBs to guide and 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 in 2019 and our project pre-approval review approach that was implemented in 2020, in 2021/2022 we will continue to focus on ensuring that any potential risks to the LCF 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 the implementation of these two new frameworks we will review them again in 2021/2022 to identify if there are any further opportunities to refine and improve these frameworks and their impact.

We will also maintain our focus on effective regulation through our Registrations function by ensuring all enrolled EBs remain compliant with the Regulations when they register a project, which may be some time after the organisation's original enrolment, as well as through our further compliance work.

2. Advice, Guidance and Training

We continue to offer a range of guidance and training materials helping EBs to understand their obligations whilst offering bespoke advice and guidance through a variety of channels as and when they need it and in the way that suits them.

2.1 Enquiry handling

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. In 2021 we will review our Customer Charter and Standards of Service to ensure they remain effective when responding to, and working with, our stakeholders. Our monthly Helpline Satisfaction Survey receives consistently high satisfaction scores. Where stakeholders provide specific feedback through the survey, we can respond immediately to address any concerns raised and work with the respondent to resolve any issues.

2.2 Information, advice and guidance

Our Guidance Manual is a key resource for helping to secure EBs compliance with the Regulations. 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 continue 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 Guidance 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 in a central database which is reviewed quarterly. We welcome feedback at any point and not just through formal routes and we record and act appropriately to any feedback.

In 2021/2022 we will be running a consultation exercise relating to our Guidance Manual to assess and ensure that it meets specific user needs. The focus for this exercise is to review and assess the mechanisms for sharing our guidance with EBs, for example, the format of the Guidance Manual in terms of length, language used and any suggestions that EBs may wish to put forward to make the Guidance Manual more user friendly and accessible.

2.3 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 2021/2022 we will offer a number of online training sessions to meet the demand from EBs, particularly organisations new to the scheme, or individuals who had recently joined existing EBs. In 2020/2021, our training courses moved online in response to the COVID-19 pandemic. From the positive feedback we received to this change, we consider that as our new training package(s) were well received and since they have removed some of the barriers relating to attending a physical training event, it would be prudent to continue to offer our training sessions through a virtual medium. However, as ENTRUST operates an open-door policy, welcoming EBs at any time to discuss any areas of the LCF and to meet our staff, we will continue to provide face-to-face meetings when they are requested.

We maintain a suite of training resources and 'How to' guides on our website to help EBs fulfil their LCF statutory obligations. This suite of documents is now considerable and we will ensure these remain accurate and relevant by carrying out an internal review of them to make sure they remain fit for purpose. In 2021/2022 we will also undertake a consultation exercise about ENTRUST's training package to ensure we are meeting stakeholder needs.

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.

3. Compliance

We are required under Regulation 34 (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 paragraph 8 of the ENTRUST/HMRC Terms of Approval (TOA), we are also required to provide HMRC with independent assurance that all LCF monies have been spent compliantly.

To achieve these statutory requirements, we deliver an annual schedule of targeted risk-based compliance inspections of EBs and project sites. This schedule aims to inspect at least one third of active EBs to monitor compliant spend in accordance with the schedule of KPIs that we have agreed with HMRC. During 2021/2022 we intend to develop our risk model and inspection approach to enable more targeted reviews of higher risk projects and larger EBs rather than focusing on smaller EBs with lower risk projects. We believe that this change will allow ENTRUST to provide a greater level of assurance to HMRC that LCF monies are spent compliantly.

In addition to the annual inspection programme, we also carry out inspections of EBs which request voluntary revocation from the scheme, to ensure all funds have been correctly accounted for and all statutory reporting requirements fulfilled before an EB's revocation can be approved. We also carry out an annual review of Annual Return submissions to ensure all EBs comply with the statutory reporting requirement and that the data reported by EBs is accurate.

3.1 Monitoring of levels of EB administration costs

HMRC has set as one of its strategic priority objectives for the management of 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 ensuring that ENTRUST supports HMRC in delivering this priority, during 2018/2019, we formalised and enhanced our previous activities into a framework, to scrutinise, monitor and implement appropriate intervention action to ensure EBs comply with the administration cost requirement. We reviewed and updated the framework in 2020/2021, the updated framework is published on our website and has been communicated to all EBs. This target continues to be achieved at sector level.

We will continue to monitor and challenge all EBs which have reported administration costs in excess of 7.5 per cent of annual project expenditure including at compliance reviews to ensure that they are aware of the guidance and are taking appropriate action to meet it. We will also continue to review all administration costs incurred by EBs which are subject to compliance reviews during 2020/2021, regardless of the EBs performance against the 7.5 per cent guidance level, to ensure that all administration costs are reasonable and relevant to an EB's LCF activity.

3.2 Reducing the level of unspent funds

HMRC has set as one of its strategic objectives for the management of the LCF that the overall value of unspent funds held by EBs should be reducing year on year. Based on our experience of regulating the Fund, ENTRUST would expect individual EBs to hold a maximum level of funding, which as a benchmark should normally be between 12 and 18 months and be no greater than 1.5 times the EB's income (including contributions and transfers) received in year. In ensuring that ENTRUST supports HMRC in delivering this objective, during 2018/2019 we formalised our framework for monitoring EB's performance and have where appropriate made interventions to encourage EBs to comply with our guidance. We reviewed and updated the framework in 2020/2021, the updated framework is published on our website. This target continues to be achieved at sector level.

In 2021/2022 we will continue to monitor and challenge EBs which have reported increases in unspent and uncommitted fund levels and/or exceeded the guidance level including at compliance inspections

to ensure that all EBs are aware of HMRC requirements and are taking appropriate and effective actions to reduce the levels of funds held.

3.3 Inspection and review process

ENTRUST's inspection and review process is based on our EB Risk Model within which all EBs are awarded an individual risk score compiled from a number of key risk indicators, which are based on the individual EB information that we hold on ENTRUST Online (EOL). These risk scores are reviewed and updated on a real time basis, based on an EB's activity and performance. Through this review process, we are able to target our resources to ensure that we maintain appropriate coverage of the key risks and requirements of the LCF scheme, making sure that we maximise the use of data already available to us and minimise the amount of additional documentation we require from EBs.

Our review of compliance issues arising from previous inspection programmes has identified that the levels of assurance, which we 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 expand during 2021-2024 through the further development of our project mapping application, which will allow ENTRUST to efficiently target inspection site visits to projects of greatest risk. During the 2020/2021 COVID-19 pandemic period we completed our review process using a variety of virtual mediums including conducting desktop reviews by Zoom, which we believe has provided another efficient and effective inspection mechanism and we will continue to utilise this technology where relevant and helpful. In particular, we believe that incorporating a virtual approach to compliance reviews will enable ENTRUST to provide HMRC with an appropriate level of assurance that LCF monies are spent compliantly during any ongoing COVID-19 restrictions, which may be operating in the UK in 2021/2022.

3.4 Contributing Third Party (CTP) payments

LOs receive a tax credit of 90 per cent of their contributions (under Regulation 31 (2)) – the remaining 10 per cent is either met by the LO, or the LO can request a CTP to meet the shortfall, or a portion of it (under Regulation 32 (2)). Following the 2016 Reform of the LCF, HMRC stated an expectation for LOs to absorb some, or all, of this 10 per cent shortfall themselves. However, where an LO requires the full 10 per cent shortfall in the tax credit to be met, the funding EBs need to request project applicants make a CTP payment of over 10 per cent to make up for the elements of contributions used to meet the ENTRUST levy payments and EB administration costs and which cannot be used to raise CTP monies. This practice is subject to monitoring via the compliance inspection process. We publish data about CTP requirements in our benchmarking reports.

In 2021/2022, we will continue to monitor CTP requests through Form 3 LO contribution data, Form 9 project completion data and through compliance inspections. Following a review of this policy in 2020/2021, in discussion with HMRC we will consider if there is any further work to be undertaken in this area in 2021/2022.

3.5 Publishing non-compliance

ENTRUST is committed to the principles of Better Regulation. We therefore consider it is appropriate to publish our compliance findings and enforcement activity on our website on a quarterly basis. This approach forms part of our framework to support EBs by offering advice and guidance to enable EBs to operate within the Regulations and highlight common issues and how to avoid them. As ever, we will seek feedback from EBs as to whether this level and presentation of information is helpful and also look at the impact it has on reducing non-compliance in the sector.

In 2021/2022, we will continue to 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.

4. Enforcement

The responsibility for managing breaches of the Regulations is split between ENTRUST and HMRC in accordance with paragraph 9 of the ENTRUST/HMRC TOA. ENTRUST manages cases of non-compliance using our enforcement framework, which is published on our website at www.entrust.org.uk/environmental-bodies/enforcement/. This framework and its underlying processes and principles are regularly reviewed to ensure that our case management process is agile, fit for purpose, complies with best practice and any statutory requirements and meets the standards we have agreed with HMRC.

4.1 Enforcement case activity

All enforcement cases are subject to an ongoing case management review to ensure that any non-compliant use of LCF monies is rectified as soon as is practicable. We consider that this approach allows LCF funding which has been spent non-compliantly to be returned to the scheme and to be spent on compliant projects for the benefit of the environment and local 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 LO repaying funds voluntarily or via claw-back proceedings which recover the tax credit from the LO following a case file referral by the ENTRUST Board to HMRC. We only use our powers to refer cases to HMRC for their consideration of forcible revocation of the EB and clawback of non-compliant spend 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 and other breaches in the Regulations. 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 and actual loss of LCF funds.

4.2 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;
- Spend outside the prescribed period (SOPP), when payments are notified before the approved start date or after the approved end date of a specific project; and
- Late levy payments, where our invoice remains outstanding following notification of a contribution.

We will bring any corrective actions required by EBs to their attention through Advice and Guidance, Warning and Enforcement letters 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, escalating the level of enforcement appropriately

4.3 Publishing enforcement activity

As an open and transparent organisation, we publish our recent compliance findings and enforcement activity on our website on a quarterly basis and include them in our quarterly briefing notes and eNewsletters. 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.

5. Regulations

We provide advice and guidance to EBs on the Regulations and conditions agreed under those Regulations. We maintain our Guidance Manual which clarifies the meaning, interpretation and requirements of the Regulations. Our role is to support EBs to compliance using a variety of means, of which the Guidance Manual is a key element.

5.1 Consultations

We issue consultations to understand the views of EBs and to take account of their experience and preferences when formulating policy and guidance. We conduct focus groups to discuss the contents of our consultations and our aim is to ensure that the views of EBs are taken into consideration throughout the process.

In 2021/2022 we will undertake a formal consultation on the ENTRUST Guidance Manual and our Training package. Our consultations are published on our website and we also communicate with all stakeholders directly when one is opened. We review all responses and publish a report outlining the next steps. In 2021/2022 we will ensure that any consultations are appropriately advised to EBs providing opportunities for stakeholders to engage with the process and provide their positions. As part of this we will ensure that any consultations have an appropriate timeframe giving EBs sufficient time to gather their views prior to submission and also appropriate time for any changes to be implemented as EBs may need to alter their internal processes or policies.

5.2 Statutory Annual Returns (Form 4)

HMRC KPI 3.2 requires ENTRUST to ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return by 28 April each year. The Form 4 strategy has worked well, delivering against this target with 99.9 per cent of funds reported by the deadline for 2019/2020 returns. We will review the strategy in 2021/2022 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 and to assist EBs to remain compliant with the requirement to make the statutory return each year. Furthermore, we will also continue to send an additional Advice and Guidance letter to all EB Governing Members of 'frozen' EBs following lack of communication from their main contact.

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 where our records show they have not yet started a return.

5.3 ENTRUST Regulator Standards (ERS) assessment

The ERS comprise 31 standards under seven areas, which encompass the regulatory work undertaken by ENTRUST and reflect the standards detailed in the Regulators' Code. Following a review in 2018 they were updated to reflect the Government's 'digital by default strategy'.

In 2021/2022 we will conduct a further review of the ERS to ensure that they continue to both reflect recommended best practice and the latest standards for regulators. Following this we will continue to self-assess our regulatory services against the ERS (including against any updates made to the standards) in 2021/2022 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.

6. Communications

Our communications activity is undertaken to support our operational and regulatory activity. Through our website, email communications 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. Through our funders search, prospective applicants are able to find potential funders for their project. The ENTRUST website is reviewed quarterly to ensure that all content remains up to date and relevant.

6.1 Direct communication with EBs

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 directly inform EB main contacts 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 2021/2022:

- Quarterly eNewsletters – April 2021, July 2021, October 2021, and January 2022;
- Corporate Plan to EBs – April 2021;
- EB Satisfaction Survey – May – June 2021;
- 2019/2020 Annual Report to EBs – July 2021;
- Publication of EB Satisfaction Survey – October 2021;
- Budget/Landfill Tax Briefing – November/December 2021;
- Statutory Annual Return (Form 4) communications – January to April 2022; and
- Operational eShots – throughout the year.

6.2 Stakeholder engagement

Vital to undertaking our service improvement and improving our 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 continue to facilitate the annual meeting between HMRC and the Chairs and CEOs of the largest EBs. If during 2021/2022, there are still restrictions in place due to the COVID-19 pandemic, we will continue to make full use of virtual communication methods, such as Zoom technology, conference calls and other online meeting tools to ensure that our communications remain effective and continue to deliver the strong relationship management that our stakeholders have come to expect from us.

This will be supported by our quarterly briefing notes for them, which include a summary of work undertaken, or upcoming, that we believe EB Chairs should be aware of and further supports the face to face communication work undertaken by our CEO and Board members.

We will continue to publish and issue an annual briefing note for LOs who have contributed to the LCF in the last three financial years. We believe this briefing note provides a vital opportunity to increase LO awareness of the scheme, to raise awareness of relevant guidance for LOs in relation to their financial responsibilities and the potential risk, to LOs, of 'claw-back' by HMRC in the event of EB non-compliance. In addition, across the last three years 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.

6.3 Facilitating information sharing 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 Information and Networking Forum (INF). Following a successful trial in 2020/2021, these meetings will now be held online through Zoom, which we believe will allow for greater attendance and shorter, more regular (when required) meetings. We consider that this mechanism will maintain our efficiency and effectiveness, but at the same time we believe it will reduce the administrative burden on those attending the meetings. 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 Value for Money (VfM) to harness the experience and skills across the sector to share information and ideas. We will also continue to ensure that the details of the group are shared widely so that smaller EBs can also take advantage of the shared best practice and networking opportunities.

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.

7. Delivering Value for Money (VfM) of the LCF

It remains important to demonstrate the value that the LCF delivers to local communities and the wider environment. In 2020/2021, we reviewed our economic impact assessment framework which was initially developed in 2015 and subsequently reviewed in 2018. Our review of the framework ensured that the published indices for evaluating economic impact were up to date and relevant to the scheme and increased the usefulness of the framework by including more social, and other non-economic metrics.

7.1 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 also published an annual report which summarises the VfM reporting data, taken mainly 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 together people from different backgrounds.

In 2021/2022, 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 conducted a consultation exercise to assess the VfM questions asked in the project registration and the project completion forms. The changes identified will be implemented on 1 April 2021 and 2021/2022 will be the first year that we collect the additional information identified in the consultation regarding the number of trees planted per LCF project. This small change will have a big impact on the information used by many organisations when assessing the VfM of LCF environmental projects. Whilst this data will commence collection in 2021/2022, the data will not be reported until 2022, when an assessment of projects which completed during 2021/2022 will be published.

7.2 Benchmarking EB performance

We continue to publish sector-wide benchmarking data on the ENTRUST website and include the EB's own performance against the benchmarks in individual compliance inspection and review 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.

8. 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. We always review the outcome of the satisfaction survey and create a published action plan for improvement based on the feedback received. The survey, responses and action plan are published on our website and the progress against the annual action plan is reported in the Annual Report each year. Our annual EB Satisfaction Survey sits alongside our other stakeholder feedback surveys, which include the Compliance Review feedback and the Helpline feedback surveys.

9. 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, 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 2021/2022 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.

9.1 Organisation structure

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, and deliver more for less, 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 LCF 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.

9.2 Business continuity

ENTRUST's multi-layered Business Continuity Plan (BCP) has been comprehensively developed, updated and annually tested over a number of years. Following the COVID-19 pandemic at the end of 2019/2020 and throughout 2020/2021, we continued to operate using our BCP. The regular testing and structure of our plan enabled ENTRUST to maintain a 24/7 e-delivery framework, which delivered the continuation of a fully-serviced regulatory function, allowing us to offer full independent assurance to HMRC that LCF funds were being spent compliantly whilst supporting EBs with advice, guidance and information to allow them to continue their work undertaking projects to support local communities and the environment.

Our previous work, delivered between 2017 and 2020, to move to 100 per cent e-delivery of our services enabled us to respond quickly and efficiently to the change in working conditions. As an organisation who believes in continual improvement, in 2020/2021 we undertook a post implementation review of the BCP and following the 'live-fire' test of the BCP during COVID-19 we have made a number of recommendations to support the BCP in light of the pandemic or other future situations that might require such a response. ENTRUST believes that these preparations will ensure that during 2021/2022 if there are any further COVID-19 restrictions, ENTRUST will continue to efficiently and effectively operate.

Following a trial in 2020 of delivering our Basic Training sessions as a webinar, using Zoom technology, we will update our training strategy for 2021/2022 to incorporate a mixed delivery method of these virtual training sessions and face to face opportunities as mentioned above, as required by EBs. We will also

continue to review the need for such virtual training and offer opportunities if appropriate, in addition to our existing online resources.

9.3 Data protection and cyber security

In 2021/2022, we will ensure that 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 sits alongside the UK General Data Protection Regulation (UK 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 Regulations. ENTRUST is registered with the Information Commissioner's Office (ICO) as a Data Controller and we have a registered Data Protection Officer.

Following the United Kingdom's (UK's) exit from the EU in January 2020 and the end of the transitional withdrawal period in December 2020, we ensured that all Data Protection policies and procedures met the updated requirements for the UK. We will continue to keep these under review during 2021/2022 to ensure that any legislative changes as a result of Brexit are incorporated into our policies and that ENTRUST remains fully compliant.

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. ENTRUST operates a multi-layered approach to our cyber security measures. In 2021/2022 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 defence against cyber-attacks;
- Undertaking an annual penetration test of our systems by an independent, external IT security company;
- 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.

9.4 Sustainability and environmental responsibility

ENTRUST believes that businesses are responsible for achieving good environmental practice and operating in a sustainable manner. We are therefore fully 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.

9.5 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.

To ensure we can meet the costs of activity set out in this plan our resource requirement for 2021/2022 is set out in the table on the following page:

9.6 Details of the requirement submitted

Cost	2020/2021 Resource Requirement £k	2021/2022 Resource Requirement £k
Salary	856	845
Personnel	43	44
Establishment Expenses	102	103
General Expenses	16	16
Professional Fees	21	21
Information Technology	35	32
Depreciation	5	5
Gross Operating Budget	1,078	1,066
Investment Income (Net)	(12)	(1)
Resource Requirement	1,066	1,065
Capital Requirement	57	4
Less/Add Surplus/Deficit Income	(261)	20
Funding Requirement	862	1,089

10. Key outcomes

10.1 Actions

Action	
A1.	Under the agreed framework we will provide updated information to HMRC on EBs administration costs and the level of unspent funds that they hold.
A2.	Review the pre-approval project visit and inspection criteria to allocate our resources to the areas of highest risk.
A3.	Undertake a formal consultation on the ENTRUST Guidance Manual and training package.
A4.	Utilise our risk model and risk-based compliance approach to inspect at least one third of active EBs to monitor compliant spend.
A5.	Review the ERS to ensure we maintain strong self-scrutiny of our operations through our internal Quality Management System (QMS).
A6.	Review ENTRUST's Customer Charter and Standards of Service.
A7.	Undertake a mid-year contact with EBs asking them to check and update their EB details.
A8.	Communicate with Directors, Trustees and main contacts of frozen EBs following six months of no communication from the main contact.
A9.	Continue to undertake all feedback surveys – helpline, compliance, and satisfaction.
A10.	Facilitate virtual meetings of the INF for EBs to meet and share ideas and best practice.
A11.	Publish annual benchmarking data for EBs.
A12.	Report on Statutory Annual Return (Form 4) data and Contribution (Form 3) data to HMRC.
A13.	Publish quarterly compliance and enforcement activity.
A14.	Publish an annual VfM report, agreed with HMRC.
A15.	Conduct quarterly reviews of the ENTRUST website to ensure all information is current and accurate.
A16.	Undertake an annual penetration test of our systems by an independent, external IT security company.
A17.	Undertake an annual self-assessment of cyber security arrangements against the National Cyber Security Centre's (NCSC) guidance.
A.18	Review all data protection policies to ensure that any legislative changes as a result of Brexit are incorporated and that ENTRUST remains fully compliant with all UK data protection legislation.

10.2 Measures

Measure	
M1.	Reduce the number of EBs with administration costs above 7.5 per cent of annual project expenditure.
M2.	Sector level performance with administration costs below 7.5 per cent of annual project expenditure.
M3.	Reduce the number of EBs with unspent funds at yearend above 1.5 times income received in year.
M4.	Sector level performance with unspent funds at yearend below 1.5 times income received in year.
M5.	Year on year reduction in the value of uncommitted funds held by EBs.
M6.	Maintain the percentage of EBs using EOL.
M7.	Increase survey return rates.
M8.	Maintain satisfaction with our services.
M9.	Increase the number of risk-based project site visits.
M10.	Increase enrolments on first submission.
M11.	Maintain the return rate for Form 9s from the baseline in 2020/2021.
M12.	Retain our independent Cyber Security certification.

11. 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 2021/2022 are set out below:

Timing/Frequency	Title
31 May 2021	Annual Report
15 June 2021	Statutory Annual Return (Form 4) Data
15 July 2021	EB Administration Costs and Unspent Funds Report
31 July 2021	Regulatory Improvement Report
31 August 2021	Value for Money Report
7 September 2021	Draft Corporate Plan and KPIs and 2022/2023 Resource Requirement
By end December 2021	Annual Accounts
31 January 2022	Update to Corporate Plan and KPIs
Quarterly	ENTRUST Board papers
Monthly	TOA report
Monthly	KPI update
Ad hoc	Data requests

12. HMRC key performance indicators (KPIs)

HMRC monitor our performance as the Regulator of the LCF and we agree a number of KPIs with them that encompass key targets. The KPIs agreed for 2021/2022 are set out below:

Target 1	Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator
1.1	Approve 100 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 2021 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 2021.
Target 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.
Target 3	Secure/increase the level of compliance with the Regulations
3.1	During the 2021/2022 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 2020/2021 Statutory Annual Return (Form 4) by the due date of 28 April 2021.
Target 4	Deliver value for money
4.1	Following the implementation of our e-delivery policy, maintain the online submission of all Forms at 100 per cent in 2021/2022.
4.2	Publish 2020/2021 benchmarking data for EBs by 30 June 2021.
Target 5	Report to HMRC by 31 July 2021 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.