



**Landfill Communities Fund (LCF)  
Benchmarking Data for Environmental Bodies  
2017/2018**

**July 2018**

## Introduction

ENTRUST's 2017-2020 Corporate Plan stated that we would:

*"Publish anonymised data against key scheme metrics to enable EBs to benchmark their own performance".*

Following consultation with Environmental Bodies (EBs), ENTRUST developed and first published a number of metrics relating to EB's operation of the Landfill Communities Fund (LCF) in December 2017. The baseline data to calculate the benchmarks were provided by information submitted to ENTRUST by EBs on their Statutory Annual Returns and other reporting requirements, for example on ENTRUST Form 3 and Contributing Third Party (CTP) information.

The metrics have now been updated with the latest data and cover the following areas:

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

## How to use the benchmark data

The data on the following pages is provided by quartiles, by banding value, or in some cases, both measures are used. The data does not allow EBs to be identified and is provided to allow individual EBs to:

- Assess their own performance in relation to other EBs within the quartiles, or banding, on key areas within the overall LCF scheme;
- Report their performance against sector benchmarks to their own Directors, or Trustees; and
- Identify what actions could be taken to improve performance on individual measures depending on the area being reviewed.

Examples:

- EBs have been challenged to reduce their levels of uncommitted funds held. An EB which is holding £100,000 of uncommitted funds can refer to the benchmark data (Benchmark 3, below) and will see that it is within the top quartile of EBs holding uncommitted funds. As HMRC has requested that EBs continue to reduce the level of unspent funds held, the EB may be prompted to take action to reduce the level of uncommitted funds held if plans for project expenditure are not already in place; and
- EBs will have limited control over some measures and these are provided for EB information only, for example the level of CTP payments required by LOs

(Benchmark 4, below). However, EBs may wish to inform their funding LOs of performance in relation to the requirements on other EBs. LOs have been asked to absorb some or all of the 10 per cent allowable CTP contribution in order to increase the value of funds being spent on projects. For example, 42 per cent of EBs are requested by their funding LOs to source a CTP payment of 2.5 per cent or less (Quartile 4).

Benchmarking data is included in compliance reports for EBs information and we would encourage EBs to publish data about their own performance.

Benchmarking data will also be used to complement the compliance risk assessment process to ensure regulatory resources are targeted towards those EBs which are performing less well in key areas of the scheme. More information on the inspection process, risk model, good practice and benchmarking can be found in the [Environment Bodies](#) section of our website.

If you have any questions on the benchmarking data or how to make use of the benchmarks, please contact the ENTRUST Helpline [helpline@entrust.org.uk](mailto:helpline@entrust.org.uk) or telephone 01926 488300.

## 1. Administration costs

The administration costs ratio benchmark is compiled from the data provided by those EBs which reported administration costs on the 2017/2018 Statutory Annual Returns (Form 4). The calculation is the ratio of total administration costs against EB expenditure. Expenditure is defined as the total of expenditure on an EB's own projects, expenditure on projects registered with other EBs and transfers to other EBs.

Following the implementation of the Reforms, from April 2016, an EB's administration costs should be reasonable and relevant to the administration of the LCF and not exceed 7.5 per cent of the organisation's actual funding spent during the year on LCF expenditure. LCF expenditure includes funds spent via three methods:

- An EB's compliant expenditure of LCF monies on projects for which they hold approval;
- An EB's compliant expenditure of LCF monies on projects where another EB holds the approval; or
- An EB's compliant expenditure in transferring LCF monies to other EBs.

There are four bandings. Band 1 includes EBs incurring costs in excess of 15 per cent of expenditure and 26 per cent of EBs which incurred administration costs during 2017/2018 fall into this banding.

The majority of EBs (59 per cent) incurring administration costs during 2017/2018 are within the lowest banding and incurred costs equating to 7.5 per cent or less, of expenditure, which is within the current guidance level which EBs are expected to achieve.

<b>Benchmark: Banding by administration costs to expenditure ratio</b>			
	<b>Administration cost ratio (%)</b>		<b>Percentage of EBs incurring administration costs in each banding</b>
	<b>From</b>	<b>To</b>	
<b>Band 1</b>	Over 15%		26%
<b>Band 2</b>	10.01%	15%	4%
<b>Band 3</b>	7.51%	10%	11%
<b>Band 4</b>	0.1%	7.5%	59%

## 2. Unspent funds held by EBs at 31 March 2018

The unspent funds data is compiled from the data provided by those EBs which reported holding unspent funds of £100 or more at 31 March 2018 on the 2017/2018 Statutory Annual Returns (Form 4). This is compiled from data which was reported as committed and uncommitted on the Form 4 and is the balance of total monies held, or received in the period minus the total LCF expenditure for the period. The total value of unspent funds held by all EBs at 31 March 2018 was £63.3m (compared to £70.8m at 31 March 2017).

The top band for unspent funds for EBs holding £100 or more, shows 10 per cent of EBs were holding more than £1m each. The majority of EBs holding funds greater than £100 (61 per cent) fall within band 5 and each are holding less than £49,999

<b>Benchmark: Banding by unspent funds held &gt;£100</b>			
	Funds held		Percentage of EBs holding more than £100 in each banding
	From	To	
<b>Band 1</b>	£1m and over		10%
<b>Band 2</b>	£400,000	£999,999	6%
<b>Band 3</b>	£100,000	£399,999	12%
<b>Band 4</b>	£50,000	£99,999	11%
<b>Band 5</b>	£100	£49,999	61%

Unspent funds data is also shown by quartile which shows that the upper quartile of EBs with unspent funds are holding £163,401 or more.

<b>Benchmark: Quartile by unspent funds &gt;£100</b>			
	Funds held		Percentage of EBs holding more than £100 in each quartile
	From	To	
<b>Quartile 1</b>	£163,401 and over		25%
<b>Quartile 2</b>	£23,701	£163,400	25%
<b>Quartile 3</b>	£4,601	£23,700	25%
<b>Quartile 4</b>	£100	£4,600	25%

### 3. Uncommitted funds held by EBs at 31 March 2018

The uncommitted funds data is compiled from the data provided by those EBs which reported holding uncommitted funds of £100 or more at 31 March 2018 on the 2017/2018 Statutory Annual Returns. Uncommitted funds are funds that have not been allocated to individual projects. The total value of uncommitted funds held by all EBs at 31 March 2018 was £19.3m (compared to £27.9m at 31 March 2017).

Band 1 contains 5 per cent of EBs holding uncommitted funds which are each holding over £1m. The majority of EBs (56 per cent) holding uncommitted funds fall within Band 6 and have between £100 and £19,999.

Benchmark: Banding by value of uncommitted funds >£100			
	Funds held (£)		Percentage of EBs holding more than £100 uncommitted funds in each banding
	From	To	
Band 1	£1m and over		5%
Band 2	£400,000	£999,999	5%
Band 3	£100,000	£399,999	13%
Band 4	£50,000	£99,999	10%
Band 5	£20,000	£49,999	12%
Band 6	£100	£19,999	55%

Uncommitted funds data is also shown by quartile and shows that 25 per cent of EBs holding more than £100 uncommitted funds are holding £100,855 or more and 75 per cent were holding less than £100,854.

Benchmark: Quartile by EBs holding uncommitted funds >£100			
	Funds held		Percentage of EBs holding more than £100 uncommitted funds in each quartile
	From	To	
Quartile 1	£100,855 and over		25%
Quartile 2	£17,334	£100,854	25%
Quartile 3	£2,075	£17,333	25%
Quartile 4	£100	£2,074	25%

#### 4. Contributing Third Party (CTP) requirements

CTP requirements have been compiled from data provided by EBs which received a contribution from a LO and which was reported to ENTRUST on the Notification of a Contribution (Form 3) forms during 2017/2018. Government policy is for LOs to absorb some or all of the 10 per cent, in order to demonstrate their commitment to the scheme and increase the value of funds being spent on projects.

55 per cent of EBs which received a contribution from a LO during 2017/2018 were asked to source a CTP of more than 7.5 per cent (Band 1).

<b>Benchmark: Banding by CTP requirement</b>			
	<b>CTP Value (%)</b>		<b>Percentage of EBs receiving a contribution during 2016/2017 in each band</b>
	<b>From</b>	<b>To</b>	
<b>Band 1</b>	7.51%	10.00%	55%
<b>Band 2</b>	5.01%	7.50%	0%
<b>Band 3</b>	2.51%	5.00%	3%
<b>Band 4</b>	0.00%	2.50%	42%

## 5. Environmental Body risk scores

An EB's risk score is based on the data provided on Statutory Annual Returns and from the findings of individual compliance inspections. The EB Risk Model Indicators show how an EB's risk score is calculated. This can be found at:

<https://www.entrust.org.uk/environmental-bodies/compliance-process/>

The calculated risk score is used by ENTRUST as part of the process to prioritise individual EBs for review or inspection.

The risk score benchmarking information detailed below is presented by banding of all EBs and also by banding for EBs holding £100 or more of unspent funds as at 31 March 2018.

One per cent of EBs in each category fall into the highest risk banding (Band 1). The majority (41 per cent) of all EBs fall with the mid-range (Band 4). Of those EBs holding funds of £100 or more as at 31 March 2018, the majority (49 per cent) also fall within Band 4.

Benchmark: Banding by risk score				
	Risk score		Percentage of all EBs in each banding	Percentage of EBs with funds >£100 as at 31 March 2018 in each banding
	From	To		
Band 1	Over 8,000		1%	1%
Band 2	6,000	7,990	4%	5%
Band 3	4,000	5,990	3%	12%
Band 4	2,000	3,990	41%	49%
Band 5	1,000	1,990	29%	19%
Band 6	180	990	22%	14%

The Risk Score Quartile table for all EBs is detailed below, most EBs in quartile 1 can expect and inspection or review in year, but this is not the only factor taken into consideration:

Benchmark: Quartile by risk score range (All EBs)			
	Risk Scores		Percentage of all EBs in each quartile
	From	To	
Quartile 1	2,490	10,780	23%
Quartile 2	1,980	2,480	24%
Quartile 3	1,070	1,970	26%**
Quartile 4	180	1,060	27%

\*\* includes 104 EBs with the same risk score



The Risk Score Quartile table for EBs that held £100 or more at 31 March 2018 is detailed below.

<b>Benchmark: Quartile by risk score range (EBs holding a balance &gt;£100)</b>			
	<b>Risk Scores</b>		<b>Percentage of EBs holding a balance &gt;£100 as at 31 March 2018 in each quartile</b>
	<b>From</b>	<b>To</b>	
<b>Quartile 1</b>	3,590	8,350	25%
<b>Quartile 2</b>	2,580	3,580	25%
<b>Quartile 3</b>	1,590	2,510	25%
<b>Quartile 4</b>	280	1,580	25%

## 6. Non-compliant recommendations 2017/2018

The non-compliant recommendations data is compiled from the findings raised with EBs which were subject to a compliance inspection during 2017/2018. The number of non-compliant findings at inspection is one of the indicators used to assess risk.

The majority (77 per cent) of compliance inspections during 2017/2018 raised no non-compliant findings (Band 5) and 17 per cent of inspections raised one non-compliant finding (Band 4).

Details of all findings raised at compliance reviews are published on the ENTRUST website on a quarterly basis:

[www.entrust.org.uk/environmental-bodies/compliance-process/inspection-findings/](http://www.entrust.org.uk/environmental-bodies/compliance-process/inspection-findings/)

along with links to our current EB Guidance Manual and suggestions to improve EB operations to prevent a re-occurrence of the issues raised at inspection.

<b>Benchmark: Number of non-compliant recommendations 2017/2018</b>		
	<b>Number of non-compliant findings</b>	<b>Percentage of EBs inspected during 2017/2018 in each banding</b>
<b>Band 1</b>	4 or more	Nil
<b>Band 2</b>	3	2%
<b>Band 3</b>	2	4%
<b>Band 4</b>	1	17%
<b>Band 5</b>	Nil	77%

## 7. Project data

The project benchmarking data is compiled from the 2017/2018 Statutory Annual Returns submitted to ENTRUST by EBs.

The majority (30 per cent) of projects completing during 2017/2018 incurred LCF expenditure of £10,000 or less (Band 7). The highest value projects (Band 1 - greater than £100,000) made up 3 per cent of all projects.

<b>Benchmark: Banding by value of projects completing in 2017/2018</b>			
	LCF expenditure (£)		Percentage of projects
	From	To	
<b>Band 1</b>	Over £100,000		3%
<b>Band 2</b>	£50,001	£100,000	6%
<b>Band 3</b>	£40,001	£50,000	16%
<b>Band 4</b>	£30,001	£40,000	10%
<b>Band 5</b>	£20,001	£30,000	14%
<b>Band 6</b>	£10,001	£20,000	21%
<b>Band 7</b>	Up to £10,000		30%

The duration of projects completing during 2017/2018 has been banded by months based on the date of first and last payment of LCF funds.

The majority (66 per cent) of projects are within Band 6 and completed within 3 months of the first payment (the overall process from allocation of funding to completion may be longer). These are typically smaller and lower value projects. 1 per cent of projects completing in 2017/2018 took more than 36 months to complete.

<b>Benchmark: Banding by duration of projects completing in 2017/2018</b>			
	Duration (months)		Percentage of projects
	From	To	
<b>Band 1</b>	Over 36		1%
<b>Band 2</b>	25	36	2%
<b>Band 3</b>	13	24	7%
<b>Band 4</b>	7	12	11%
<b>Band 5</b>	4	6	13%
<b>Band 6</b>	1	3	66%