



**Landfill Communities Fund (LCF)  
Benchmarking Data for Environmental Bodies  
2016/2017**

**December 2017**

# Landfill Communities Fund (LCF) Benchmarking Data for Environmental Bodies 2016/2017

ENTRUST's 2017-2020 Corporate Plan states that we will publish anonymised data against key scheme metrics to enable Environmental Bodies to benchmark their own performance. A number of metrics have now been compiled which use the data provided by Environmental Bodies (EBs) via the 2016/2017 Statutory Annual Returns and other reporting requirements.

The areas covered by these metrics are:

- EB administration costs;
- Unspent funds;
- Uncommitted funds;
- CTP requirements;
- EB risk scores;
- Non-compliant recommendations; and
- Project data.

## How to use the benchmark data

The data is provided by quartiles or by banding value. In some cases, both measures are used. The data does not allow EBs to be identified and is provided to allow individual organisations to:

- Assess their performance in relation to other EBs within the quartiles or banding, on key areas within the overall scheme; and
- Identify what actions could be taken to improve performance on individual measures.

Examples:

- An EB which is holding £70,000 of uncommitted funds can refer to the benchmark data (Benchmark 3) 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.
- EBs will have limited control over some measures and these are provided for EB information, for example the level of CTP payments required by Landfill Operators (LOs) (Benchmark 4). However, EBs may wish to inform their funding LOs of performance in relation to the requirements on other EBs. For example, 42 per cent of EBs are requested by their funding LO to source a CTP payment of 2.5 per cent or less (Quartile 4).

Benchmarking data will be included in future compliance reports for information and we encourage EBs to publish data about their own performance and will also be used to complement the compliance risk assessment process to ensure resources are targeted towards those EBs which are performing less well in key areas of the scheme.

If you have any questions or feedback 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. We will update the benchmarks when the 2017/2018 data becomes available.

## 1. Administration costs

The administration costs ratio benchmark is compiled from the data provided by those EBs which reported administration costs on the 2016/2017 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.

There are four bandings. Band 1 includes EBs incurring costs in excess of 15 per cent of expenditure and 17 per cent of EBs which incurred administration costs during 2016/2017 fall into this banding.

The majority of EBs (54 per cent) incurring administration costs during 2016/2017 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</b>
	<b>From</b>	<b>To</b>	
<b>Band 1</b>	Over 15%		17.1%
<b>Band 2</b>	10.01%	15%	14.6%
<b>Band 3</b>	7.51%	10%	14.6%
<b>Band 4</b>	0.1%	7.5%	53.7%

## 2. Unspent funds

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 2017 on the 2016/2017 Statutory Annual Returns (Form 4). This is compiled from data which was reported as committed and uncommitted on the Form 4.

The top band for unspent funds (greater than £100), shows 9 per cent of EBs were holding more than £1m each. The majority of EBs holding funds greater than £100 (66 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
	From	To	
<b>Band 1</b>	£1m and over		8.9%
<b>Band 2</b>	£400,000	£999,999	5.6%
<b>Band 3</b>	£100,000	£399,999	11.2%
<b>Band 4</b>	£50,000	£99,999	7.8%
<b>Band 5</b>	£100	£49,999	66.2%

Unspent funds data is also shown by quartile which shows that the upper quartile of EBs with unspent funds are holding £130,000 or more and 75 per cent were holding less than £130,000.

<b>Benchmark: Quartile by unspent funds &gt;£100</b>			
	Funds held		Percentage of EBs holding more than £100
	From	To	
<b>Quartile 1</b>	£130,000 and over		25%
<b>Quartile 2</b>	£17,000	£129,999	25%
<b>Quartile 3</b>	£4,000	£16,999	24%
<b>Quartile 4</b>	£100	£3,999	26%

### 3. Uncommitted funds

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 2107 on the 2016/2017 Statutory Annual Returns. Uncommitted funds are funds that have not been allocated to individual projects.

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.

<b>Benchmark: Banding by value of uncommitted funds &gt;£100</b>			
	<b>Funds held (£)</b>		<b>Percentage of EBs holding more than £100 uncommitted funds</b>
	<b>From</b>	<b>To</b>	
<b>Band 1</b>	£1m and over		4.9%
<b>Band 2</b>	£400,000	£999,999	6.6%
<b>Band 3</b>	£100,000	£399,999	10.7%
<b>Band 4</b>	£50,000	£99,999	6.6%
<b>Band 5</b>	£20,000	£49,999	14.8%
<b>Band 6</b>	£100	£19,999	56.1%

Uncommitted funds data is also shown by quartile and shows that 25 per cent of EBs holding more than £100 of uncommitted funds are holding £60,000 or more and 75 per cent were holding less than £60,000.

<b>Benchmark: Quartile by EBs holding uncommitted funds &gt;£100</b>			
	<b>Funds held</b>		<b>Percentage of EBs holding more than £100 uncommitted funds</b>
	<b>From</b>	<b>To</b>	
<b>Quartile 1</b>	£60,000 and over		25%
<b>Quartile 2</b>	£13,000	£59,999	25%
<b>Quartile 3</b>	£1,700	£12,999	25%
<b>Quartile 4</b>	£100	£1,699	25%

## 4. CTP requirements

CTP requirements have been compiled from data provided by EBs which received a contribution from a Landfill Operator (LO) and which was reported to ENTRUST on the Notification of a Contribution (Form 3) forms during 2016/2017. Government policy is for LOs to absorb some or all of the 10 per cent requirement, in order to demonstrate their commitment to the scheme.

Almost 26 per cent of EBs which received a contribution from a Landfill Operator (LO) during 2016/2017 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</b>
	<b>From</b>	<b>To</b>	
<b>Band 1</b>	7.51%	10.00%	25.8%
<b>Band 2</b>	5.01%	7.50%	16.1%
<b>Band 3</b>	2.51%	5.00%	16.1%
<b>Band 4</b>	0.00%	2.50%	41.9%

## 5. 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 risk scores are calculated. This can be found at:

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

The risk score benchmarking information detailed below is presented by banding for all EBs and also by banding for EBs holding £100 or more of unspent funds as at 31 March 2017.

Less than 1 per cent of EBs in each category fall into the highest risk banding (Band 1). The majority (40 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 2017, the majority (47 per cent) also fall within Band 4.

Benchmark: Banding by risk score				
	Risk score		Percentage of all EBs	Percentage of EBs with funds >£100 as at 31 March 2017
	From	To		
Band 1	Over 8000		0.8%	0.9%
Band 2	6000	7990	4.7%	4.7%
Band 3	4000	5990	4.7%	13.2%
Band 4	2000	3990	40.4%	47.2%
Band 5	1000	1990	27.7%	20.3%
Band 6	180	990	21.8%	13.7%

The Risk Score Quartile table for all EBs is detailed below.

Benchmark: Quartile by risk score range (All EBs)			
	Risk Scores		Percentage of all EBs
	From	To	
Quartile 1	2730	8780	25%
Quartile 2	2080	2680	25%
Quartile 3	1080	2060	29%**
Quartile 4	180	1020	22%

\*\* includes 261 EBs with the same risk score of 1080

The Risk Score Quartile table for EBs that held £100 or more at 31 March 2017 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 2017</b>
	<b>From</b>	<b>To</b>	
<b>Quartile 1</b>	3680	8350	25%
<b>Quartile 2</b>	2580	3660	25%
<b>Quartile 3</b>	1620	2510	25%
<b>Quartile 4</b>	280	1590	25%



## 6. Non-compliant recommendations 2016/2017

The non-compliant recommendations data is compiled from the findings raised with EBs which were subject to a compliance inspection during 2016/2017.

Thirty per cent of compliance inspections during 2016/2017 raised at least one non-compliant finding. Details of all findings (non-compliance and guidance) 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 2016/2017</b>		
	<b>Number of non-compliant findings</b>	<b>Percentage of EBs inspected during 2016/2017</b>
<b>Band 1</b>	4 or more	0.3%
<b>Band 2</b>	3	0.3%
<b>Band 3</b>	2	8.8%
<b>Band 4</b>	1	20.5%
<b>Band 5</b>	None	70.1%

## 7. Project data

The project benchmarking data is compiled from the 2016/2017 Statutory Annual Returns individual project breakdown details submitted by EBs.

The majority (32 per cent) of projects completing during 2016/2017 incurred LCF expenditure of £10,000 or less (Band 7). The highest value projects (Band 1 – greater than £100,000) made up 3.6 per cent of all projects completing during 2016/2017.

<b>Benchmark: Banding by value of projects completing in 2016/2017</b>			
	LCF expenditure (£)		Percentage of projects
	From	To	
<b>Band 1</b>	Over £100,000		3.6%
<b>Band 2</b>	£50,001	£100,000	7.2%
<b>Band 3</b>	£40,001	£50,000	15.7%
<b>Band 4</b>	£30,001	£40,000	8.1%
<b>Band 5</b>	£20,001	£30,000	14.2%
<b>Band 6</b>	£10,001	£20,000	19.3%
<b>Band 7</b>	Up to £10,000		32.0%

The duration of projects completing during 2016/2017 has been banded by months based on the date of first and last payment of LCF funds.

The majority (62 per cent) of projects are within Band 6 and completed within three months of the first payment. Less than one per cent of projects completing in 2016/2017 took more than 36 months to complete.

<b>Benchmark: Banding by duration of projects completing in 2016/2017</b>			
	Duration (months)		Percentage of projects
	From	To	
<b>Band 1</b>	Over 36		0.6%
<b>Band 2</b>	25	36	1.0%
<b>Band 3</b>	13	24	8.4%
<b>Band 4</b>	7	12	14.6%
<b>Band 5</b>	4	6	13.8%
<b>Band 6</b>	1	3	61.7%