



CHAIRS' BRIEFING OF KEY ISSUES—JULY 2023

1. Spring Budget 2023

- 1.1 Following the Budget announcement on 15 March 2023, the Landfill Communities Fund (LCF) for 2023-2024 is set at **£32.9m**. The diversion rate for contributions from Landfill Operators (LOs) will remain at **5.3 per cent**. The Entrust levy for 2023/2024 has been set at **3.38 per cent**, which provides the necessary funding to enable us to discharge our statutory duties.
- 1.2 Looking ahead, we expect the scheme will continue to help foster sustainable communities and promote environmental stewardship across England & Northern Ireland.

2. Latest Guidance Manual Updates

- 2.1 Entrust regularly seeks feedback from Environmental Bodies (EBs) to ensure that its Guidance Manual remains up-to-date and informative. The latest updates were [published on our website](#) in January 2023 and focused on several important areas. Firstly, EBs need to ensure that their Governing Documents meet the criteria specified in the Regulations (Section 2.3). Different enrolment requirements exist based on the organisation type, such as automatic consideration of charities as not-for-profit (Section 2.4). The identification and approval of Contributing Third Parties (CTPs) when acting on behalf of an EB is also emphasised (Section 3.7).
- 2.2 Changes have been made regarding running costs (Section 3.12), eligibility criteria for project applications (Section 4, and proportional registration (Section 4.3). The criteria for reporting changes in project cost or purpose have also been updated (Section 4.6), as well as the clarification on Income Derived calculations and exceeding maintenance costs (Section 5.2). Extension requirements have been adjusted to provide a more proportionate and flexible approach (Section 5.4). And finally, there are revisions regarding the use of Landfill Communities Fund (LCF) branding on promotional materials and plaques, considering the indirect public funding of projects (Section 5.7).
- 2.3 Overall, these updates aim to provide clear guidelines, enhance understanding of Entrust's guidance, and ensure accuracy in information shared with stakeholders. The [revised version](#) of the Guidance Manual contains detailed information on these changes.

3. Project Site Visit (PSV) Action Plan

- 3.1 Following consultation with the Association of Distributive and Environmental Bodies (ADEB) in October 2022, Entrust agreed to several follow up actions aimed at providing clarity to the PSV process and helping to support EBs in meeting their statutory obligations. These efforts include finalising the EB annual assessment report, providing comprehensive breach management information to EBs, delivering training on due diligence checks, and developing accurate reporting forms to capture the added value of LCF funding. Taken together, measures such as these aim to improve the scheme's reporting capabilities and highlight the value it delivers.
- 3.2 In addition, Entrust emphasises the importance of sharing best practices among EBs to mitigate financial loss and protect the reputation of the LCF. Clearing up breach management guidance and publishing information on the PSV process are also key steps to promote

transparency and assist EBs in understanding and complying with their regulatory requirements.

- 3.3 Entrust is also focused on ensuring accurate information submission, promoting best practices among EBs, and addressing challenges related to non-compliant projects and the 7.5% administration cap. Through these actions, we aim to strengthen our regulatory framework and enhance the overall effectiveness of the LCF in delivering its intended benefits.

4. Top 10 EBs Action Plan

- 4.1 The top ten action points agreed upon by HMRC, Entrust, and EBs following consultation with the top ten EBs in March 2023 have been [published](#) on our website.
- 4.2 These action points include developing an LCF lifecycle model, evaluating the use of LCF funding for Electric Vehicle Charging Points, enhancing application quality and standardising the application process, developing guidance for potential applicants to ensure compliance with the Landfill Tax Regulations 1996, improving the quality of project information reported to Entrust, reviewing reporting requirements on Forms 2 and 9 and developing a new Form 10 for project completion information. Furthermore, Entrust committed to providing guidance to EBs on the metrics to be reported on Forms 2/9/10 to demonstrate the LCF's VfM, developing a programme of targeted support to projects in remote communities, and ensuring that EBs' Boards have strategies for managing contributions from LOs.

5. 2022 EB Satisfaction Survey: Publication of Results

- 5.1 In line with best practices, we conduct an annual EB Satisfaction Survey in May each year. The survey provides an opportunity for stakeholders to share their feedback, thoughts, and opinions on the quality and performance of our services.
- 5.2 In 2022, the survey findings revealed that overall satisfaction levels remained relatively robust amongst EBs. However, it also highlighted several areas in which improvements could be made to ensure that EBs have an even better experience when dealing with Entrust in the future. These included communicating changes to the Registration Process and Compliance Review Process, as well as making amendments to the PSV.
- 5.3 Full details and break down of the findings are available at [the following link](#).

6. Annual Breach Management Review

- 6.1 As the regulatory authority, Entrust, in collaboration with HMRC, has the responsibility of overseeing breaches of the Landfill Tax Regulations 1996 (Regulations). The latest [Annual Breach Management Review](#) highlights breaches that have occurred during the 2022/2023 period and outlines the measures taken to address and resolve them.
- 6.2 The document breaks down the different types of breaches that took place, such as failure to respond to information requests, project closures after completion, invoice discrepancies, or potential fraud, errors in project aims and public access statements, unauthorised changes to project details, improper administration fees, late reporting of contributions and fund transfers, and spending outside the prescribed period. Each breach case is assessed based on its unique circumstances and the resolutions vary accordingly.
- 6.3 Overall, the document highlighted an increase in breach management cases compared to the previous year. This rise can be attributed to the shift from a prolonged period of 'lighter touch' regulation, brought about in response to the pandemic, to a more rigorous and challenging one (for example, the establishment of on-site PSVs) and the demands placed on Staff.

- 6.4 As part of our “coaching to compliance” ethos, Entrust is committed to offering guidance and assistance to EBs in mitigating the risks associated with non-compliance with regulations and guidance. We strive to highlight the significance of providing accurate information, implementing thorough checking processes, and adhering to project registration requirements throughout our stakeholder communications.

7. Publication of 2023/2024 Corporate Plan

- 7.1 On 15 May 2023, we published our [2023/2024 Corporate Plan \(Plan\)](#). The Plan sets out our primary regulatory activities for the upcoming year. During the development of this Plan, we have carefully considered the changing regulatory environment and the complexities associated with gaining a better sense of how the fund delivers value in people’s lives.
- 7.2 As a modern and transparent regulator, the document reaffirms our "coaching to compliance" approach and our commitment to ensuring that our guidance is clear, consistent, and easily comprehensible to all stakeholders.
- 7.3 Furthermore, the document highlights our ongoing work in developing the Economic, Environmental, Community, Impact Model (ECEIM). This model enables us to gain a deeper understanding of how the LCF delivers value on a practical level. By collaborating closely with EBs, we aim to enhance data collection and track key metrics that provide valuable insights into the impact, value for money, and overall effectiveness of the LCF for the government and other stakeholders.
- 7.4 Lastly, the document reviews the launch of a new virtual forum during 2022/2023. This forum serves as a central platform for EBs to exchange best practices and further enhance their initiatives. In the following year, our goal is to refine and expand this forum to better cater to the evolving needs of the sector.