

Since its inception in 1996 the Landfill Communities Fund (LCF) has supported over 56,000 community and environmental projects across the UK with contributions from Landfill Operators (LOs) totalling more than £1.5bn.

ENTRUST is the Regulator of the LCF, an innovative tax credit scheme enabling LOs to contribute money to organisations enrolled with ENTRUST as Environmental Bodies (EBs).

EBs carry out projects in local communities that comply with the objectives set out in the Landfill Tax Regulations 1996 (Regulations).

We regulate both the EBs' activities and the work they undertake through the delivery of approved projects. We assess each project before any LCF money is spent to ensure it is going to deliver an approved object. We do not allocate or have influence over the distribution of landfill tax monies.

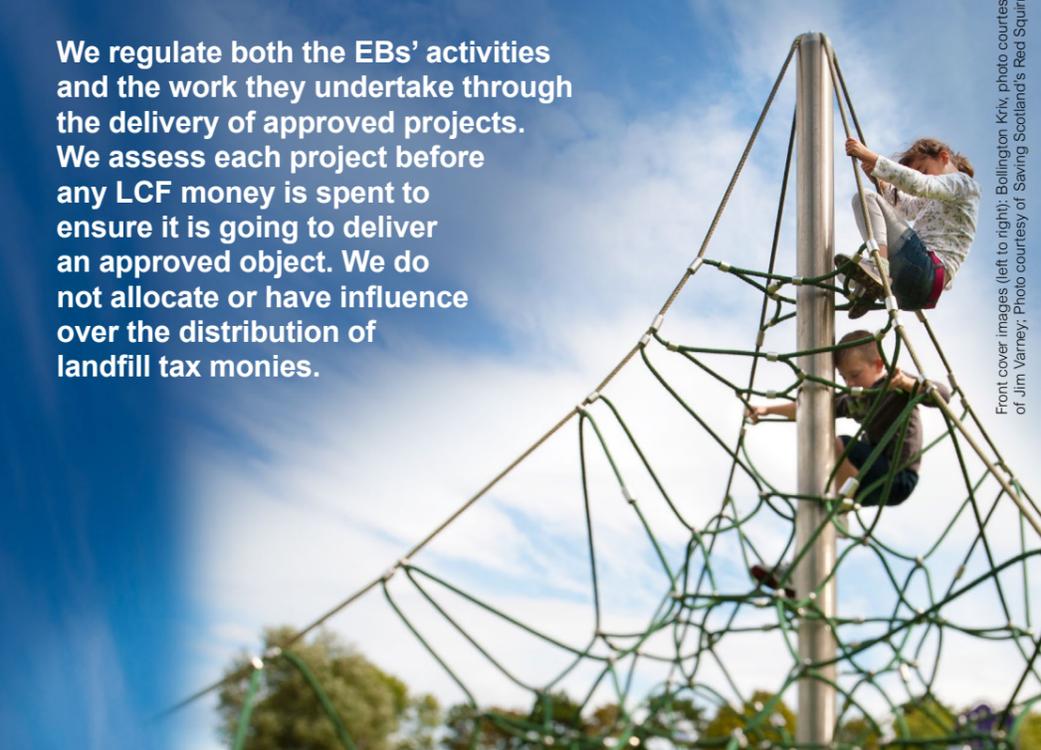


ENTRUST

Regulating the Landfill Communities Fund  
Benefiting people and the environment

# 2015 – 2016 ANNUAL REPORT

Front cover images (left to right): Bollington Kirk, photo courtesy of Jim Varney; Rosslyn Chapel, Edinburgh, photo courtesy of Jim Varney; Photo courtesy of Saving Scotland's Red Squirrels; Kings Lynn Parkour, photo courtesy of Jim Varney.



www.entrust.org.uk

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## Chair's overview

Since its launch in 1996 the Landfill Communities Fund (LCF) has provided a vital source of money for local community and environmental projects across the United Kingdom. As the regulator we provide a crucial role in ensuring that projects comply with the scheme objectives and offer support and guidance to the sector.

Since taking over as Chair in July 2014, there has been a significant degree of change. From the closure of the LCF in Scotland to the Government's reform of the LCF.

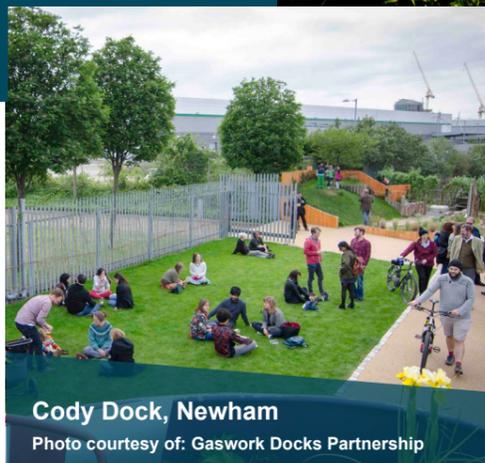
Across this year I, and the Board, have further prioritised strengthening our relationships with the Chairs of the largest Environmental Bodies (EBs) and Landfill Operators (LOs). At an operational level, ENTRUST has also worked collaboratively with the sector to ensure that we provide simple, clear and effective guidance regarding the new reform measures. The feedback we've had from colleagues in the sector is that this approach has been welcomed.

With the reduction in the size of the fund to £39.3 million in 2016/2017 and a focus on reducing EBs' running costs, the Board and Senior Management Team considered it essential to review how we could reduce our operational costs. During the year we undertook a fundamental review of the organisation which resulted in the removal of four posts. On behalf of the Board I'd like to record our collective thanks to staff for their hard work, flexibility and professionalism during this period of uncertainty.

As we move on from a period of significant change it is important to remember why the LCF was set up. This unique and innovative scheme has provided almost £1.4 billion to local community and environmental projects. In life, change is inevitable, but I believe that the sector and ENTRUST are ready to support a renewed LCF and to continue making a difference to those living in the vicinity of a landfill site.

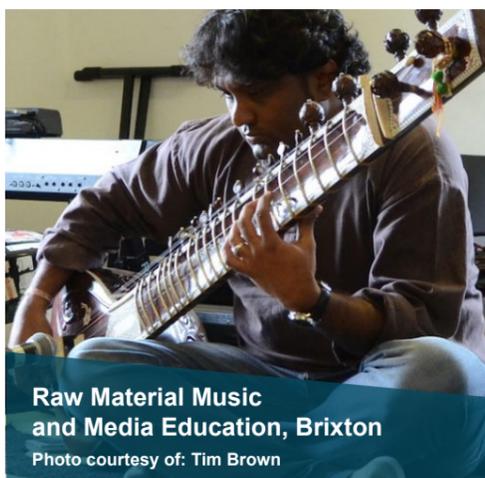
*Ann Limb*

Dr Ann G Limb CBE DL  
Chair, ENTRUST



Cody Dock, Newham

Photo courtesy of: Gaswork Docks Partnership



Raw Material Music  
and Media Education, Brixton

Photo courtesy of: Tim Brown



Prema Arts Centre, Bethesda Chapel

Photo courtesy of: Rupert Russell of RSDR Photography

## CEO's operational review

The last twelve months have been an uncertain period as the sector waited for the outcome of HMRC's reform consultation. In addition to delivering our core regulatory services we have been on standby, ready to interpret and implement the changes brought forward by the Government.

Following the reform announcements in the 2015 Autumn Statement, we worked with the sector and HMRC to discuss the revision to our guidance, addressing the reform measures in detail to ensure its clarity and that it correctly represented policy intent. Our updated guidance manual was published in March 2016, along with a refresh of the ENTRUST website to ensure that information was clear, easy to access and accurate.

Although the reform of the fund has been the core strategic stream of work in the last 12 months, I'd also like to highlight the following successes during the year:

- We increased stakeholder satisfaction with our regulatory services from 81 per cent in 2014 to 83 per cent in 2015;
- We published our first review of the ENTRUST Regulator Standards (ERS) which showed that we met all 25 of the standards which encompass our regulatory activities;
- We have delivered on all of our objectives and with one exception\* we have met all of our agreed Key Performance Indicators (KPIs) on time and on budget despite the fact we have removed four positions from our establishment;
- We exceeded our compliance target by completing 354 reviews (11 per cent above the target). Furthermore, EBs subject to a review accounted for 98 per cent of unspent LCF funds held; and
- We increased the percentage of Statutory Annual Returns (Form 4) submitted by the due date from 77 per cent in April 2014 to 81 per cent in April 2015.

This period of change has required us to be flexible and adaptive and I believe that it has made ENTRUST a stronger organisation better equipped to meet the challenges of regulating a leaner, more efficient LCF.

*Christopher Welford*

Christopher Welford  
Chief Executive, ENTRUST

\* KPI target 1.1 - details shown overleaf



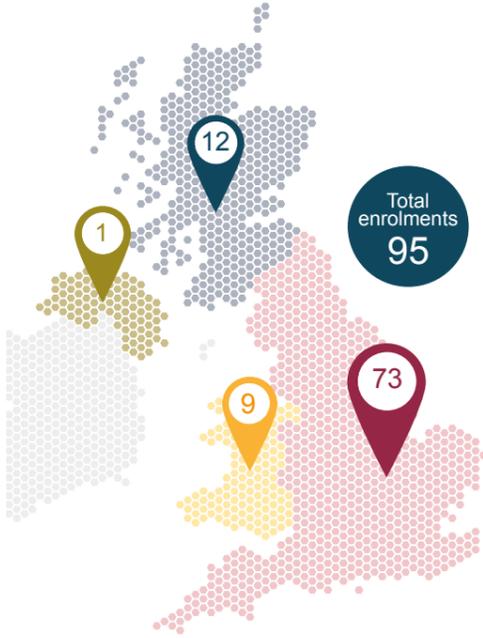
Since 1996 the Landfill Communities Fund has supported almost **56,000** projects with contributions from landfill operators totalling **£1.52bn** as at 31 March 2016

**In 2015/2016**

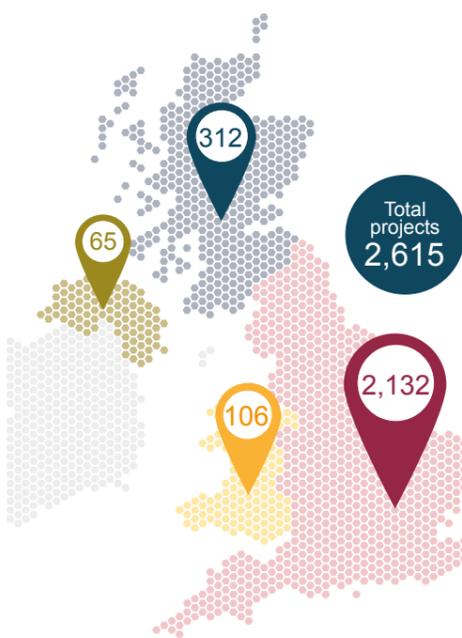


We have enrolled 95 EBs and registered 2,615 new projects. Our compliance inspectors have conducted 354 reviews. The following charts show the spread of activity across the UK.

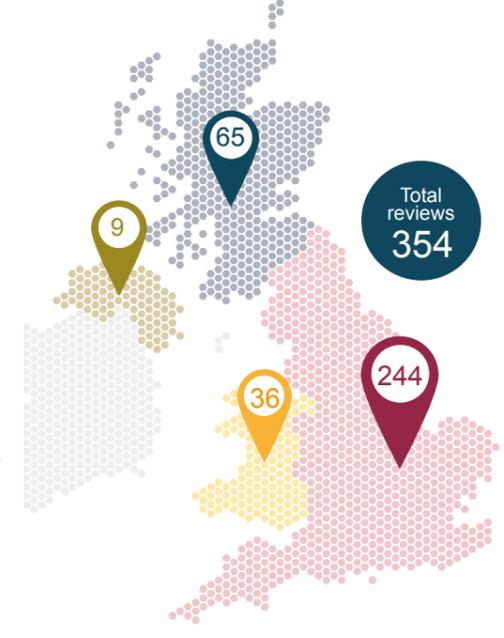
**EB enrolments**



**Project registrations**



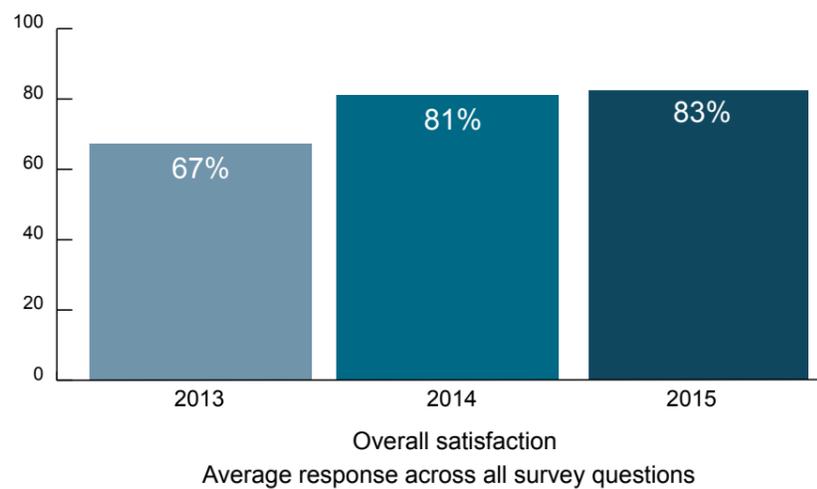
**Compliance reviews**



**EB satisfaction with ENTRUST**

Each year we invite EBs to feed back on the services that we provide through an online satisfaction survey. The results from the 2015 survey were very positive overall and we were able to report the following. We also received strong feedback scores for our training events and compliance reviews.

The following charts show the percentage of those who agree/agree strongly.



<b>Overall satisfaction with the Compliance process</b>	
Target	Actual
<b>4.5/5.0</b>	<b>4.6/5.0</b>
<b>Overall satisfaction with the ENTRUST training events</b>	
Target	Actual
<b>4.6/5.0</b>	<b>4.6/5.0</b>



Marsh Tracks, Rhyl  
Photo courtesy of: Jim Varney



Froncysyllte Community Centre  
Photo courtesy of: Jim Varney



Bollington Kriv  
Photo courtesy of: Jim Varney

**Achievements**

We have delivered on all of our objectives and with one exception\* we have met all of our agreed Key Performance Indicators (KPIs) on time and on budget as agreed with Her Majesty's Revenue and Customs (HMRC). As a best practice organisation we also set a number of internal targets. The table below shows our performance against those. More details are in our full annual report available at [www.entrust.org.uk](http://www.entrust.org.uk)

	TARGET	ACTUAL	
Number of EBs enrolled in five working days	98%	97%	★
Number of projects enrolled in five working days	98%	99%	▲
Number of compliance inspection reviews	318	354	▲
Inspect EBs holding 90% of LCF funds (at 31 March 2015)	90%	98%	▲
Increase the percentage of Form 4 returns by the due date (28 April)	77%	81%	▲
Increase the proportion of projects submitted online	93%	95%	▲
Publish the 2014/2015 ENTRUST Regulator Standards	By 30 June	Published 3 June	✓

\* Due to an administrative error three EB enrolments were made outside of five working days