



**Regulating the Landfill Communities Fund
Benefiting people and the environment**



**2014 – 2015
ANNUAL REPORT**



Kings Lynn Parkour project
 Photo courtesy of Jim Varney

What is ENTRUST?

ENTRUST is the regulator of the Landfill Communities Fund (LCF), an innovative tax credit scheme enabling Landfill Operators (LOs) to contribute money to enrolled Environmental Bodies (EBs) to carry out projects in local communities.

The aim of the LCF is to offset some of the impacts that landfill sites have on local communities. All projects must satisfy the environmental objectives contained 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 clearly going to deliver an approved object. We do not allocate or have influence over the distribution of landfill tax monies.

Our aim

To be an independent, credible and professional regulator that treats all stakeholders fairly in all their dealings with us. To improve awareness amongst our stakeholders of the regulatory role we perform and the work we do.

How the Landfill Communities Fund works

LOs pay landfill tax to HM Revenue and Customs (HMRC) on every tonne of waste that they dispose of in a landfill site. Under the LCF, LOs are able to pay a proportion of their landfill tax liability to not-for-profit organisations which deliver projects for the benefit of communities and the environment in the vicinity of a landfill site.

In order to receive LCF funds directly from a LO these not-for-profit organisations must become enrolled with ENTRUST as EBs.

Landfill Communities Fund Objects

There are six main areas of work (Objects') that qualify for funding under the LCF

Object A	The reclamation, remediation or restoration of land which cannot currently be used
Object B	The prevention of potential for pollution or the remediation of the effects of pollution
Object D	The provision, maintenance or improvement of a public park or another public amenity
Object DA	The conservation of a natural habitat or of a species in its natural habitat
Object E	The restoration of a place of religious worship or of historic or architectural interest
Object F	The provision of financial, administrative or other similar services by one EB to another

CHAIR'S OVERVIEW



Dr Ann G Limb CBE DL
Chair,
ENTRUST

This is my first report since taking over as Chair from Philip Smith in July 2014. I should therefore like to begin by thanking Philip for his sterling service to ENTRUST over a decade.

Following the publication of the results of the Government's Challenge (to reduce the level of funding held by EBs by 25 per cent with a corresponding increase in expenditure), in Budget 2015, the Government announced that it would be undertaking a consultation exercise seeking views on proposals to reform the LCF.

As a member of ENTRUST's Board, I was aware of individual EBs' performance against the Challenge and the engagement of their Boards and contributing LOs in understanding the future challenges facing the sector. I therefore set as one of my first priorities to review and consider ways in which ENTRUST could further improve our working relationships with the top ten EBs and their contributing LOs.

Following the completion of my review, I agreed with the Board a new approach, in that our individual Board members would buddy up with individual EBs and LOs to ensure a free flow of information between our organisations. When I chaired my first meeting with the Chairs of the top ten EBs in February 2015, it was pleasing to note that we collectively agreed that this was a proactive and positive step, which would help implement the Government's reforms for the LCF once they are published.

I have also been pleased to note that, once again, we delivered all of our objectives and Key Performance Indicators (KPIs) on time and on budget despite the fact that we had a number of staffing changes throughout the year. Additionally, we continued to support and work in partnership with the Scottish Government and the Scottish Environment Protection Agency (SEPA) to ensure that the arrangements went smoothly for the closure of the LCF in Scotland and the establishment of the Scottish LCF.

I look forward to working with the sector for the year ahead as we work with HMRC on the Government's reform agenda.

A handwritten signature in black ink that reads "Ann Limb". The signature is written in a cursive, flowing style.

Dr Ann G Limb CBE DL
Chair,
ENTRUST

CHIEF EXECUTIVE'S OPERATIONAL REVIEW



Christopher Welford
Chief Executive,
ENTRUST

The last 12 months have been an important time for ENTRUST. In addition to delivering our core business, we have also been working on a number of strategic streams of work, with various partners. These tasks include:

- supporting HMRC in preparing their consultation exercise proposing reforms to the LCF;
- working with a range of stakeholders to prepare for the closure of the LCF in Scotland; and
- engaging with the Welsh Government on its plans for the future of the LCF in Wales.

Despite having to manage these additional tasks and also having to operate under a challenging financial climate, we were able to deliver all of our KPIs and objectives.

It was also pleasing and very rewarding to note that our stakeholders recognised that our performance levels had improved during the year. Our analysis of the stakeholder satisfaction survey showed that 96 per cent of respondents felt that we are 'very professional when dealing' with them. This represents a 10 percentage point increase compared to the 2013 survey. Furthermore, 96 per cent of EBs understand our role as regulator, an increase of 16 percentage points year on year.

Some of our other notable successes during the year include:

- exceeding our compliance inspection target by completing 338 reviews (6 per cent above the target). Furthermore, EBs subject to a review accounted for 98 per cent of the unspent LCF funds held. Additionally our inspectors achieved a satisfaction rating of 4.6 out of 5;
- we continued to enrol 98.7 per cent of EBs and register 99.6 per cent of new projects within five working days – both above our KPI targets; and
- we increased our stakeholders use of e-technology, which led to a higher proportion of forms completed online via ENTRUST Online (EOL) as well as increased engagement and response to our online communications via Twitter and email marketing.

We have provided a strong foundation to ensure that the future challenges that we and the sector face will be fully met and supported by our partners.

A handwritten signature in black ink, appearing to read 'C. Welford', written in a cursive style.

Christopher Welford
Chief Executive,
ENTRUST

In our 2014-2017 Corporate Plan, we set out four key areas on which to focus:

1. Regulatory Efficiency and Effectiveness
2. Demonstrating Fund Impact
3. Strategic Changes
4. Organisational Value for Money

This review sets out our achievements and impact in each of these areas in the past year.

1. Regulatory Efficiency and Effectiveness

Environmental Body (EB) satisfaction survey

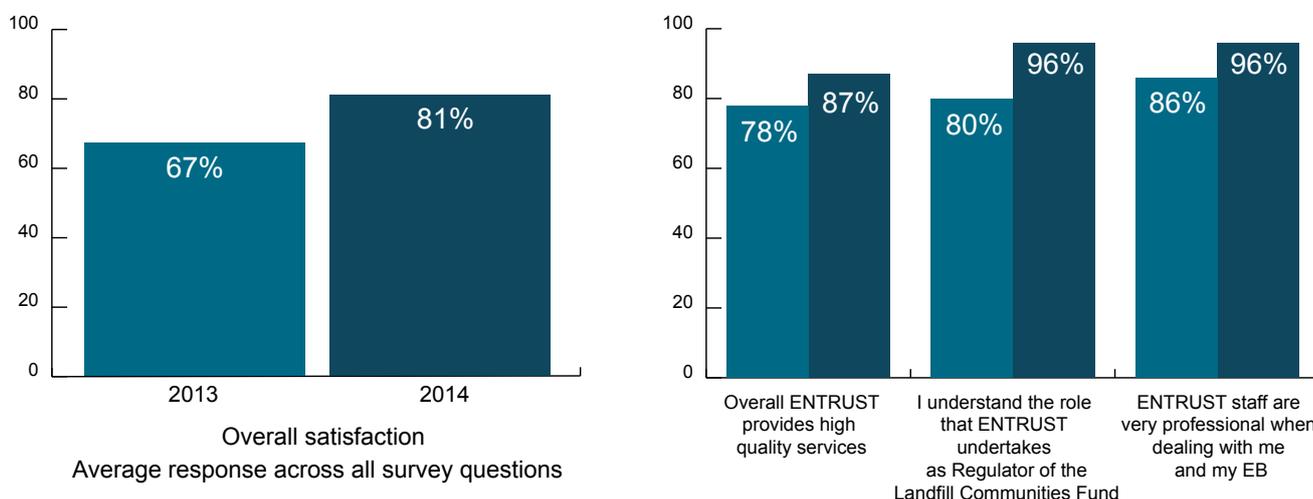
Each year we invite enrolled EBs to feed back on the services that we provide through an online satisfaction survey. The survey is an important tool that allows us to form an understanding, and gauge the level, of satisfaction with the quality of our services and EBs' perceptions of our work. Following an analysis of the results we are then able to target our resources effectively by identifying areas for improvement.

The results from the 2014 survey were very positive overall and we are able to report the following:

- overall satisfaction levels have increased by 14 percentage points over the 2013 survey resulting in 81 per cent of respondents being satisfied with our work and the services we provide; and
- 96 per cent of respondents felt that we are 'very professional when dealing with them'. This represents a large year on year increase of 10 percentage points.

Overall satisfaction

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



Having analysed the results of the survey we developed an action plan which was fully implemented in 2014/2015 and focused on the following areas:

- improving the EB enrolment process;
- reducing the use of paper forms;
- delivering improvements to EBs through compliance inspections;
- addressing the proportionality of enforcement action;
- improving EOL;
- updating our EB training offer; and
- supporting EBs by creating 'How to' guides for the areas on which they require support.

Regulation

We provide advice and guidance to EBs on the Regulations and conditions agreed under them. We develop the guidance manual to clarify the meaning, interpretation and requirements of the Regulations. We also issue consultations to understand the views of EBs and to take account of their experience and preferences when formulating policy and guidance.

We met our KPI reporting schedule, and also delivered monthly Terms of Approval (TOA) reports to HMRC on time each month. We participated in HMRC's reform working group to assist HMRC in working towards their consultation on reform of the LCF.

In September 2013 we issued guidance to all EBs on Contributing Third Party (CTP) payments. During 2014/15 we have given individual advice to a number of EBs on how this guidance affects them and the actions they should take to comply with our guidance and the Regulations.

Income Derived (ID) consultation

The ID consultation sought stakeholders' views upon the continuation of the current reporting requirements in relation to ID and the option of an assurance that all income derived from the running of an LCF amenity will be spent on the maintenance and operation of that LCF amenity (the assurance proposal). This helps to assure the continued sustainability of a project by allowing future revenue costs of the facility to be funded. These changes are being considered alongside the current reform proposals.

Interpretation of 'Public'

The consultation, undertaken in 2014, sought stakeholders' views upon our interpretation of the term 'Public' for each of Objects D and E, alongside the opening hours and access for projects under each of these Objects. The consultation also considered specific user groups, proportional registration and access statements. These areas are also being considered alongside the current reform proposal.





EB induction, networking and training

In 2014/2015 we developed a new training approach taking into account data and feedback from a range of sources. This included the EB satisfaction survey, discussions at our communications forum and at our liaison meetings with the Association of Distributive and Environmental Bodies (ADEB), as well as the feedback that we received from attendees at the training days we ran during 2013/2014 and the costs we had incurred.

We set out a new approach for the 2014/2015 reporting year, with the following aims, to:

- offer free induction and training which supports EBs in delivering projects through the LCF, providing ongoing coaching towards compliance;
- promote efficient and effective delivery of projects by providing access to knowledge and understanding of the Regulations through a range of guidance and supporting materials;
- provide EBs with an opportunity to improve through networking and sharing best practice as well as information on compliance and risk; and
- increase access points to and take-up of our training offer whilst maintaining cost effective delivery solutions, which meet the needs of a wide range of individuals across our target groups.

Our revised approach, linked to our new communications strategy, was to recognise the different needs of our stakeholders and those working with and within EBs and to provide a range of materials and opportunities to increase understanding of the LCF and the Regulations. This included the launch of four new videos and new 'How to' guides. The revised approach was developed focusing on the needs of identified groups (linked to our communications strategy channels) and how they might access our training offer. Our aim was to decrease cost per delegate and particularly cost per access, whilst extending reach, maintaining high levels of positive feedback and a positive impact on compliance levels.

Our basic training events remained unchanged with three delivered in Leamington and one in Edinburgh and the average feedback score for these events was 4.5 (out of 5), which is on a par with the 2013/2014 score of 4.6.

We have published our Training Report for the 2014/2015 year and the following table details the Value for Money (VfM) of our new approach:

Measure	2013/2014 baseline	2014/2015 actual
Cost per delegate attending a training event	£45	£10
Feedback scores ¹	4.6	4.5
Cost per "access" (compared to cost per delegate, face to face) ²	n/a	£9.80
Take up/reach	110	380

¹ Excludes Scottish closure workshop held at SEPA offices

² Based on access to videos in two months and full cost

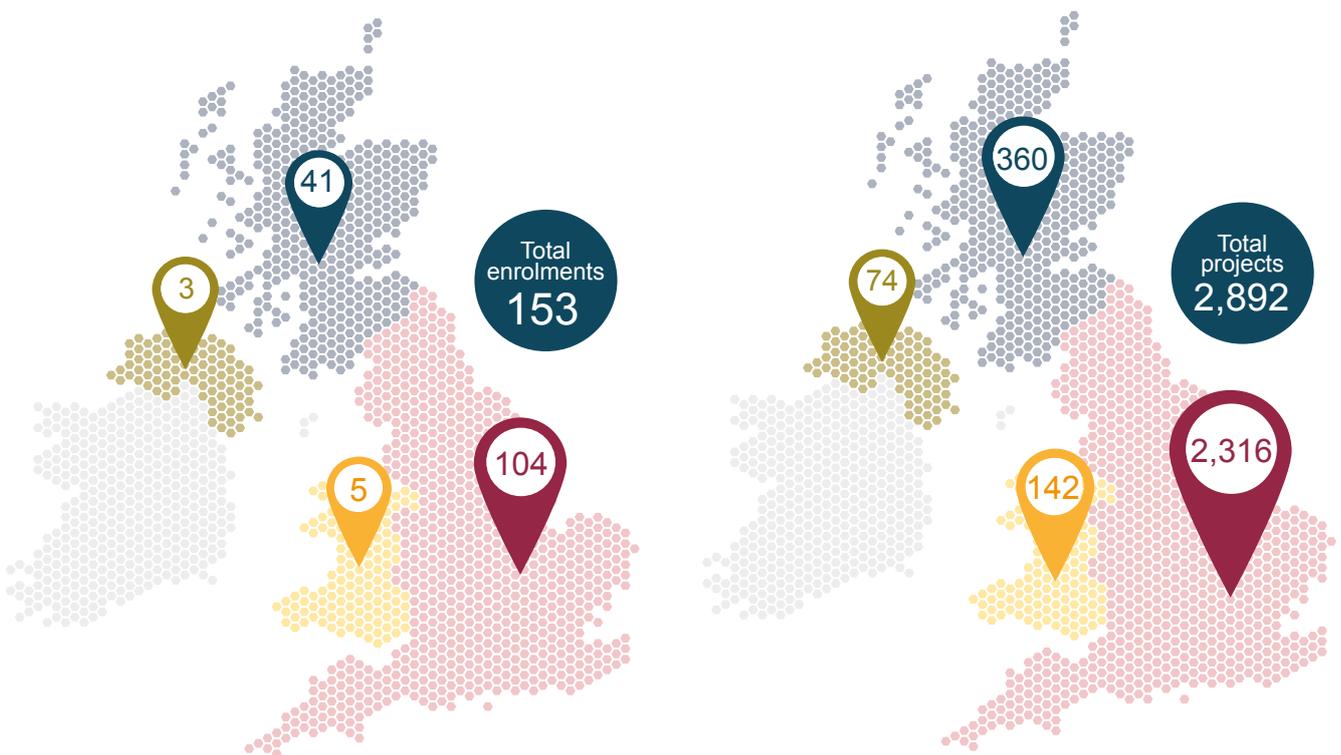
Registrations

We enrolled 98.7 per cent of EBs and approved 99.6 per cent of projects within five working days, exceeding our target KPIs of 98 per cent in each case.

We introduced a new project extension process and issued guidance to EBs on this area. This builds on our previous success in tackling over-running projects and will enable us to better keep a track of project progress. This is particularly important as we enter the transitional period following the closure of the LCF in Scotland and as we work to improve the flow of funding to communities.

Furthermore, HMRC have approved a new condition which addresses the problem of projects overrunning their end date. The condition restricts project approval to the period specified on the project registration form. This means that no LCF monies can be spent on a project after the agreed project end date without the EB applying to us for an extension.

Enrolments and projects in 2014/2015



Enquiry handling

The standards we have adopted for the processing and handling of enquiries state that we will:

- acknowledge the request;
- provide an estimated time by which we will respond to the request;
- agree the format the information is to be provided in with the requester;
- keep the requester informed if we are unable to meet the estimated time for response;
- clearly explain any technical or other information when providing the response to ensure that the requester does not need to come back for further clarification; and
- clearly state the reasons why we are unable to provide an answer to the enquiry in full or in part, if this is the case, for example due to confidentiality issues.

We handle an average of approximately 200 telephone enquiries per month, additionally we receive email enquiries through EOL and our website enquiry helpline which average around 60 requests a month. These figures are gradually decreasing, perhaps as more EBs access our online resources and in line with reduction in the number of EB and project applications.

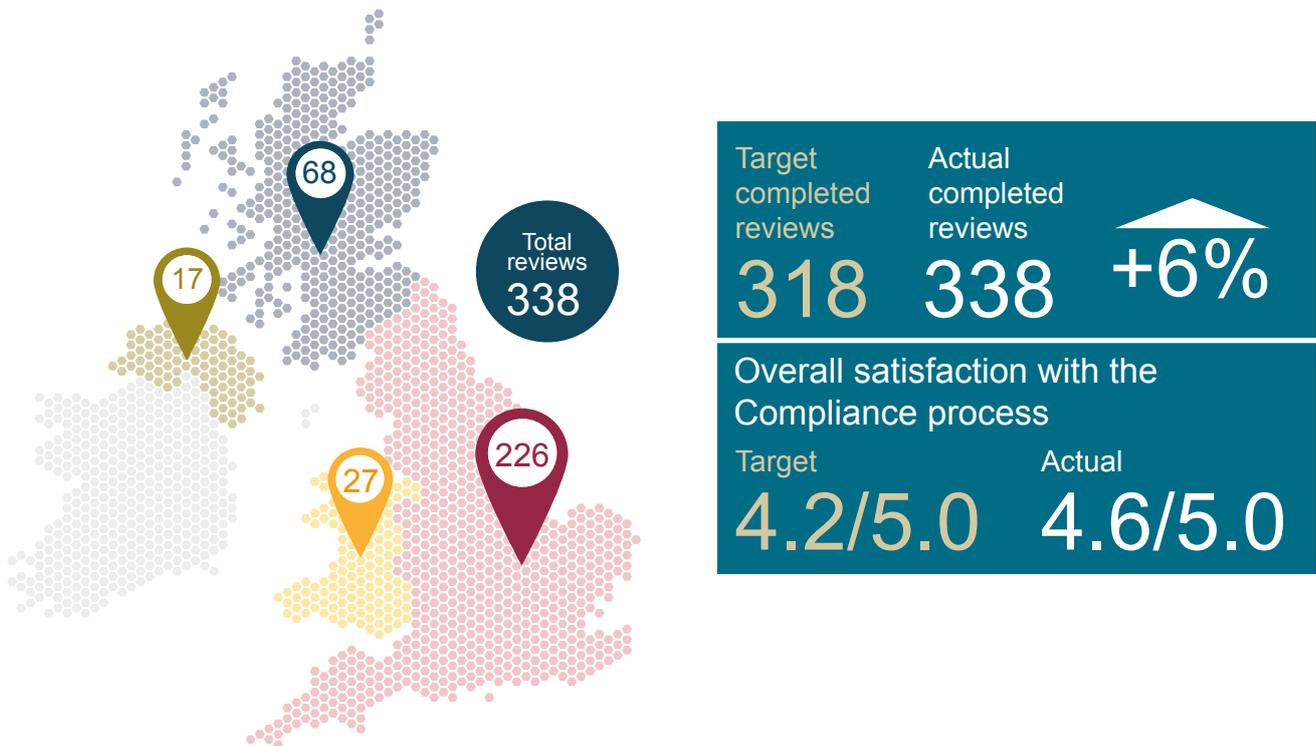
These calls and emails are now listed in our enquiry log to ensure that advice given can be traced and patterns of enquiries can be monitored so we can review if further action is needed. This remains an area for further development as we work continuously to improve our standards of customer service.

Inspection planning

During 2014/2015 we reviewed our pre-inspection process, including the compliance inspection leaflet and checklists used by EBs to prepare for a compliance visit. This ensures inspectors are aware of all potential issues prior to the review and EBs are provided with adequate information in advance of the review.

We carried out an analysis of the questions asked during our compliance reviews and have re-focused some questions for 2015/2016 to assist in gaining greater assurances on EBs' governance and management procedures. We also revised our Compliance Risk Model to provide a more balanced assessment of EB risks and we will use this to target our compliance resources for 2015/2016.

Compliance reviews in 2014/2015



Following an internal Quality Assurance Review, we implemented a number of further improvements to our compliance processes, which included updating our compliance report template and workbook to:

- introduce a section in our reports where we report on following up previous Compliance Reviews;
- review our documented processes to ensure that all evidence supplied by EBs is correctly filed and retained;
- review the workbook to bring both Control Framework Inspections (CFI) and Project Compliance (PC) reviews into one document and remove duplicate questions whilst clarifying the remaining questions asked;
- expand the governance sections of the compliance workbook;
- improve the Health & Safety review documentation in the compliance workbook which we use as part of our pre-visit assessment; and
- compile a central bank of compliance recommendations to provide inspectors with a resource to which they can refer when compiling their reports.



Stornoway Amenity Trust

Photo courtesy of Ramesh Patel

Enforcement

The responsibility for managing breaches in the Regulations is split between ENTRUST and our commissioner, HMRC. Where we consider that a regulatory breach has occurred, the Enforcement Manager investigates and takes appropriate action.

Enforcement Framework

Our EB satisfaction survey highlighted that EBs were often unsure about why enforcement action was taken. To better support EBs' understanding, we updated our enforcement framework to more clearly define the stages of the enforcement process. This continues to ensure that organisations that breach the Regulations receive fair, transparent and consistent enforcement action. We published the framework on our website and we will complete the implementation of the framework during 2015/2016.

Referrals to HMRC		Enforcement cases	
Referrals to HMRC for breaches of the Regulations	1	We have taken the following action in addition to late forms enforcement action:	
Referrals to HMRC of EBs for not returning a statutory Annual Return for two or more years	6	Advice and guidance letters	8
Number of enforced revocations	23	Warning letters	3
		Enforcement letters	4

Form 4

Our Form 4 strategy resulted in above target response rates for all measures, as shown in the following table.

Aim	Baseline April 2013	Outcome April 2014	
To increase the percentage funds reported by the due date (28 April)	98%	99%	✓
To increase the percentage of returns submitted by the due date (28 April)	72%	77%	✓
To increase the number of EBs who submit Annual Returns online	79%	84%	✓
To increase the percentage of nil returns received by the due date (28 April)	63%	78%	✓
To decrease the number of EBs who failed to submit an Annual Return by June	6%	3%	✓

We carried out a detailed review of the 2013/2014 Annual Return strategy, monitoring each stage of the implementation to assess return rates. Our 2014/2015 strategy included an enhanced communications plan for the 2014/2015 Annual Return and updated 'How to' guides to assist EBs to submit their return online.

At the beginning of 2015, HMRC approved a new condition which allows us to 'freeze' the status of those EBs who fail to submit their statutory Annual Return by 28 April. Once an EB is frozen it will not be able to receive further funds, or spend funds, until all outstanding Annual Returns are submitted.

Form 3 and 7

This year we created 'How to' guides for all reporting forms and these can be found on our website. They were created to give EBs a step-by-step guide to submitting their forms on EOL and encourage use of the online system. Since creating these guides we have seen an increase in the number of forms submitted online from 84 per cent in 2013/2014 to 89 per cent in the 2014/2015 financial year.

Of the 1,692 transfers between EBs, 52 (3 per cent) were reported late and of the 464 Form 3 contributions from a LO, 55 (12 per cent) were reported late.

Quality management

In 2013/2014 we launched our Quality Management System (QMS) based on ISO 9001 to manage our processes in order to achieve our objectives.

In 2014/2015 we carried out a programme of quality assurance reviews which were reported to our Audit Committee. These reviews assess the effectiveness of, and compliance with, our key business processes covering Registrations, Compliance, Finance and Enforcement. Following the completion of the reviews we were able to report substantial levels of assurance in each of these business areas.

To date, the QMS has been able to deliver the following aims to:

- monitor the effective delivery of quality services to stakeholders through regular review of performance against key performance indicators (KPIs);
- provide an independent assessment of the attainment of quality measures and targets;
- develop and implement plans for performance and process improvement; and
- provide management assurance to the Board on the effectiveness of the QMS in delivering quality services, delivery of plans for improvements and the achievement of measures and targets.

ENTRUST Regulator Standards (ERS)

The new ERS were agreed by the Board in March 2014 replacing the previous Regulations Team Standards. The ERS consist of 25 standards spread across seven areas encompassing the regulatory work undertaken throughout the organisation. They reflect the Government's Regulators' Code which was published in April 2014. The Regulators' Code provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate.

Self-assessment against the ERS has been reported and reviewed by the Board throughout the year and has helped us to identify areas for further improvement to our activities which we have reflected in our 2015-2018 Corporate Plan.

We have published our first self-assessment against these standards on our website.

Regulatory Efficiency and Effectiveness 2014-2017 Corporate Plan actions

To facilitate compliance with the Regulations we have completed the following actions from our corporate plan:

- published high quality guidance which is easily understood and is accessible;
- continued to develop our EB training framework including the use of e-delivery mechanisms;
- carried out a comprehensive programme of targeted compliance reviews based on risk and published findings; and
- continued to develop our enforcement process to ensure that sanctions are effective, proportionate and meaningful.



Holt to Fardon Path project
Photo courtesy of Jim Varney



African People's Historical Monument Foundation
Photo courtesy of RSWT



Bollington – Kerridge Ridge and Ingersley Vale Project
Photo courtesy of Jim Varney

“ENTRUST is a very good organisation. They are straightforward in their dealings and are very good with first-time fund seekers, such as I was at the time of application. Many thanks are due to this very good organisation.”

Feedback from EB Satisfaction Survey 2014



Raw Music Media, Brixton
Photo courtesy of Jess O'Brien



Countess Chester Country Park
Photo courtesy of Jim Varney



Tavistock Museum Charitable Trust
Photo courtesy of Biffa Award

2. Demonstrating Fund Impact

Whilst we are aware that EBs provide local communities with information on the operation of the LCF, we are conscious that the benefits that the LCF has delivered across the United Kingdom are not fully recognised by a wider audience. Following feedback and discussions with EBs and our stakeholders we placed a greater emphasis in 2014/2015 on demonstrating the impact of the LCF through the capture and sharing of key statistical information. This required further consultation with EBs which we undertook throughout the year and which is detailed below.

Value for Money and improved impact reporting

Value for Money (VfM) consultation

In March 2014 our consultation paper sought stakeholders' views upon the content of our proposed new VfM questions. A copy of the questions was set out in the consultation paper. EBs were previously asked the VfM questions at project registration stage. In our consultation document we announced our intention to seek this information after a project had been completed.

There was general agreement with most of the proposed questions and no alternative questions were suggested. Therefore we included all the proposed questions in our consultation as the VfM questions in the new project completion form. We will keep the composition of the VfM questions under review.

In December 2014 we launched the required changes to Form 2 (project registration) as part of our completions process changes. EBs were informed that they need not respond to the VfM questions on Form 2 while the new form was being prepared. We introduced the project completion form to enable EBs to notify us that a project is complete during the year. Once the new Form 9: Project Completion form was available, EBs were expected to complete the VfM questions as part of the Form 9: Project Completion form.

Consultation on the provision of management information (MI)

A MI consultation exercise was undertaken in September 2014 and sought stakeholders' views on the level and type of information that was made available to them and how the distribution of this data could be improved. Specifically the aims of the consultation were to:

- ensure that LCF data is used productively;
- ensure that stakeholders are able to use this information in a way that meets their needs; and
- provide stakeholders with appropriate data in respect of the operation of the LCF to demonstrate the impact the Fund has on local communities.

The information provided by those EBs that responded to the consultation has helped us to better understand where we should look to strengthen the provision and accessibility of information for stakeholders and that there is more we can do to signpost users to information that already exists, rather than utilising resources to provide duplicate versions of this information.



Abergale Pensarn Climbing Wall

Photo courtesy of Jim Varney



Communications planning and monitoring

The primary aim of our corporate communications is to ensure that all of our stakeholders are informed of the regulatory role we perform, our approach and how the LCF operates.

In 2014/2015 we refreshed the communications strategy to create a clear and comprehensive framework for our messaging and communications activities. Within this, we prioritised understanding our audience segments and sought to differentiate and target information more intelligently, whether through email communication or face-to-face briefings.

A clear focus was placed on using or developing the most appropriate and effective communications channels. The strategy included particular reference to using channels to improve decision makers' and stakeholders' awareness of the LCF, the impact of the Fund and the role that we play in the LCF.

There were particular successes with using the bulk email marketing system (Dotmailer), Twitter, which has seen a large year-on-year increase (of 210 per cent) in the number of followers and also the introduction of more dynamic content such as the training videos which are now available on the website.

The LCF communications forum took place quarterly. This is a meeting with communications leads from EBs to discuss key issues in the LCF as well as how we can work collaboratively to raise awareness of the LCF with key stakeholders and decision makers.

We developed our parliamentary engagement strategy which seeks to engage more proactively with MPs and relevant ministers to highlight the benefits of the LCF and the positive impact it has on local communities and the environment. Working alongside the LCF communications forum we will take the parliamentary engagement strategy forward in 2015/2016 to engage with the new government and to inform them about the LCF in light of the Government's reform consultation.

Demonstrating Fund Impact 2014-2017 Corporate Plan actions

To establish a framework we have completed the following actions from our corporate plan:

- a review of questions asked on Form 2 was carried out and changes were implemented to ensure that suitable information is captured;
- a new form was implemented to capture the actual benefits that projects have delivered post-completion; and
- we provided HMRC with a VfM report.



Branston Multi-Games Area Project

Photo courtesy of Jim Varney



Imperial War Museum

Photo courtesy of Jim Varney

“The staff at ENTRUST have always been incredibly helpful and patient with my enquiries.”

Feedback from EB Satisfaction Survey 2014



Frncysyllte Community Centre

Photo courtesy of Jim Varney



Raw Music Media, Brixton

Photo courtesy of Jess O'Brien



Coventry Cathedral

Photo courtesy of Jim Varney

3. Strategic Changes

Closure of the Landfill Communities Fund (LCF) in Scotland

During 2014/2015 we began to implement our plans to manage the closure of the LCF in Scotland from 01 April 2015, a key strategic change for both the Fund and its regulation.

We delivered against the framework we had developed with HMRC to close the scheme and worked with SEPA and Revenue Scotland in the development of the new Scottish LCF.

To manage the closure of the LCF in Scotland, in partnership with HMRC, we further developed a project plan, which included:

- a communications strategy;
- regulatory inspection and reporting schedule; and
- the timetable for targeted guidance.

We prepared and published guidance for EBs based in Scotland and in the rest of the UK with projects in Scotland. This guidance covered:

- how contributions should be regarded from 01 April 2015 until 31 March 2017;
- transfers between EBs in the transitional period;
- expenditure in the transitional period; and
- annual returns, record keeping and reporting.

We held training events in Edinburgh, including a specific event on the closure process, and ensured that the relevant information was contained in or signposted from our website through our dedicated Scotland page. As part of our communications planning we have included specific messages about the closure of the scheme in all our enrolment and project correspondence.

We reviewed all projects in Scotland, ensuring that no project has an end date beyond March 2017 and we planned our inspection visits based on funds held and projects to be completed. We continued to enrol EBs based in Scotland, with 41 new enrolments during 2014/2015, and we registered 360 new Scottish projects during the year. We undertook further data requests on assets held and winding up costs for those EBs based in Scotland.

We are working closely with the Scottish Government and Revenue Scotland as they establish the Scottish LCF to ensure ongoing compliance with the LCF Regulations throughout the transition period up until the complete closure of the LCF in Scotland. We will ensure the closure process is transparent and all funds spent in Scotland are correctly accounted for. We are also providing support and guidance to SEPA as they establish the Scottish LCF.

Closure of the Landfill Communities Fund (LCF) in Wales

We have now developed a framework for the closure of the LCF in Wales. We have also provided data to the tax policy team at the Welsh Government at various dates to assist them in their plans for the closure of the LCF in Wales and responded to their consultation on developing a new landfill disposals tax for Wales.

In view of the wind up of the LCF in Scotland, and the other changes to the Fund, it is vital that we have factual information on country-wide projects. We are continuing to develop a new reporting regime which will require EBs to report their data on a country basis.

Strategic Changes 2014-2017 Corporate Plan actions

To facilitate the closure of the LCF in Scotland we have completed the following action from our corporate plan:

- issued a report to HMRC on LCF assets in Scotland.



Raw Music Media, Brixton
Photo courtesy of Tim Brown



Kelpies Visitor Centre Sculpture Project
Photo courtesy of James Stewart

“Overall the level of service provided by ENTRUST is very good and I like the way that you are continually looking at ways of improving the support that you provide to EBs.”

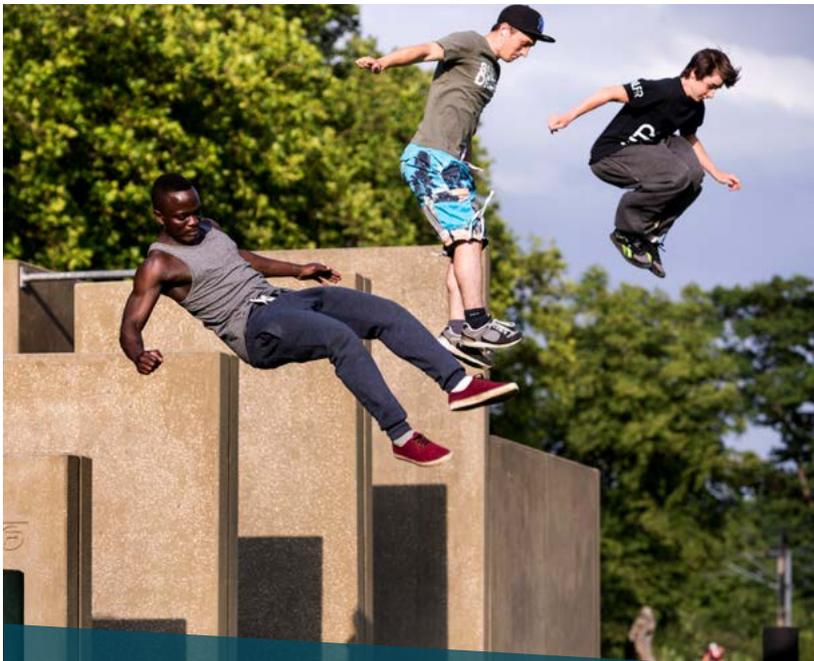
Feedback from EB Satisfaction Survey 2014



Countess Chester Country Park
Photo courtesy of Jim Varney



Marsh Track Rhyl
Photo courtesy of Jim Varney



Kings Lynn Parkour
Photo courtesy of Jim Varney

4. Organisational Value for Money

We continually strive to deliver organisational Value for Money, through analysis of our spending and allocation of our resources.

E-delivery

We have implemented a range of actions that have delivered improvements in the use of e-technology and reduced our reliance on paper systems. The key improvements made include:

- the ability for organisations to pay their enrolment fee using electronic banking;
- the delivery of training through the production of information videos accessible through our website;
- the issuing of more than 30,000 emails via online marketing systems to disseminate information to stakeholders, reducing significantly the cost of postage and increasing the speed of information delivery; and
- better use of technology internally to improve efficiencies in handling and processing enrolment and project applications, including the ability to invoice electronically.

We have also improved the guidance available to stakeholders to assist them to better use our EOL system and increase the level of forms being submitted electronically. This has resulted in:

- a 5 per cent increase in the numbers of Contributions, Transfers and Annual Returns submitted online; and
- a 9 per cent increase in the number of project applications submitted through EOL.

To continue this work, we have completed a further review of options that we believe will further enhance our e-delivery of services and communication channels with stakeholders and will be introducing these in 2015/2016.

Organisational Value for Money 2014-2017 Corporate Plan actions

In order to drive forward efficiency, reduce waste and improve our service levels we completed the following actions from our corporate plan:

- ceased printing full corporate plans and annual reports; and
- continued to publicise our resources to EBs and encouraged EBs to use our online services.



Financial overview

We seek to deliver VfM at all times in delivering our regulatory activities. In recent years we have reduced costs through a number of different ways, renegotiating terms with our suppliers and undertaking effective procurement and tendering exercises.

Having renegotiated and reduced our property rental costs by 42 per cent commencing in April 2014, we have further continued to look at areas where we achieve VfM and we have:

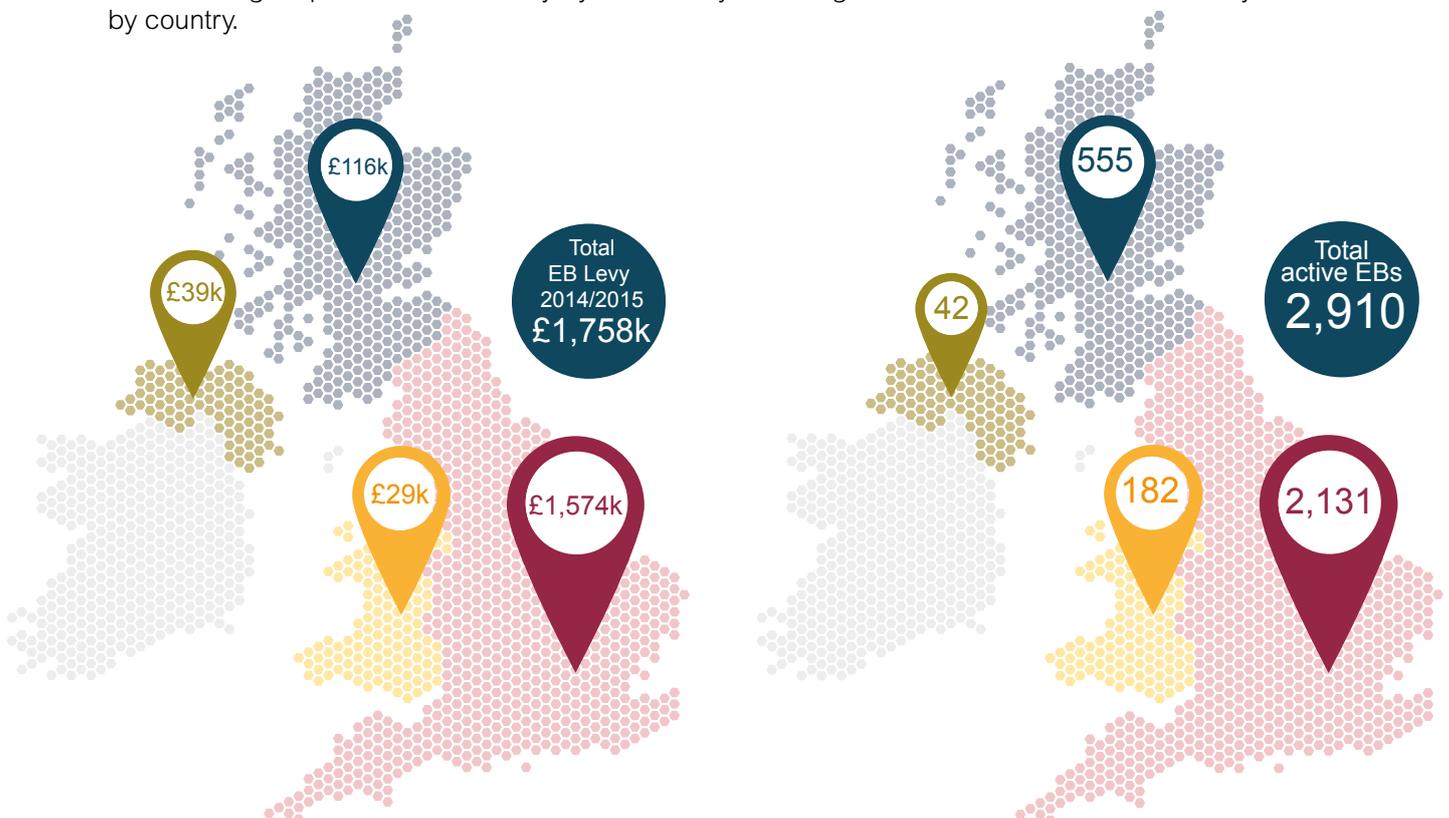
- successfully appealed against the Business Rates charge on our offices resulting in a 6.5 per cent reduction in costs;
- re-tendered for legal and external HR advice services to ensure we are achieving the best rates available to us;
- reviewed our banking arrangements to ensure that we minimise the cost of banking services; and
- reviewed our utilities provider to ensure we secure the best costs.

Our reported operating surplus after interest and taxation for 2014/2015 is £256k (2013/2014: £34k). The table below provides more information on this reported position for the year. Any operating surplus that we generate is held as part of our General Reserve to meet future contingencies and liabilities.

	2014/2015 £'000	2013/2014 £'000
Turnover	1,646	1,473
Cost of regulatory activity	(1,399)	(1,450)
Operating surplus	247	23
Interest less taxation	9	11
Operating surplus after taxation	256	34

Breakdown of LCF by EB country

The following maps show LCF activity by EB country including current enrolled EBs and the levy contribution by country.



While the cost of regulatory activity in 2014/2015 was 3.6 per cent lower than in the previous year, the amount of levy income we received through contributions was £1.76m, due primarily to a large contribution paid to an EB in April 2014 but which had been deferred from the previous year. We defer levy income over the average life of a project and it is released over a period of 24 months.

KEY PERFORMANCE INDICATORS (KPIs) AGREED WITH HMRC

Target		Target Value	Actual	Target met
1	Standards of service delivery			
1.1	Approve 98% of eligible applications for EB enrolment within five working days	98% (applications to enrol as an EB)	98.7%	☑
	Approve 98% of eligible applications for EB project approval within five working days	98% (project applications)	99.6%	☑
1.2	Undertake a customer satisfaction survey by 31 August 2014 Use the findings as part of a continuous improvement programme to increase EBs' level of satisfaction with ENTRUST's services over the 2013/2014 baseline	31 August 2014	Our annual EB satisfaction survey closed on 30 June 2014 and the findings were used to produce an action plan which we implemented throughout the year	☑
2	Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation			
2.1	Publish accurate LCF and EB statistical information and guidance within ten working days of a notified change	Within ten working days	Updated on a daily basis We publish detailed statistics on the LCF and EBs on the statistics page of our website and this is updated on a daily basis	☑
3	Compliance with the Regulations			
3.1	Complete risk-based compliance reviews, targeting the highest risk EBs with specific regard to: <ul style="list-style-type: none"> • Project/spend compliance; • Level of unspent funds; and • Running and administration costs 		Environmental Bodies are prioritised and allocated for inspection through the operation of our risk model. Risk scores are based upon a range of criteria including gross funds received, unspent funds, administration costs, project expenditure and any previous non-compliance	☑
3.2	Work with EBs collectively and individually to help facilitate the reduction in the level of unspent funds Provide a high level summary of the work undertaken to address unspent funds as part of the quarterly HMRC meeting reports		We continue to review at each inspection unspent funds held by EBs, with a recommendation to continue to focus on reducing levels On completion of our 2014/ 2015 inspection programme we had reviewed EBs holding 97.8% of unspent funds as reported at March 2014 HMRC published a consultation on 18 March 2015 which we publicised through our website and newsletter to EBs The final quarterly report was sent to HMRC on 30 March 2015	☑
3.3	By 30 June 2014 publish the 2013/2014 Regulations Team Standards report	By 30 June 2014	We published the Regulations Team Standards report on our website on 25 June 2014	☑
4	Reporting			
4.1	Provide HMRC with high quality analytical reports in line with the agreed reporting schedule		We provided HMRC with all agreed analytical reports within deadlines set out within the reporting schedule	☑
5	Deliver value for money			
5.1	Actively consider opportunities to reduce future costs and make proposals to HMRC by 15 December 2014		Opportunities for cost savings were included in the resource requirement submitted to HMRC on 15 December 2014	☑
5.2	Increase the proportion of projects and reporting forms (Forms 3, 4 and 7) submitted online above the 2013/2014 baselines	Projects submitted online 2013/2014 – 84% Reporting forms submitted online 2013/2014 – 84.6%	Projects submitted online 2014/2015 – 93.1% Reporting forms submitted online 2014/2015 – 89.6%	☑
6	Preserve the integrity of the Landfill Communities Fund			
6.1	Identify and provide evidence based reports to suggest improvements to the LCF regime		A number of evidence based reports we suggested to HMRC were agreed and incorporated into the reporting schedule as part of KPI 4.1	☑

The Board and our Committees

Our Board sets the strategic direction of the company and our objectives each year.

The ENTRUST Board April 2014 – March 2015

Non Executive Directors

Chair: Dr Ann G Limb CBE DL (appointed Chair in July 2014)

Chair: Dr Philip H Smith (retired July 2014)

Jon Carlton (appointed July 2014)

Lorraine Clinton (retired July 2014)

Anna East

Will Lifford

Justin McCracken (appointed July 2014)

Executive Director

Chief Executive: Christopher Welford

Our Board is also observed by a representative from HMRC.

Committees

In addition to the board we also have three sub committees of the Board to steer the direction of the organisation and provide governance.

General purposes

The general purposes committee meets as and when required, and met three times during the last financial year. The committee comprises all of the company's Board members.

Audit

Chair: Will Lifford

Jon Carlton

Lorraine Clinton (retired July 2014)

Dr Ann G Limb CBE DL

Dr Philip H Smith (retired July 2014)

Human resources and remuneration

Chair: Anna East (Chair from July 2014)

Chair: Dr Ann G Limb OBE DL (Chair of committee until July 2014)

Justin McCracken

Dr Philip H Smith (retired July 2014)

The average attendance by Board and committee members at meetings during the last year

Board meetings

96%

attendance

General purposes

96%

attendance

Audit

92%

attendance

Human resources and remuneration

100%

attendance



ENTRUST

Regulating the Landfill Communities Fund
Benefiting people and the environment

www.entrust.org.uk



Holt to Farndon Path

Photo courtesy of Jim Varney