

ENTRUST Corporate Plan

2017-2020

Chair and Chief Executive's Summary

The 2017-2020 Corporate Plan has been developed against the background of the reduction in the size of the Landfill Communities Fund (LCF) and feedback from stakeholders regarding our work. In 2015/2016 we restructured our organisation to deliver a 14 per cent cost saving in 2016/2017. We have further reviewed our business model for 2017/2018, which will result in a further decrease in the number of posts within the organisation, which are specifically aligned to a reduction in our compliance work. Over the last two years our total resource requirement has therefore reduced by circa 25 per cent. Despite these changes, we believe we will be able to continue to provide high quality regulatory services to all of our stakeholders.

Taking into account the cost reduction for 2017/2018, we consider, as an effective, efficient and lean regulator that the following themes and issues are vital to our delivery of regulatory services across this Corporate Plan:

Strategic change and service improvement

In particular, in 2017/2018 we will streamline our activity and aim to increase the transparency of our operations through the increased disclosure of our work, whilst continuing to seek to reduce the administration burden of our regulatory activities on Environmental Bodies (EBs). We will:

- Focus on maintaining effective regulation of the LCF and increasing the transparency of our operation through further disclosure of our operational activities;
- Maintain our 'coaching to compliance' ethos by introducing a new enrolment module and continuing to provide training, information, advice and guidance to our stakeholders;
- Continue to manage risk across the fund by implementing an updated approach to our compliance risk model and streamlining our compliance activity;
- Reduce the administrative burden on EBs by moving to 100 per cent e-delivery and online reporting over a phased three year period; and
- Improve and deliver customer satisfaction by focusing on swift, accurate and consistent enquiry handling and responding to feedback from EBs.

Delivering Value for Money (VfM)

We also believe it remains important to demonstrate the value that the LCF delivers to local communities. To support this, and following feedback from EBs, we will:

- Publish anonymised data about the performance of EBs against key scheme metrics to enable EBs to benchmark their own performance;
- Continue to publish scheme VfM data collected through the project completion form (Form 9) to encourage understanding of the LCF and demonstrate the value that the LCF delivers to local communities;
- Further develop the data and information that we publish on non-compliance with the Landfill Tax Regulations 1996 (Regulations), in order to inform all EBs of the common issues faced in the sector; and
- Consult with stakeholders about publishing case related information from our compliance and enforcement activity.

Scheme closure in Scotland and Wales

As the transitional period for closure of the LCF in Scotland ends and we enter the year before the closure of the LCF in Wales we will:

- Capture the lessons learned to help support the closure of the LCF in Wales and full closure of the scheme;
- Complete and publish further and final reporting on the closure of the scheme in Scotland;
- Develop our reporting schedule to HMRC about the closure of the LCF in Wales;
- Update our advice and guidance relating to the scheme closure in Wales; and
- Commence the Wales closure communications plan.

Organisation

Our organisation structure for 2017/2018 has been developed to consider where we can utilise staff most effectively, sharing resources and multi-skilling across teams. This will further build into our organisation improved business resilience and provide increased flexibility amongst our remaining staff. We are confident that this plan has been developed to support our regulatory duties and allow us to meet the KPIs agreed with HMRC, whilst managing a substantial reduction in our funding.

Dr Ann G Limb CBE DL
Chair, ENTRUST

Christopher Welford
Chief Executive, ENTRUST

1. Strategic change and service improvement

Against the background of the reduction in the size of the Landfill Communities Fund (LCF) and feedback from stakeholders, we have reviewed our business model, which has resulted in a reduction in our cost base through the further decrease in the number of posts in our organisation. However, even though we have implemented this change, it is our aim to continue to provide high quality services in accordance with the Landfill Tax Regulations 1996 (Regulations) and the Terms of Approval (TOA).

We believe as an effective, efficient and lean regulator that the following issues are vital to our delivery of regulatory services across this Corporate Plan period. In particular, in 2017/2018 we will streamline our activity and increase the transparency of our operations through increased disclosure of our work. We will also continue to ensure all stakeholders have the information they need to participate in the LCF and the support to access support to maximise the use of Entrust on line (EOL) for all reporting to ENTRUST, as we move to 100 per cent online delivery of our services over the three year life of this plan.

Enrolment for Environmental Bodies

For organisations wishing to enrol in the LCF as an Environmental Body (EB), we provide a range of information and advice on our website and through our email and telephone help lines. As part of our work, we will continue to provide bespoke help to those who contact us to ensure that the application process progresses as smoothly as possible and we will continue to undertake to complete all enrolments within five working days, where all of the required information has been provided to us.

From our experience, we know that few organisations enrol on first submission of their application, and in 2016/2017 we updated our enrolment form (Form 1) to facilitate an increase in the rate of approval of first submission by making our requirements even clearer to potential applicants. We also reviewed the process by which organisations enrolling as EBs make the enrolment payment. In April 2017, following agreement with HMRC, we will implement a change whereby we will ask for the payment at the start of the enrolment process without the need to wait until we know whether the application is successful, explicitly stating that the fee will not be refunded, irrespective of whether the application is successful.

In 2016/2017 we developed an online EB enrolment training module to educate EBs on the content of the Regulations and the obligations these place upon them as an enrolled EB. This short online training module will be rolled out during 2017 and as part of the enrolment process, organisations wishing to enrol will have to complete the module prior to our approval of their application. This approach is consistent with our overarching strategy to coach EBs to compliance. As part of this process, an organisation will need to nominate a contact to log on and successfully complete the training module and we will review the completion of the module by someone involved in the organisation (preferably the main contact), before accepting their enrolment application. There will be a question added to Form 1, where the organisation will need to confirm that they have completed the online training module.

To ensure that we are able to offer detailed and up to date information about organisations operating as funders in the LCF scheme, we will also implement a new Funders page within EOL which will enable funding EBs to update their own funding information as required. This information will then automatically feed through to the ENTRUST website and provide up to

date, accurate information to those organisations seeking funding. We will work with funders to clearly explain the new EOL funder's page and support them to provide the information required. We will also work with our website supplier to develop the ENTRUST website to enable it to publish the information collected from funders, in a more efficient way than that currently in place. We will also update the website to make the information clear and accessible to those seeking funding through the LCF.

Project applications

In 2016/2017 we reviewed and implemented changes to the project approval form (Form 2), to focus the information we need at application stage to ensure project proposals comply with the Regulations. We will continue to approve all project approvals within five working days, where all of the required information to complete this task has been provided.

In order that we can support all of the different ways that funding EBs operate and to ensure that funders do not need to duplicate any of ENTRUST's statutory and contractual work, we will continue to consider for approval project applications from EBs whether, or not, funding has been obtained for the project.

We will also continue to focus on effective regulation through our Registrations function by ensuring all enrolled EBs and all approved projects are compliant with the Regulations at the project registration stage.

Accreditation scheme

There has been very limited take up of the Accreditation scheme which allows those funding EBs, which comply with the Accreditation criteria to provide less information to us as Regulator at project approval stage. Following discussions with HMRC, given the low take up of the scheme and the need to streamline and simplify our activities following the reduction in the size of the LCF we will, following review, close the Accreditation scheme to new applicants. In 2017 we will consult with the remaining accredited EBs to further simplify processes about whether to close this part of the scheme completely. We will communicate clearly with all EBs involved, ensuring their involvement in the consultation and continuing our commitment to be a transparent regulator we will publish the outcome of the consultation on the ENTRUST website.

Enquiry handling

We continually strive to improve our enquiry handling and in 2016/2017 we introduced and reported against customer service standards to ensure we provide consistent and timely advice to all organisations from the pre-enrolment phase to the largest established EB. In developing our approach, we will continue to focus on swift and accurate enquiry handling, processing all email helpline enquiries within 24 working hours and continuing to train our front line staff to accurately provide consistent and appropriate advice tailored to the individual EBs scenario. Our monthly helpline satisfaction survey receives consistently high satisfaction scores and allows us to respond quickly to feedback from stakeholders. We will continue to use this survey to further improve our services. Following the reduction in the size of the organisation and, more widely, the LCF, we will also undertake a review of our Customer Charter and Standards of Service to ensure they remain fit for purpose.

Information, advice, guidance and training

Following the updating of our Guidance Manual in 2016, to implement the requirements of the Government's reform of the Fund, we further updated some small sections in response to feedback from EBs in September 2016. We will continue to adopt this consultative approach in 2017/2018 and collate all EB feedback in relation to our Guidance Manual, which will form a quarterly review whereby any necessary clarifications are incorporated into a published update.

In accordance with our training strategy we will continue to provide a small number of face to face training sessions to meet demand from EBs, particularly organisations new to the scheme, or individuals new to existing EBs. We will hold an Open Day in 2017, to give EBs the opportunity to visit our offices, meet our staff and deal with any specific issues and queries. This is a key part of our transparency approach, which we will further refine in the forthcoming year.

We will also continue to respond to EB feedback provided at training events, updating our advice and guidance as necessary, as well as analysing the enquiries we receive through our helpline to see if there are any gaps in our training offer along with the topic areas, which EBs indicated an interest in when they completed our Training Survey in Autumn 2015. Alongside our face to face sessions, we have established a series of "how to guides" for completing forms on EOL and we have maintained the introductory videos to ensure these remain accurate and relevant as the scheme has changed. In 2017/2018, we will review our training strategy and our offer to ensure that it remains cost effective and well-used by EBs and drives continuing levels of compliance with scheme requirements.

We will use the ENTRUST website, our email communications and our social media to ensure that EBs are fully aware of the training, advice and guidance that exists to support them when undertaking their LCF activities.

Inspection planning

We are required under Regulation 33 (1) (i) to satisfy ourselves, by reference to records, or other documents, or information held by EBs, that the qualifying contributions received by the EB have been spent by it only in the course, or furtherance of the Regulations and the EBs approved objects. Under the Regulations/TOA, we are required to provide HMRC with assurance that all LCF monies have been spent compliantly. Fundamental to our approach in meeting these statutory requirements is visiting EBs to review their governance arrangements, operating systems and project compliance.

Due to the reduction in the size of the LCF, in 2016/2017 we reduced the number of Compliance Inspectors and the number of inspections of EBs. In 2017/2018 we will further reduce the size of our Compliance Team and reduce the number of inspections that we undertake. To achieve this objective and maintain levels of assurance required under the Regulations and the TOA, will require a change in our approach to inspection planning and how we assess which organisations to inspect whilst continuing to manage risk across the fund and our own organisational resources. We aim to complete 220 inspections in 2017/2018, compared to 300 in 2016/2017, and refocus some of our resources to further review the data provided to us through the statutory reporting obligations of EBs and other information requests to highlight areas of highest risk and target more effectively reviews of particular EBs.

Following feedback from stakeholders in 2016/2017, during 2017/2018, we plan to consult with stakeholders on the operation of our compliance risk model to ensure that it continues to provide sufficient and accurate information to allocate our limited resources to the delivery of our statutory assurance role. Once this review is completed, we intend to publish the model on our web site. We will also ensure that we communicate clearly with EBs, through our email communications channel, regarding the changes to our inspection processes and the reasons for the change. We will also carefully analyse the response to our 2018 EB Satisfaction Survey to understand EBs satisfaction with the compliance area of our work.

In 2016/2017 we reviewed our inspection workbook to ensure that we maintained appropriate coverage of all key aspects of the LCF scheme following the introduction of reforms. In 2017/2018, we will again review it to take into account any changes to our compliance regime with the aim of making sure that we maximise the use of data already available to us and at the same time minimise what documentation we require from EBs. We will also ensure that our compliance approach is further developed to minimise the burden of inspection on EBs whilst maximising the impact of our resources to make sure that EBs understand their obligations and comply with the Regulations.

Regular enforcement activity

We already publish our enforcement framework and approach on our website so it is clear to EBs where and how we follow up non-compliant activity. In 2017/2018 we will continue with our established monthly monitoring of:

- Late Form 3 submissions, notifying us of an EB receiving a contribution from a LO;
- Late Form 7 submissions, notifying us of a transfer of funds between EBs;
- Late levy payments, where our invoice remains outstanding following notification of a contribution; and
- Spend outside the prescribed period, when payments are notified before the approved start date or after the approved end date of a specific project.

We will bring any corrective actions required by EBs' to their attention through Advice and Guidance, Warning and Enforcement letters where necessary.

We will continue to review our processes and procedures and develop further data analysis tools to ensure we are able to identify non-compliance at the earliest opportunity, thereby giving the maximum opportunity for EBs to amend their procedures to achieve compliance. For example, in 2016/2017 we developed a monitoring process to identify spend outside the prescribed period. We will continue to review this process on a monthly basis alongside our late Form 3, late Form 7 and late levy payments reports in order that we can rectify any breaches in Regulations and conditions, and ensure that monies within the LCF scheme are monitored and correctly accounted for.

We will also continue to undertake our casework working with individual EBs demonstrating a range of non-compliance, or serious non-compliance identified through compliance reviews, or notified to us, in order that corrective actions can be agreed. We only use our powers to refer cases to HMRC to consider forcible revocation under circumstances where no agreement on required actions can be reached or agreed actions are not taken in the relevant timescale.

Online reporting

EOL allows all EB reporting to be completed online, to reduce the burden on EBs and ensure that compliance can be readily achieved. For example EOL includes a facility to extend projects where they are running beyond their original expected end date. More than 90 per cent of all reporting currently takes place online. In line with the general trend in society to move to the e-delivery of services, we plan to move to a single e-system within three years and remove the need to operate a hard copy system. We will continue to provide support to any individuals and EBs who find it difficult to work online, but we believe this is the most efficient and cost effective way to support reporting across the LCF.

We will also continue to communicate with EBs through our website and email communications about the change to online reporting and the removal of paper forms, ensuring that we give them notice of the change and making the support materials easily accessible for them.

Our migration to the e-delivery of our services through a single online portal over the next three years is set out below. This approach has been designed to gradually move EBs to this way of working whilst maintaining compliance with the Regulations:

Form Number	Date of removal of paper option	Communication of removal of paper option
1	1 April 2019	1 October 2018
2	1 April 2018	1 October 2017
2x	No paper option	Not applicable
3	1 April 2017	1 January 2017
4	Not available for 2019/2020 returns	1 October 2018
7	1 April 2017	1 January 2017
9	No paper option	Not applicable

Statutory annual returns (Form 4)

In 2015/2016 HMRC introduced a condition, whereby any EB who has failed to make a statutory annual return may have their status 'frozen'. Once an EB is frozen it cannot receive further funds, or spend funds until all outstanding annual returns are submitted. The frozen status is removed once all outstanding returns have been received. EBs who transfer money to a frozen EB are also deemed to be non-compliant and subject to enforcement action. A list of frozen EBs is published on our website and updated on a monthly basis.

Each year we review our approach to EBs to encourage maximum compliance with the requirement of all EBs to make a statutory annual return by 28 April. Those EBs who remain on the frozen list for not submitting an Annual Return for two years are referred to ENTRUST's Board in March of each year for consideration for referral to HMRC for forcible revocation.

To increase the return rate, in 2017/2018, we will continue to deliver a targeted email communications campaign to ensure that EBs are aware of their obligations and our expectations of them, making the information specific to their in year activity and location, where there are different requirements as parts of the scheme are closed and devolved. We will

further support our email communications with information on our website and through our social media activity.

Feedback to EBs on our compliance and enforcement activity

Our overarching ethos remains to coach EBs to compliance and whenever we discover non-compliance our first action is to draw this to the EB's attention so that corrective action can be taken to minimise future non-compliant activity and spend. We will ensure that we provide a clear reason to an EB for our compliance activity and continue to respond to EB's feedback on the compliance process in order that we can further improve the already high levels of satisfaction with our compliance approach. We encourage all EBs that have been subject to an inspection visit to return a compliance satisfaction survey and we will continue to review all comments, following up as necessary.

We publish our compliance findings on our website on a quarterly basis and in 2016/2017 we discussed with EBs how this information is used. In response to the feedback that we received on how we communicate this information, we will focus further on highlighting common areas of non-compliance and the required corrective action, to help deliver increased compliance. This approach sits alongside our helpline support and approach to offering advice and guidance wherever needed. We will also use these findings to provide information in our quarterly eNewsletter about how EBs can avoid, or address these common issues of non-compliance. Furthermore, we will continue to feed any common issues of non-compliance into our training processes, in order to ensure EBs have the information to maximise the potential for compliance. We will particularly focus upon ensuring that EBs are ready to be part of the scheme and have all the necessary information to comply at the point of enrolment.

Continuing to review the scheme for reform and improvement opportunities

In 2016/2017, we worked to ensure that the changes to the scheme required due to the Government's reform announcements were introduced smoothly and EBs had the information and guidance needed to make changes to continue to comply with the Regulations and wider scheme requirements.

In 2017/2018, we will continue to work closely with HMRC, providing data and feedback on the responsiveness of EBs to the change requirements and identifying further opportunities for scheme change given the reduction in the size of the scheme, always focusing on making sure that funding for projects is maximised by reducing administrative requirements on EBs.

Communications

Our communications activity is undertaken to support our operational and regulatory activity. Through our website we provide information, advice and guidance to support EBs when undertaking their LCF activity. We also provide information for those new to the scheme, which enables them to assess whether their organisation and projects are a good fit with the LCF. Through our funders search prospective applicants are able to find potential funders for their project. As part of our updates to the funders information on EOL we will undertake a thorough review of the ENTRUST website to ensure it can continue to support EBs with this information. Following feedback from EBs we will also use this opportunity to improve the navigation to this area of our website.

Whilst information on our website is available 24/7 to stakeholders, we also consider it necessary to undertake specific communications activities to support the regulation of the fund. We use our email communications system to communicate directly with the main contacts of EBs where there have been changes, or updates to guidance and also for specific activities such as our Form 4 Communications Strategy. We also make use of a quarterly eNewsletter, which is sent to all EB main contacts for whom we hold an email address alongside all those who have subscribed to the eNewsletter through the ENTRUST website. This provides a quarterly update on the scheme along with key messages and updates on our training materials and events. In 2017/2018 we will conduct a data cleansing exercise to ensure that we continue to hold up to date email addresses for all EBs, this is essential in allowing us to communicate regularly with EBs regarding their statutory duties.

Measuring satisfaction

We will continue to undertake our annual EB Satisfaction Survey to gain the feedback, thoughts and opinions of our key stakeholders on the quality and performance of our services. We will ensure that we retain key benchmarking questions in order to ensure we can compare our performance year on year, however we will update the survey, where necessary, to reflect the changes that we have made to our service delivery. After strong response rates in 2014 and 2015 we noted that there was less engagement with the EB Satisfaction Survey in 2016. We will therefore review our survey communications plan in order to ensure that we have a stronger response rate in 2017/2018.

Our annual EB Satisfaction Survey sits alongside our other stakeholder feedback surveys, which include the Compliance Inspection feedback and the Helpline feedback survey. In 2017/2018 we will review all three surveys to ensure that they do not duplicate one another and continue to provide a welcome opportunity for EBs to give feedback on our services.

Key outcomes

Actions:

- Review the compliance risk model with stakeholders and publish updated model;
- Seek the opinion of users and other stakeholders of the implementation approach for moving to the online approach to the submission of forms;
- Hold our annual open day;
- Roll out online training module and requirement to complete at EB enrolment;
- Continue all surveys – helpline, compliance, satisfaction;
- Commence seeking enrolment and enforcement feedback;
- Update EOL and the ENTRUST website to ensure that funders' information is available to stakeholders; and
- Undertake a review of all EB main contact email addresses to ensure we have up to date details.

Measures:

- Maintain the number of EBs using EOL;
- Increase survey return rates;
- Reduce number of inspections;
- Increase enrolments on first submission; and
- Increase satisfaction rates with our services.

2. Delivering Value for Money of the LCF

We believe it remains important to demonstrate the value that the LCF delivers to local communities. In 2015/2016 we shared with EBs the economic impact assessment framework that we had developed. In 2016/2017 we were able to publish data collected via completion forms (Form 9), showing what had been achieved by projects completing in any particular operating year.

In 2017/2018 we will build on this work and continue to publish data and information about the scheme. Following feedback from EBs we will publish anonymised data about the performance of EBs against key scheme metrics to enable EBs to effectively benchmark their own performance and assist with identifying areas for action. We will focus this activity on assisting EBs to be compliant with the Regulations and demonstrate the impact of the LCF.

Scheme Value for Money (VfM)

Following the introduction of the completion form in 2014/2015, in 2016/2017 we worked with HMRC to make available for publication some of the VfM data that we received from the project completion process. Publication of this relevant data, which highlights the achievements and impact of the LCF over a three year reporting period, will continue in 2017/2018 and beyond. Publishing this data encourages understanding of the LCF and demonstrates the value that the LCF delivers to local communities in a transparent manner. We continue to provide an annual VfM report to HMRC as set out in the TOA.

Benchmarking EB performance

In 2016/2017, based on the feedback from EBs, we developed a range of performance related benchmarks to help EBs understand their own performance relative to others within the scheme. This data is particularly relevant to larger EBs and EBs which provide funding to other EBs. This data included, for example:

- Benchmarking of average EB administration costs; and
- Average project durations taking into account extensions.

We will discuss with stakeholders, further relevant data, which may be of interest to them and we will consider any suggestions for publication of this information in consultation with HMRC.

Publishing non-compliance

We already publish all the findings (non-compliance and guidance) from our inspections on our website on a quarterly basis. In 2016/2017 we updated the presentation of this data to be more useful to EBs and included the information in our quarterly eNewsletters. In 2017/2018 we will further develop this data and information to focus on non-compliance with the Regulations, bringing to the attention of EBs in a more explicit way the most frequent examples of non-compliance and the required corrective action, in order to inform all EBs of the common issues faced in the sector and so they can review whether there is any change in their own operations that they need to make.

Case reports (anonymised) for compliance and enforcement

In line with our developing approach to transparency of our Regulatory activities, we will also consult with stakeholders about publishing case related information resulting from our compliance and enforcement activity in order to highlight non-compliance in the scheme with a view to further assisting and encouraging EB's compliance with the Regulations.

Communications

We will continue to work with the sector through the LCF Communications Forum to recommend best practice for publishing information to the general public about the LCF. In 2016/2017 we updated the LCF Brand Guidelines and ensured that the sector had access to all necessary LCF logo options. We will continue to work with the sector to discuss the branding of the LCF to ensure that there is maximum impact and recognition of the scheme, through the use of the LCF logo and accompanying information about the scheme, alongside individual funder branding.

We will ensure that information on our website and through our other communications channels relating to the fund, including key statistics, guidance, training materials, scheme data and case studies remain up to date and relevant. Our quarterly eNewsletters will also continue to share key information to stakeholders and all of those interested in the LCF.

Key outcomes

Actions:

- Create and publish benchmarks for EBs;
- Publish Form 9 and other data;
- Improve the funder information available to project applicants;
- Consult with stakeholders on the introduction of compliance/enforcement case studies; and
- Implement a quarterly review of the ENTRUST website to ensure all information is current and accurate.

Measures:

- Increase the return rate for Form 9s from the baseline in 2016/2017; and
- Chair three LCF Communications Forums.

3. Scheme closures

The transitional period for closure of the LCF in Scotland ended on 31 March 2017. In 2017/2018 we will ensure that lessons learned from the closure process are captured to inform future plans for the closure of the scheme in Wales in 2020 and full closure of the scheme. We will also complete and publish further and final reporting on the closure of the scheme in Scotland.

In 2017/2018, the year before the closure of the LCF in Wales, we will commence our closure communications for EBs based in Wales and for those funding projects in Wales. We will carry out the actions in the preparation year for closure as set out in the agreed closure framework.

Closed scheme in Scotland

Following the closure of the LCF in Scotland on 31 March 2015, and the end of the transitional period on 31 March 2017 a final report on the closure of the scheme will be provided to HMRC. This report will also capture lessons learnt so they can be built into plans for the closure of the LCF in Wales. Our focus during 2016/2017 was on closely monitoring the remaining funds held by EBs in Scotland and projects completing in Scotland during the year to ensure no funds remained after the end of the transitional period. We achieved this objective via a comprehensive and targeted communications plan and implementing interim reporting requirements.

In 2017/2018 we will continue to monitor Scottish EBs who remain enrolled in the UK LCF scheme after March 2017. We will continue to communicate with all remaining EBs based in Scotland to encourage them to voluntarily revoke from the scheme. Our 2017/2018 Form 4 Strategy will include targeted communications to ensure that all EBs are compliant with the requirements of the Regulations as relevant at scheme closure. Enforcement action will be agreed with HMRC for EBs based in Scotland who remain enrolled in the scheme and become non-compliant.

Closure of the scheme in Wales

The LCF in Wales will close after 31 March 2018 and we have developed an outline framework to audit out the scheme. This framework was updated during 2016/2017, based on our experience of the closure of the scheme in Scotland.

As part of this process we have been working with the Welsh Government and as they formalise their plans, we will be able to refine and develop our framework. We will continue to participate in any discussions with the Welsh Government and liaise where appropriate in planning the closure of the current UK scheme in Wales including providing data and information on current EBs and projects.

In addition, we will utilise any further lessons learned from the closure of the LCF in Scotland to ensure that any closure proceeds as smoothly as possible, minimising the administration burden, whilst ensuring compliant spend of LCF monies. We will review the lessons learned from Scotland in order to establish what guidance and training will be required for the orderly closure of the LCF in Wales from 2018. This will be further informed using:

- Data from the Form 4 to establish scope of money held in Wales; and
- Data from the Form 9 to establish scope of assets in Wales.

We will consider whether any bespoke data request will be required for EBs and projects taking place in Wales. We will begin to encourage voluntary revocation of EBs based in Wales which have already completed their LCF activity:

Date	Milestone
31 March 2017	Formal announcement of LCF scheme closure
30 June 2017	Commence roll out of detailed communication
30 September 2017	Legislative changes announced/implemented
31 December 2017	Advice and Guidance issued
31 March 2018	Formal closure of LCF in Wales
30 June 2018	Last LCF funding contributions from LOs to EBs
30 September 2018	Advice and Guidance issued
30 November 2018	Establish value of funds held by EBs in Wales
1 January 2019	Commencement quarterly monitoring of EBs bank accounts
1 April 2019	Last project start date in Wales
30 April 2019	Review of incomplete projects
30 September 2019	Establish value of funds held by EBs following completion of projects
31 March 2020	End of transition period in Wales

Communications in Wales

The Wales Closure Communications Plan was drafted in September 2016 and outlines the communications activities we will undertake to inform EBs about the closure of the LCF in Wales, their obligations and any activity we need them to undertake. The key parts of the communications plan are shown in the table below:

2017/2018	
April 2017	Update footer in all EOL automated communications
June 2017	Closure workshops in Wales and Leamington Spa
September 2017	Communications regarding guidance issued to all Welsh EBs and rest of UK EBs operating in Wales
January 2018	Reminder of closure of the scheme to Wales EBs and rest of UK operating in Wales
January 2018	Include new segments in Form 4 mailings: <ul style="list-style-type: none"> 1. Wales EB with no funds 2. Wales EB with funds
January 2018	Update Home page with Wales closure guidance
March 2018	Confirm closure of LCF in Wales and next steps during the transitional phase

2018/2019	
April 2018	Include guidance regarding closure of the LCF in Wales in eNewsletter
May 2018	Confirm last date for transfers
2018 ongoing	Issue guidance as required
2019/2020	
April 2019	Detailed Communications Plan of final year
March 2020	Scheme closure communications

Key outcomes

Actions:

- Complete reporting schedule to HMRC about the closure of the LCF in Scotland;
- Develop a reporting schedule to HMRC about the closure of the LCF in Wales;
- Update advice and guidance relating to scheme closure in Wales; and
- Commence the Wales Closure Communications Plan.

Measures:

- Value of remaining LCF funds in Wales reduced;
- Number of projects completing in Wales; and
- Increase the number of Welsh EBs revoking from the LCF.

5. Organisation

In line with reduction in the size of the fund, we restructured our organisation in 2015/2016 and 2016/2017 to reduce our funding requirement. In carrying out our statutory role, our overarching strategy is to remain a lean, efficient and effective regulator while providing appropriate levels of support and advice and guidance to EBs alongside effective levels of assurance to HMRC on compliant expenditure of LCF monies.

Organisation structure

Our restructuring reflects our decision to reduce the number of compliance inspections that we undertake, but at the same time utilises our staff most effectively, sharing resources and multi-skilling across teams, for example Inspectors being able to undertake Registrations work to increase our business resilience and the flexibility in our business model.

Resource requirement

We are committed to delivering VfM from all of our activities. Each year we therefore critically appraise our expenditure requirements for the coming year to ensure that the resource requirement we submit to HMRC, based on our statutory and contractual commitments will deliver VfM.

In particular in creating our budget for 2017/2108, and in addition to the structure changes, we have achieved savings by reviewing our suppliers and reducing contract costs for external services and reviewing our procedures to improve productivity. Our monthly management accounts have been further developed and our expense analysis details actual spend against budget and previous year actual, to enable us to monitor progress effectively.

To ensure we can meet the costs of activity set out in this plan and implement the changes required to meet the continuing requirements of the LCF reforms, we have reduced our funding requirement by a further 10 per cent in 2017/2108 to £1.05m, which represents nearly a 25 per cent reduction since 2015/2016.

Details of the requirement submitted

Cost	2016/2017 Approved Budget £	2017/2018 Budget £	Variation 2016/2017 and 2017/2018 £
Staffing	968,101	827,332	(140,769)
Operating			
Personnel	64,850	52,966	(11,884)
Establishment	103,190	104,760	1,570
Operating	20,900	19,460	(1,440)
Professional	23,460	20,220	(3,240)
IT	34,160	31,994	(2,166)
Depreciation	3,960	4,560	600
Total Operating	250,520	233,960	(16,560)
Investment Income	(10,000)	(12,000)	(2,000)
Scotland	(42,741)		42,741
Total	1,165,880	1,049,292	116,588

Sustainability

We aim to continue to have a low impact on the environment around us and take seriously our obligations to the principles of sustainability. As we cover the whole of the UK, (less Scotland) this is not always possible in terms of the locations we are required to visit.

The plan includes our three year strategy to move to complete online reporting for EBs in a way that has a low impact on current and potential stakeholders.

Overall our approach to ensuring we are meeting our sustainability obligations is to:

- Use recycled materials wherever possible and encourage our staff to recycle;
- Issue communications electronically when appropriate;
- Save energy as much as possible, using low energy lighting within our offices; and
- Encourage our staff to use alternative and more carbon neutral ways of travelling for business purposes and in their commute to work.

Cyber security

As a responsible and security conscious organisation, we consider it important to have adequate controls in operation to mitigate our risk of exposure to a cyber security attack. In 2017/2018 we will continue to undertake the following measures to mitigate the risk of a cyber attack on our Information Technology systems by:

- Undertaking an annual self assessment of cyber security arrangements against the National Cyber Security Centre's guidance; and
- Ensure we remain Cyber Security Certificated by using an independent accreditation provider to monitor our internal controls.

HMRC Reporting Requirements

We report a wide range of information relating to the LCF and our own performance to HMRC and the schedule of formal reports that will be provided during 2016/2017 are set out below:

Timing/Frequency	Title
31 May 2017	Annual Report
31 May 2017	Final Scotland Closure Report
30 June 2017	Form 4 Data
31 July 2017	Regulatory Improvement Report
31 August 2017	Value for Money Report
15 December 2017	Draft Corporate Plan and KPIs
By end December 2017	Annual Accounts
Quarterly	ENTRUST Board papers
Monthly	TOA report
Monthly	KPI update
Ad hoc	Data requests

HMRC key performance indicators

HMRC monitor our performance as the Regulator of the LCF and we agree a number of key performance indicators (KPIs) with them that encompass key targets. The KPIs for agreed for 2017/2018 are set out below:

Target 1	Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator
1.1	Approve 98 per cent of eligible applications to enrol as an EB within five working days.
1.2	Approve 98 per cent of eligible project applications within five working days.
1.3	Undertake a customer satisfaction survey by 31 August 2017 and use the findings to improve EBs' level of satisfaction with our services with identified improvements included in an action plan developed by 31 December 2017.
Target 2	Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation
2.1	Provide reports to HMRC against the agreed reporting schedule.
Target 3	Secure/increase the level of compliance with the Regulations
3.1	During the 2017/2018 year inspect at least one third of active EBs to monitor compliant spend, focusing on previous non-compliance and areas of risk identified through the risk model.
3.2	Maintain the proportion of Form 4s received by the due date of 28 April 2017 (2015/2016 baseline of 83 per cent).
Target 4	Deliver value for money
4.1	Maintain the proportion of projects submitted online (2015/2016 baseline of 95 per cent).
4.2	Maintain the proportion of Forms 3, 4 and 7 submitted online (2016/2017 baseline of 90 per cent.)
Target 5	Report to HMRC by 31 July 2017 priority regulatory improvements to the Landfill Tax Regulations 1996. Implement agreed changes to guidance or regulation in accordance with agreed timescales
5.1	Conduct targeted compliance interventions and if necessary consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.