



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



**2022 – 2023 Annual Review Summary**



## Chair's overview



**Antony Townsend**  
Chair, ENTRUST

Since I took up this role at the beginning of 2023, I have been learning about the remarkable track record of the Landfill Communities Fund (LCF). Over its 26-year history, the Fund has worked with 4,100 enrolled organisations, Landfill Operators (LOs), and HMRC to successfully deliver approximately 62,000 community projects, surpassing a total value of £1.7 billion.

This is an impressive record, and one which Entrust's Board is determined to develop further. Taking all this into account, I would like to extend my gratitude to my predecessor, Dame Anne Limb, for her valuable contribution and leadership of Entrust's Board since 2014.

As local communities grapple with increasing challenges—from rising living costs to escalating environmental concerns—it remains vital that the LCF continues to support and deliver a wide range of community and environmental benefits across England and Northern Ireland. From much needed sports facilities and playgrounds, to environmental improvement and biodiversity schemes, the collaborative efforts between LCF stakeholders (including local projects, Environmental Bodies (EBs), LOs, Entrust and Government) have been shown to yield consistently positive results.

To help bolster this initiative, the team at Entrust have developed the Economic, Community Environmental, Impact Model (ECEIM) over the current reporting period. This model utilises a range of qualitative and quantitative data to help us better understand the scheme's impact on people's lives and the value it provides.

Based on the feedback received, we are pleased to see that the ECEIM has been well-received. We hope it will encourage funders and projects to maximise the Fund's benefits, particularly for harder-to-reach communities. It is worth noting, however, that 99% of LCF projects are already making positive contributions to community life and/or the environment, with 81% promoting diversity.

Crucial to our work is our continuing partnership with EBs who help deliver projects. We are pleased to report positive feedback from our annual EB satisfaction survey, with an overall satisfaction level of 76 percent. However, it is important to acknowledge that the regulatory framework has remained largely unchanged since the establishment of the LCF in the 1990s. To uphold our commitment to continuous improvement, we have been conducting research on the Fund's operations and identified several areas of potential duplication within the current LCF lifecycle. Addressing these will help us enhance the efficiency of the scheme and, in the coming year, we will collaborate with our partners to explore how this can be done in a way that maximises the scheme's potential for benefiting communities and the environment.

All these accomplishments would not have been possible without the dedication and enthusiasm of Entrust's most significant resource—our committed team. I have been impressed by their passion and unwavering commitment, and look forward to working with them and all our partners over the coming year.

Lastly, on behalf of the Board and Staff and I wanted to record the sad passing of one of our Board member's Clive Lewis, who left us on 25 May 2023. Clive was a valued and dedicated member of our team. His commitment, dedication, and the professional skills and knowledge he brought to the Company will be sorely missed. We extend our deepest sympathies to Clive's family and loved ones.



Kiveton Park Colliery Cricket Club, Sheffield, funded by Valencia Communities Fund

# Chief Executive's operational review



**Christopher Welford**  
**Chief Executive,**  
**ENTRUST**

During the reporting period, we remained committed to implementing our 2021-2024 Corporate Plan, even as we transitioned from the 'lighter touch' regulatory approach, which was initially implemented in response to the pandemic, back into a stronger and more robust regulatory strategy. Across the last twelve months we have remained committed to our "coaching to compliance" ethos, fostering robust relationships with our EBs through transparent communication, frequent meetings, and customised training sessions

Building upon our previous assurance work, we identified several compliance issues among EBs regarding adherence to the Regulations. We promptly communicated these issues to HMRC and put forward recommendations to address them. We're currently taking proactive steps to mitigate such occurrences in the future, such as providing comprehensive training on best due diligence practices, updating our Guidance Manual and training materials, and reviewing our compliance and reporting frameworks to ensure their ongoing relevance and effectiveness

Running parallel to our commitment to continuous improvement, we continued to focus on ensuring two of HMRC's strategic priorities for the LCF continued to be met. In particular to:

- Reduce EB administration costs to below the recommended guidance of 7.5 per cent of annual project expenditure; and
- Reduce EB unspent funds at year end to no more than 1.5 times an EB's LCF income in that year

As per HMRC Key Performance Indicator (KPI) 3.2, we ensured that 99 percent of LCF funds are accounted for and reported through the Statutory Annual Returns (Form 4) by the deadline of 28th April each year. I am pleased to report that we surpassed this KPI by ensuring that 100% of funds held by EBs at the end of the year were reported to Entrust within the designated timeframe.

Based on discussions throughout the current reporting period, we noted that some project applications that we received did not fully comply with the Regulations, for example, projects being focused on specific user groups rather than the general public. We intend to work with HMRC to develop appropriate solutions to these issues, while also recognising that the LCF's overarching aim is to support the wider community.

As a regulator of local community and environmental projects, we understand the importance of continually improving our environmental performance. In light of this, we introduced Streamlined Carbon reporting requirements in 2022/2023, and in 2023/2024, we plan to further reduce our Carbon footprint.

Lastly, I look forward to working together with all our stakeholders in the upcoming year, continuing to ensure that LCF funds are spent compliantly on projects that bring benefits to local communities and the broader environment.



**New Hill and Tannager, Somerton (ponies), funded by Valencia Communities Fund**



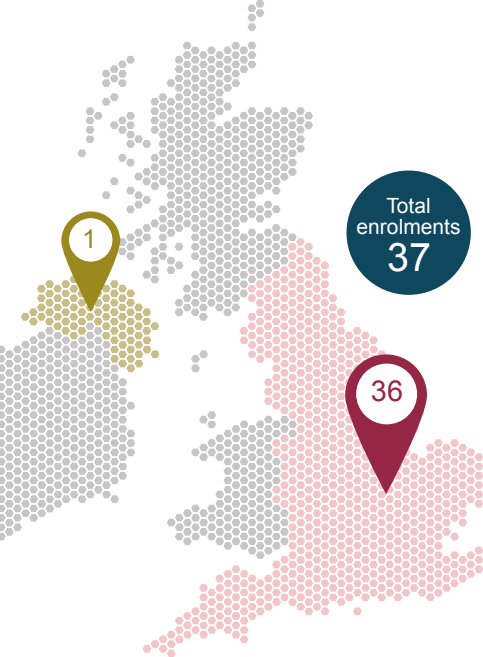


Since 1996 the  
Landfill Communities Fund  
has supported almost  
**62,000**  
projects with  
contributions from  
Landfill Operators  
totalling  
**£1.79bn**  
as at 31 March 2023

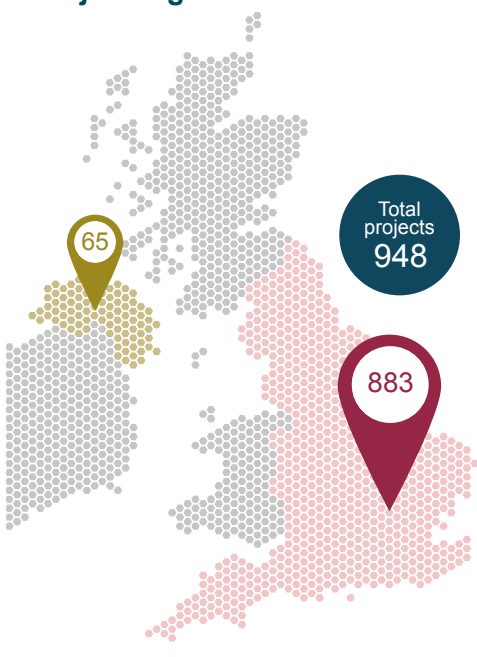
## In 2022/2023

We enrolled 37 EBs and registered 948 new projects. Our compliance inspectors conducted 211 reviews. The following charts show the spread of activity across the UK.

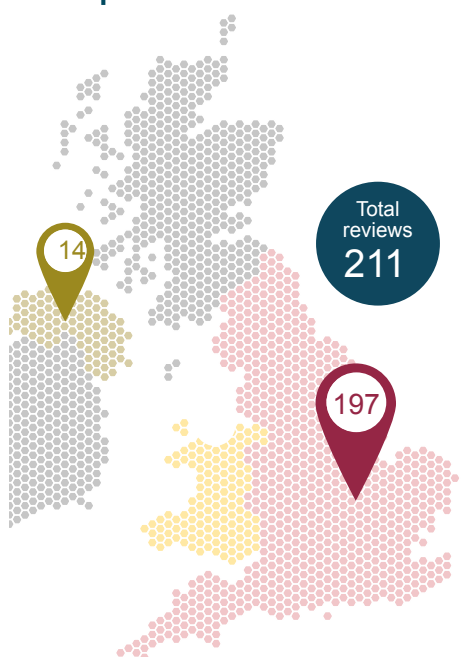
### EB enrolments



### Project registrations



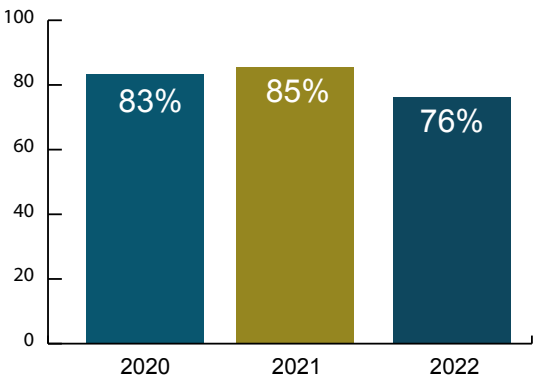
### Compliance reviews



\*includes Landtrust who are based in Scotland but operate in England

## EB satisfaction with Entrust

Each year we invite EBs to feed back on the services that we provide through an online satisfaction survey. As shown in these graphics the results from the 2022 survey for overall satisfaction, Compliance and Training remained very positive. The following chart shows the percentage of those who agree/ agree strongly.



Overall satisfaction (average response across all survey questions)

Overall satisfaction with the  
Compliance process  
Target 4.5/5.0 Actual 4.5/5.0

Overall satisfaction with the  
ENTRUST Training events  
Target 4.5/5.0 Actual 4.7/5.0

















Projekts MCR funded by, Veolia Trust



Frankie Howerd Trust, funded by Enovert Community Trust

## Achievements

We have delivered on all of our objectives and we have met all of our agreed KPIs on time and on budget as agreed with HMRC. As a best practice organisation we also set a number of internal targets. The table below shows our performance against our KPIs. More details are in our full annual report available on the ENTRUST website at [www.entrust.org.uk](http://www.entrust.org.uk)

	TARGET	ACTUAL
 Percentage of EBs enrolled in five working days	98%	100% 
 Percentage of projects registered in five working days	98%	99.9% 
 Number of compliance inspection reviews	1/3 <sup>active</sup> EBs	211 
 Ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return by the due date	99%	100% 
 Maintain the online submission of all Forms at 100 per cent in 2022/2023	100%	100%* 
 Publish 2020/2021 benchmarking data for EBs by 7 July 2022*	By 30 June 2022	Published 7 July 2022** 
 Report to HMRC priority regulatory improvements to the Landfill Tax Regulations 1996	By 31 July 2022	Submitted 25 July 2022 

\*includes those supported to complete electronic returns via email, as well as those completed directly online.

\*\*due to staff changes

# What is ENTRUST?

Entrust is the regulator of the Landfill Communities Fund (LCF), a unique tax credit scheme that enables Landfill Operators (LOs) to contribute money to registered Environmental Bodies (EBs). These EBs then distribute the funds to environmental and community projects in the surrounding areas that meet the objectives of the Landfill Tax Regulations 1996 (Regulations).

The primary objective of the LCF is to offset some of the impacts that landfill sites have on local communities. Since its inception in 1996, the scheme has supported more than 62,000 projects with a total value of over £1.7 billion—making it one of the most successful environmental tax credit programmes in operation.

Entrust, as the regulator of the scheme, works diligently to ensure that the fund is administered with fairness and transparency and that funding is spent in compliance with the Regulations. We are responsible for overseeing the activities of the EBs and ensuring that they successfully deliver projects approved by Entrust. It is important to note, however, that we do not directly allocate, or influence the distribution of LCF funds.

## Our aim

We strive to be an independent, credible, and professional, regulatory authority, ensuring fair treatment for all stakeholders. We are dedicated to improving the comprehension and awareness of our stakeholders with regards to the regulatory responsibilities we fulfil and the broader influence and Value for Money (VfM) delivered by the scheme.

## How the Landfill Communities Fund works

LOs in England and Northern Ireland pay landfill tax to HM Revenue & Customs (HMRC) on every tonne of waste disposed of in a landfill site.

Under the LCF, LOs are able to divert a proportion of their landfill tax liability to not-for-profit organisations which deliver projects in England and Northern Ireland 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.

The Regulations prescribe the following objectives:

### Landfill Communities Fund Objects

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

<b>Object A</b>	The reclamation, remediation or restoration of land which cannot currently be used
<b>Object B</b>	The prevention of potential for pollution or the remediation of the effects of pollution
<b>Object D</b>	The provision, maintenance or improvement of a public park or another public amenity
<b>Object DA</b>	The conservation of a natural habitat or of a species in its natural habitat
<b>Object E</b>	The restoration of a place of religious worship or of historic or architectural interest

Front cover images (clockwise from top left): Sreethy Tennis Club floodlight upgrade, funded Envoert Community Trust; Refurbishment of Artificial Turf Pitch & Floodlighting at Slazenger Sports and Social Club, funded by Veolia Environmental Trust; St Peter's Parish Church restoration, funded by Valencia Communities Fund; Willsbridge Mill Community Refresh CIC – Envoert Community Trust.



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