



## **ENTRUST Regulator Standards**

### **Self –assessment review for the financial year 2016/2017**

**July 2017**

# Introduction

The ENTRUST Regulator Standards (ERS) consist of 25 standards spread across seven areas encompassing the regulatory work undertaken throughout ENTRUST. They reflect the Government's Regulators' Code which was published in April 2014 ([www.gov.uk/government/publications/regulators-code](http://www.gov.uk/government/publications/regulators-code)).

This report provides a summary of our self-assessment of our performance against the ERS during 2016/2017.

## 1. Policy review

### 1.1 Planning, reviewing and scoping

**This area of ERS says that in reviewing the Landfill Tax Regulations 1996 (Regulations) to ensure they are effective, proportionate and not unnecessarily burdensome, we will use an evidence-based approach to determining priority risks in accordance with the Regulators' Code.**

Following submission to HMRC of our July 2016 Regulatory Improvements Report, we worked with HMRC to consider further policy changes to improve the regulation of the Landfill Communities Fund (LCF). These were approved by the ENTRUST Board in September 2016. HMRC responded in January 2017, and we published updated guidance on project costs in March 2017 to take effect from 1 April 2017.

We introduced a de minimis level of £100 under which regulatory activity won't be pursued to aid efficient use of resources. HMRC also agreed that we could consider the £100 enrolment fee as an upfront payment as this would limit delays enrolling Environmental Bodies (EBs).

Due to low uptake and a perceived lack of benefits we agreed with HMRC to no longer accept new applications for EBs to become accredited whilst we consult on the proposal to remove accreditation.

### 1.2 Consulting

**This area of ERS aims to ensure that we consult with stakeholders in accordance with the Consultation Principles.**

No formal consultations were undertaken within the year. However we carried out a number of informal consultations with the Association of Distributive and Environmental Bodies (ADEB) and other EBs in relation to proposed clarification updates to the Guidance Manual which were published in September 2016 and March 2017.

### 1.3 Development of Change Proposals

In developing our proposals for change we consider risk and assess which method would best achieve the intended outcome. Any proposals for change are reviewed prior to submission to HMRC as part of the annual Regulatory Improvements Report.

Views on updates to areas of our guidance were obtained from EBs and have, when necessary, led to clarifications of our guidance.

## 1.4 Reporting

**This area of ERS requires that we provide a clear and timely report to the appropriate audience of the outcomes of any review, proposal or consultation.**

In accordance with an agreed reporting schedule, we submitted 36 formal reports to HMRC during the year. We also responded fully to all of HMRC's ad hoc data requests.

## 2. Advice and guidance

### 2.1 Day to day advice and guidance

**This area of ERS aims to ensure that we provide advice and guidance in accordance with the Regulator's Code which is appropriate, timely and focused on assisting EBs to understand and meet their responsibilities.**

ENTRUST's advice and guidance on the operation of the LCF is continually available via our website, email and telephone Helpline support functions and during compliance inspections to assist EBs in meeting the requirements of the Regulations.

We publish a quarterly summary of compliance inspection findings to enable EBs to understand the most common non-compliant findings and how to avoid them. This information is also sent to all EB main contacts in each quarterly eNewsletter.

Throughout 2016/2017 we issued further guidance on the closure of the LCF in Scotland to assist EB understanding of their obligations. During the final year of the transitional period and in the final six months of the scheme we were in monthly contact with EBs who had approved projects to help facilitate their completion before the end of the transitional period.

The enforcement framework is proportionate, and includes a formal advice and guidance stage to encourage compliance prior to any sanction being taken against an EB.

We continued to hold training events to assist all EBs, particularly those new to the scheme, to understand their regulatory obligations. In 2016/2017 we developed a new online training module to support EBs at enrolment stage.

### 2.2 Changes to guidance and to the Regulations

**This part of the ERS requires that we advertise changes to the published guidance and provide stakeholders with clear and timely advice on the changes and the date on which they will take effect.**

All guidance issued is published with the date on which it is due to come into effect and a note of the guidance (if any) which it supersedes.

All updates to guidance and to the Regulations were published on the ENTRUST website, via news items and updates to the Guidance page, with clear indication of when they would come into force. Additionally, all EB main contacts received details about the guidance updates through our email communications.

We published on 27 July 2016 an additional guidance note regarding the ongoing obligations for EBs in Scotland at the end of the transition period. Furthermore we delivered our Scotland LCF Closure communications plan to ensure that EBs had sufficient information, advice and guidance to complete all of their activities by the end of the transitional period on 31 March 2017.

## 2.3 Monitoring the effectiveness of advice and guidance

**This part of the standard requires us to monitor the effectiveness of the advice and guidance provided and the mode of delivery, in order to ensure that both the advice and guidance and mode of delivery meets the needs of stakeholders.**

We carried out our annual EB satisfaction survey in May/June 2016. Those who sought advice, guidance or information from ENTRUST in the last year expressed very strong responses, with 90 per cent of those surveyed stating that they were comfortable in approaching us for advice, guidance and information, 87 per cent of them found the advice useful and a similar 87 per cent felt they received a high level of support.

We introduced a Helpline survey in June 2016 to monitor the effectiveness of advice provided by our Registrations function. This, along with our Compliance Inspection feedback and the EB satisfaction surveys enabled us to assess that our advice and guidance met the needs of our stakeholders. Overall satisfaction with our Compliance Inspections was 4.6 out of 5 (above the target of 4.5 out of 5). Satisfaction for our Helpline service showed that 90 per cent were satisfied or very satisfied. 90 per cent also reported that they had a good or very good experience of the Helpline Team.

## 3. Training

### 3.1 Identifying the training needs of stakeholders

**This section of the ERS aims to ensure that the training needs of EBs are identified, met and reviewed.**

We reviewed stakeholder training needs as a result of feedback that we received in relation to the advice, guidance and face-to-face training ENTRUST provides and through our website. Following this feedback we carried out a review of the training and induction programme to ensure it is cost effective and continues to meet stakeholder's needs. ENTRUST's 2016/2017 Training Report and the 2017/2018 Training Strategy were agreed by the Board in March 2017 and published in April 2017.

Following previous stakeholder feedback we developed a new online training module to support EBs at the enrolment stage. The training module is also available for already enrolled EBs who may have new people needing to learn about the LCF and how to manage the Statutory obligations relating to the scheme.

### 3.2 Delivering Training

We issued training materials to assist EBs and updated our guides to completion of Forms via ENTRUST Online (EOL). We have also created new 'How to' guides and documents aimed at trustee/directors.

Three basic training events and one open day were held in 2016/2017.

## 4. Data and information requests

### 4.1 Forms and data requests

**This section of the ERS aims to ensure that we provide guidance to EBs on the appropriate completion and submission of statutory annual returns and other forms they are required to complete.**

We updated our guidance on how to complete our forms, in particular including updates where we had made changes to EOL.

From September 2016 we made monthly data requests to EBs in Scotland to enable us to assess their levels of expenditure and unspent funds held, which helped to smoothly manage the closure of the LCF in Scotland. However, we restricted this request to EBs known to be holding funds, to capture the information we required whilst minimising the administration burden on EBs.

For all data requests for Scotland we set a 14 day deadline in-line with the regulatory requirement to provide financial information.

A revision to our Form 3 took place to allow EBs to easily report the amount of Contributing Third Party (CTP) funding requested from their contributing LO, following the Government's Reform of the LCF.

At HMRC's request a mid-year data collection exercise was undertaken in September 2016 involving the top 20 EBs by the value of administration costs reported in March 2016 to ascertain their running costs and contributions for the year to date and their forecast for the remainder of the year. This was also followed by a request at 31 December 2016 to all EBs reporting administration costs in the previous year. We issued templates to EBs for the interim returns and administration costs data collection exercises to make it clear to EBs what information was required.

## 4.2 Design of new forms and revising existing forms

**This part of the ERS requires us to review statutory annual returns and other forms required to be completed by EBs and to consult with stakeholders on the design and content of any new forms or formalised data requests.**

We regularly review our forms following responses provided in the annual EB satisfaction survey. We also take into consideration information passed to us by EBs through the Compliance review process.

During the 2016/2017, we revised the following forms:

- ENTRUST reporting Forms 1 and 2 were reviewed and changes were made which simplify the application process to ensure that the most appropriate and relevant information is provided at the application stage, which we considered improved the overall registrations process. The updated forms will be issued in 2017/2018;
- Updated the Form 4 status in EOL prior to the 2016/2017 annual return process. This change enabled EBs to more clearly understand the status of their Form 4, e.g. draft status, reconciled status and submitted status; and
- We undertook a review of the Form 9 and as part of the process, we consulted the sector regarding the definition of fixed assets. Updates to the Form 9 will be implemented in 2017/2018.

## 5. Compliance

### 5.1 Visits

**The ERS states that we will provide clear and timely guidance to EBs on what they can expect from a compliance visit and what is expected from the EB before, at and after a compliance visit.**

ENTRUST has in operation defined processes and procedures, which include communicating the requirements of an inspection visit to an EB. To inform EBs of the conduct of the inspection they are issued with email/letter and a 'compliance flyer' outlining our processes and the expectations of EBs during the compliance visit.

We also allow EBs an appropriate period (28 days) to respond to our compliance inspection report and as part of our ethos of 'coaching to compliance', we provide advice and guidance to enable the EB to address any issues identified in our compliance inspection report.

## **6. Enforcement**

### **6.1 Enforcement Process**

**The ERS requires us to set out details of the enforcement policy, explaining how we will respond to non compliance.**

The Enforcement framework is set out on the ENTRUST website and explains each step of the process when an issue of non-compliance with the Regulations is identified. In line with best regulatory practice, we aim to manage an EBs failure to comply with the Regulations in a reasonable and proportionate manner.

## **7. Transparency**

### **7.1 Accessibility**

**This section of the ERS ensures that we provide details of our staff and contact details so that stakeholders know who to contact and how to contact them.**

Details of all our staff including job titles, telephone numbers and photographs are included on the 'contact us' page of our website. We use the ENTRUST website to ensure that all information relating to the regulation of the LCF is transparent and accessible.

### **7.2 Publication of service standards**

**The ERS also commits us to publish our Customer Charter and service standards so that stakeholders know what they can expect of us. ERS also requires us to publish details of our performance against our service standards, as measured through feedback and the EB satisfaction survey.**

Our Customer Charter and service standards were updated and published on our website in December 2015. These are reviewed every two years to ensure they remain fit for purpose.

We carried out our annual EB satisfaction survey in May/June 2016. The results and stakeholder feedback were published on our website in November 2016.

### **7.3 Complaint Handling**

**ERS requires us to publish a clear complaints policy so stakeholders understand how to make a complaint and how any complaint will be handled.**

Details of our complaints procedure are published on our website and can be found at:

[www.entrust.org.uk/about-us/complaints-process/](http://www.entrust.org.uk/about-us/complaints-process/)

In 2016 we reviewed our Whistle Blowing Policy and this was published on our website in December 2016.

## **Conclusion**

The ongoing assessment of our work against the ERS throughout the year has been key to ensuring that our regulatory activity follows the principles set out in the Regulator's Code.

Each area of the ERS has been considered on an ongoing basis and evidence provided in support of the assessment made and actions identified during the year (at the six month assessment) have been implemented.

Based upon a self-assessment of our work we are able to confirm that the ERS have been met during 2016/2017.

## **APPENDIX**

Appendix A - ENTRUST Regulator Standards - Annual Assessment - 2016 2017 - RAG matrix

## **ENTRUST**

**July 2017**

## ENTRUST Regulator Standards (ERS)

2016/2017 Annual Assessment – July 2017

Function	Standard	Rating Red / Amber / Green		
1. Policy review	1.1A	In reviewing the Regulations to ensure they are effective, proportionate and not unnecessarily burdensome, we will use an evidence-based approach to determining priority risks in accordance with the Regulators' Code.	Green	
	1.1B	Proposed priority areas of potential change will be agreed by the Board.	Green	
	1.2A	We will consult stakeholders in accordance with the Consultation Principles.	Green	
	1.2B	We will report on the outcome of a consultation exercise, including providing appropriate feedback to those who took part.	Green	
	1.3	In developing proposals for change we will consider risk and will assess which method would best achieve the intended outcome with the least burden for stakeholders.	Green	
	1.4	We will provide a clear and timely report to the appropriate audience of the outcomes of any review, proposal or consultation.	Green	
	2. Advice and guidance	2.1	We will provide advice and guidance in accordance with the Regulator's Code which is appropriate, timely, and focussed on assisting EBs to understand and meet their responsibilities.	Green
		2.2A	We will advertise changes to the published guidance and will provide stakeholders with clear and	Green



		timely advice on the changes and the date on which they will take effect	
	2.2B	We will provide clear and timely advice and guidance to stakeholders on changes to the Regulations.	Green
	2.3	We will monitor the effectiveness of the advice and guidance delivered, and the mode of delivery, in order to ensure that advice and guidance, and mode of delivery, meets the needs of stakeholders.	Green
	<b>3. Training</b>		
	3.1	We will review stakeholders' training needs as a result of feedback from the delivery of advice, guidance, face to face training and through our website, and will review the training and induction programme to ensure it continues to meet stakeholders' needs.	Green
	3.2	We will deliver a multi-channel training programme which meets the needs of stakeholders.	Green
<b>4. Data and information requests</b>			
	4.1A	We will provide guidance to EBs on the appropriate completion and submission of statutory annual returns and other forms required to be completed by EBs.	Green
	4.1B	In seeking data from EBs, we will consider risk and will assess which method would best achieve the intended outcome with the least overall burden for those concerned.	Green
	4.1C	When seeking data from EBs, we will set a timetable for the submission of that data which is appropriate to the nature and extent of the request made.	Green
	4.2A	We will review statutory annual returns and other forms required to be completed by EBs and will consult with stakeholders on the design and content of any new forms or formalised data requests.	Green
	4.2B	In considering revisions or additions to forms, we will consider risk and whether an alternative method of seeking data would better achieve the intended outcome, and we will select the format which best achieves the intended outcome with the least burden for EBs.	Green
	<b>5. Compliance</b>		

	5.1A	We will provide clear and timely guidance to EBs on what they can expect from a compliance visit and what is expected from the EB before, at and after a compliance visit.	Green
	5.1B	We will allow EBs an appropriate period to respond to our compliance inspection report, and we will provide advice and guidance to enable the EB to address any issues identified in our compliance inspection report.	Green
6. Enforcement			
	6.1A	We will set out details of the enforcement policy, explaining how it will respond to non compliance.	Green
	6.1B	In responding to non compliance and acting within the enforcement process, we will consider risk and will assess which method of enforcement would best achieve the intended outcome with the least overall burden for those concerned.	Green
7. Transparency			
	7.1A	We will publish details of our staff and contact details so that stakeholders know who to contact and how to contact them.	Green
	7.2A	We will publish our Customer Charter and service standards so that stakeholders know what they can expect of us.	Green
	7.2B	We will publish details of our performance against our service standards, as measured through feedback and the EB satisfaction survey.	Green
7.3A	We will publish a clear complaints policy so stakeholders understand how to make a complaint and how any complaint will be handled.	Green	