



ENTRUST Regulator Standards (ERS)

Self-assessment review for the financial year 2019/2020

June 2020

Introduction

The ENTRUST Regulator Standards (ERS) consist of 31 standards spread across seven areas encompassing the regulatory work undertaken throughout ENTRUST whilst delivering our statutory duty to provide HM Revenue & Customs (HMRC) with independent assurance that Landfill Communities Fund (LCF) monies are spent in compliance with the Landfill Tax Regulations (1996) (Regulations).

The ERS reflect the Government's Regulators' Code which was published in April 2014 (<https://www.gov.uk/government/publications/regulators-code>). The Regulators' Code provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate. The standards were reviewed and updated, with the first assessment against the updated standards published in June 2018.

This report provides a summary of the third self-assessment of our performance against the updated ERS for the reporting period of 2019/2020.

1. Policy review

1.1 Planning, reviewing and scoping

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.

We make recommendations to HMRC in a Regulatory Improvement Report every year. Our 2019 report was issued to HMRC in July 2019. Our suggested changes to how the LCF is regulated are based on our experience of regulating the fund and have been fully reviewed prior to inclusion in the report. Any evidence is also collected prior to the collation of the report to ensure any changes are evidence based and will be effective and proportionate.

1.1B Proposed priority areas of potential change will be agreed by the Board

Any proposed significant changes to the regulation of the scheme are ratified by ENTRUST's Board and HM Revenue & Customs (HMRC), prior to implementation. There were no changes to the Regulations in 2019/2020.

1.2 Consulting

We will consult stakeholders in accordance with the Consultation Principles and report on the outcome of consultation exercises including providing appropriate feedback to those who took part.

We continue to consult with stakeholders on any changes to how the LCF is regulated. In this reporting period we commenced one formal consultation on the Value for Money (VfM) questions EBs are asked to complete (closed 19 February 2020). The responses have been reviewed by the ENTRUST Board (Board paper 130.8 refers), and the outcomes of the consultation will be published with recommendations subject to the approval of HMRC. The open consultation document was published on the ENTRUST website:

<https://www.entrust.org.uk/guidance/regulations/open-consultations/>

1.3 Development of change proposals

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.

Any proposals for change are reviewed by the Chief Executive (CEO), Deputy Chief Executive (DCEO) and Operational Managers prior to being taken forward to HMRC in the form of the Regulatory Improvements Report. When undertaking reviews, ENTRUST assesses how changes can be made to achieve the best outcome while at the same time minimising the administrative burden on stakeholders and helping them to mitigate their risk of non-compliance with the Regulations. Where necessary, reviews also take into account the views of EBs and other stakeholders.

1.4 Reporting

We will provide a clear and timely report to the appropriate audience of the outcomes of any review, proposal or consultation.

In this financial year we issued the following reports to stakeholders:

- We published a public version of our annual review of the Value for Money (VfM) of the LCF on 14 October 2019:
www.entrust.org.uk/news/lcf-value-for-money-vfm-report-2018-2019
- An updated project application framework was published in December 2019:
[framework-for-reviewing-project-applications-1](#)

2. Advice and guidance

2.1 Day to day advice and guidance

2.1A We will 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, in accordance with the Regulators' Code. We will ensure that EBs feel confident that they can approach ENTRUST for advice and guidance without undue fear of enforcement action.

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 complying with the Regulations. All of our advice adheres to ENTRUST's Customer Charter. We monitor EBs' satisfaction with our advice and guidance and include a question in the annual EB Satisfaction Survey to ensure that EBs feel comfortable approaching ENTRUST for advice and guidance. We also issue a monthly Helpline Satisfaction Survey to all stakeholders who have contacted us in the previous month, if they have not received the survey in the previous three months.

2.1B We will continue to move towards full e-delivery of our regulatory services and ensure that all guidance and information produced is easily accessible via our website.

We produce a large range of guidance and training resources, all available on our website (www.entrust.org.uk/need-help/training/). We have now completed our movement to 24/7 form submission with the removal of the hard copy Statutory Annual Return (Form 4) for 2019/2020

2.2 Changes to guidance and to the Regulations

2.2A 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.

We continue to respond to feedback from EBs about our Guidance manual and, where appropriate, to implement any changes in policy or processes. The Guidance Manual has been updated once during this period to provide greater clarity on certain areas such as when upfront payments by funding EBs are permissible and to clarify that EBs must complete Annual Returns on a cash and not on an accrual basis. EBs were updated on this change via a published news item on our website. All changes are published in appropriate time so that EBs can prepare for any changes.

The High-Risk Project Application Framework was implemented on 1 April 2019 which further strengthened our existing project registration control framework. The framework provides information on the further checks that ENTRUST undertakes when a project is considered high risk. Prior to publication the framework was discussed with a sample of relevant EBs.

In accordance with best practice, a post-implementation review of the project framework was undertaken based on our experience and feedback from EBs. Following completion of this exercise, we updated the framework from 1 January 2020.

2.2B We will provide clear and timely advice and guidance to stakeholders on changes to the Regulations.

Any regulatory changes are communicated to EBs with accompanying advice in a timely manner. No regulatory changes have occurred in this reporting period however we completed our Wales closure plan to ensure EBs were well prepared for the closure of the scheme in Wales in March 2020.

2.3 Monitoring the effectiveness of advice and guidance

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.

We use a range of surveys and feedback mechanisms to monitor the effectiveness of the advice and guidance provided to stakeholders. Having assessed this information we are assured that the needs of stakeholders are being met. We carried out our annual EB Satisfaction Survey in May/June 2019. The results showed that those who sought advice, guidance or information from ENTRUST in the last year expressed very strong responses, with 97 per cent of those surveyed stating that they were comfortable in approaching us for advice, guidance and information, 97 per cent also found the advice useful and 96 per cent felt they received a high level of support. The detailed report is available on our website:

<https://www.entrust.org.uk/about-us/environmental-body-satisfaction-survey/>

Further to our EB satisfaction survey we also monitor the effectiveness of advice provided by our Registrations function via our helpline survey and obtain Compliance Inspection feedback via our online compliance satisfaction forms. Overall satisfaction with our Compliance Inspections was 4.5 out of 5 (target: 4.5 out of 5). Satisfaction for our Helpline service showed that 94 per cent were satisfied or very satisfied. 92 per cent also reported that they had a good

or very good experience of the Helpline Team. Finally, we continue to record all feedback relating to the Guidance Manual and maintain a log of issues raised.

3. Training

3.1 Identifying the training needs of stakeholders

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.

Feedback from EBs' attendance at face to face training is reviewed after each session and incorporated in the annual scheduled review of our training package, alongside feedback gathered through the delivery of the Registrations Team's day to day activities, or through responses to the Helpline and EB Satisfaction Surveys.

This feedback was then incorporated into a review of the training and induction programme to ensure it remains cost effective and continues to meet stakeholder's needs. ENTRUST's 2019/2020 Training Report and the 2020/2021 Training Strategy were agreed by the Board in March 2020 and will be published in June 2020.

3.2 Delivering training

We will deliver a multi-channel training programme which meets the needs of stakeholders.

Our training strategy for 2019/2020 incorporated measures to deliver a programme which met the needs of all EBs through a range of channels, including our LCF introductory videos and online training module for new EBs or new staff and volunteers of existing EBs. We updated our training materials throughout 2019/2020 to reflect changes in EOL and our guidance based on feedback from stakeholders. In this reporting period one new 'How To' guide was published covering the new upload area in EOL for compliance documents.

Further to amending and creating new guidance we also held a number of events over the 2019/2020 reporting period for stakeholders to attend including two basic training events, and one Information and Networking Forum (INF). We continue to operate an open-door policy for any EB who wishes to come to the ENTRUST office and meet ENTRUST staff or learn more about how we regulate the LCF.

3.3 Staff training

3.3A We will ensure that all members of staff have the knowledge and skills to support those regulated by ENTRUST and understand the principles of good regulation and how ENTRUST delivers them.

The training needs of individual staff members are assessed through the annual appraisal process and incorporated into the Team's training programme. The training programme is developed to ensure that members of staff have the knowledge and skills to meet the needs of ENTRUST and those it regulates.

3.3B We will ensure that all members of staff are provided with training such that they are able to act in accordance with our service standards.

The staff training programme delivered in 2019/2020 incorporated sessions on cyber security, well-being, equality and diversity, General Data Protection Regulation (GDPR)/Data protection and driver awareness.

4. Data and information requests

4.1 Forms and data requests

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.

We provide guides to completing the forms required by EBs, all of which are available on our website (www.entrust.org.uk/need-help/training/) and offer support via email and telephone. We also send email reminders to all EBs regarding the annual returns and the deadline for the submissions of this return.

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. We will only collect and process essential data, including ‘personal data’, as required to regulate the fund.

We only ask for information from EBs if we believe it is necessary for our role in ensuring the compliant use of LCF funds and have undertaken multiple actions over the course of 2019/2020 to make sure that we do not request unnecessary information;

- In order to demonstrate compliance with the GDPR we completed a review of the personal data we held on EOL, which we subsequently anonymised in accordance with the ENTRUST Privacy Policy; and
- In 2018/2019 following the Compliance Risk Model consultation, we determined we should not make any unnecessary information requests at compliance inspections by not requesting information already held e.g. documents obtained at previous inspections.

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.

All data requests made to EBs in 2019/2020 made clear the timetable for any information to be provided within the request and followed our regulatory powers to request information within 14 days. For compliance inspections we acknowledge that EBs might require more time to prepare and as such inspections are usually arranged (and EBs advised of what will be required) at least six weeks in advance of the visit day. Timescales are documented within compliance reports and the published compliance procedures and guidance notes on the website. Ad hoc requests for information also state a deadline for responses.

4.2 Design of new forms and revising existing forms

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.

We note any comments received from EBs on the Annual Return and other forms and make changes to the forms if appropriate. In this reporting period we have updated the Project registration form (Form 2) to reflect the new Project Application Framework.

All EB comments following compliance reviews are reviewed and responded to. The only 'Form' used by the compliance team is the compliance report and no changes have been required or requested during 2019/2020.

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.

When reviewing forms or making additions we always look to do so in a way which will minimise the regulatory burden placed upon EBs. EOL is available for all reporting requirements as per our online delivery strategy. We look to constantly improve EOL and implement any improvements that will improve the usability of EOL and reduces the burden for EBs where possible.

5. Compliance

5.1 Appeals

We will provide a clear and impartial route to appeal against project application decisions. The route to appeal, either in person or in writing, will be clearly explained to applicants whose projects are not accepted.

We have a clear, documented process for appeals and applicants have a clearly identified route by which they can appeal and provide representations:

[\(www.entrust.org.uk/projects/review-panel/\)](http://www.entrust.org.uk/projects/review-panel/)

In February 2020 the Review Panel (consisting of ENTRUST members of staff not involved in the original decision and HMRC) was convened to review the decision by the Registrations Team to reject a project. The EB attended to make their representations to the Panel. After consideration of the facts the Panel agreed to uphold the decision to reject the project, based on the project failing to meet the requirements on following acceptable tendering processes. The EB was advised of the decision in writing.

5.2 Reviews

5.2A We will provide clear and timely guidance to EBs on what they can expect from a compliance review and what is expected from the EB before, at and after a compliance review.

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 an email letter and a 'compliance flyer' outlining our processes and the

expectations of EBs during the compliance visit. Initial contact with EBs that are subject to review is made at least six weeks prior to the review date.

5.2B 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.

We allow EBs an appropriate period (28 days) to respond to our compliance inspection report unless serious non-compliance issues are identified, in which case we would use the regulatory 14-day timescale for financial information. EBs are allowed additional time to introduce changes to policies/procedures etc and appropriate action plans and timescales are agreed as part of the EBs response.

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.

5.2C We will use a risk score to help determine how often each EB should be reviewed. Risk scores are generated automatically and incorporate the amount of funding involved, the number of projects approved and any history of non-compliance.

All EBs are awarded an individual risk score consisting of a number of key risk indicators, which are based on the data held on EOL. These risk scores are updated in real time and are based on an EBs activity and performance and are used to determine how often EBs are subject to compliance inspections. Our website details the risk assessment process, risk indicators and weightings used in the EB Risk Model:

<https://www.entrust.org.uk/environmental-bodies/compliance-process/>

The Risk Model is reviewed annually to ensure that it continues to reflect HMRC priorities for the Fund. An EB's individual risk score is included in their compliance inspection report. EB risk scores are one of the Benchmarking indicators which are also detailed within inspection reports and published on the website:

<https://www.entrust.org.uk/environmental-bodies/compliance-process/good-practice/>

6. Enforcement

6.1 Enforcement process

6.1A We will set out details of the enforcement policy, explaining how it 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:

www.entrust.org.uk/assets/uploads/documents/Enforcement_Framework.pdf.

In line with best regulatory practice, we aim to manage an EBs failure to comply with the Regulations in a reasonable and proportionate manner.

We provide a quarterly report detailing regulatory breaches and how we are addressing them. It also provides advice on how EBs can avoid committing breaches of the Regulations:

<https://www.entrust.org.uk/environmental-bodies/enforcement/enforcement-activity/>

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.

In accordance with the enforcement process each case is set out in an enforcement matrix which is reviewed by the Compliance Manager and DCEO/CEO to ensure the appropriate level of enforcement action is applied at each stage.

6.1C As part of the enforcement process, we will clearly explain to non-compliant EBs the actions required of them and why as well as providing opportunities for dialogue.

All enforcement letters clearly establish what an EB needs to do to rectify any incidences of non-compliance. As part of the process any EB subject to enforcement action is invited to provide further information and an explanation behind the non-compliance.

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 ENTRUST staff including job titles, direct dial phone 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 at:

www.entrust.org.uk/contact-us

7.2 Publication of service standards

7.2A 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 2019 (www.entrust.org.uk/about-us/standards-of-service/). These are reviewed every two years to ensure they remain fit for purpose.

7.2B We will publish details of our performance against our service standards, as measured through feedback and the EB satisfaction survey and appeals against our decisions.

The 2019 EB Satisfaction Survey ran from 20 May to 30 June 2019 and was published on the ENTRUST website in September 2019. A news item, email communication sent to the main contact of all EB's and the Company's Twitter feed were used to highlight the survey to stakeholders:

<https://www.entrust.org.uk/about-us/environmental-body-satisfaction-survey/>

7.3 Complaints 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. We will publish anonymised accounts of the outcomes of formal complaints.

Our complaints procedure and whistle blowing policies are clearly laid out on the ENTRUST website and were reviewed in March 2020 as part of the website content review. No formal complaints were lodged with ENTRUST in the reporting period:

www.entrust.org.uk/about-us/complaints-process/

One whistleblowing complaint about a specific LCF project was received and dealt with in August 2019. This was fully investigated with the result that the project was found to be fully compliant with the Landfill Tax Regulations 1996 (Regulations).

7.4 Publication of anonymised data

We will publish anonymised data for a range of metrics including EB risk scores to allow EBs to benchmark their performance.

In May 2019 we published our third set of anonymised data (provided by EBs via annual returns and other reporting requirements) against a set of key scheme metrics to enable EBs to benchmark their own performance against that of the sector. The data was published alongside guidance instructing EBs on how to best make use of the information:

www.entrust.org.uk/news/environmental-body-benchmarking-data-2018-2019

Conclusion

The ongoing assessment of our work against the ERS throughout the year is 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 and evidence provided in support of the assessment made. All requirements of the ERS have been rated as green and assessed as met in 2019/2020.

APPENDIX

Appendix A - ENTRUST Regulator Standards - Annual Assessment - 2019 2020 - RAG matrix

ENTRUST

June 2020

ENTRUST Regulator Standards (ERS)

2019/2020 Annual Assessment

Function	Standard	Rating Red / Amber / Green	
1. Policy review	1.1 Planning, reviewing and scoping		
	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
	1.2 Consulting		
	1.2	We will consult stakeholders in accordance with the Consultation Principles and report on the outcome of consultation exercises including providing appropriate feedback to those who took part.	Green
	1.3 Development of change proposals		
	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 Reporting		
	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 Day-to-day advice and guidance		
	2.1A	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
	2.1B	We will continue to move towards full e-delivery of our regulatory services and ensure that all guidance and information produced is easily accessible via our website.	Green

	2.2 Changes to guidance and to the Regulations		
	2.2A	We will consult with EBs on any new guidance to be published to ensure it meets their needs. We will advertise the publication of new guidance and changes to existing guidance and will provide stakeholders with clear and timely advice on their effects and the date on which they will come into force.	Green
	2.2B	We will provide clear and timely advice and guidance to stakeholders on changes to the Regulations.	Green
	2.3 Monitoring the effectiveness of advice and guidance		
	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
3. Training	3.1 Identifying the training needs of stakeholders		
	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 Delivering training		
	3.2	We will deliver a multi-channel training programme which meets the needs of stakeholders.	Green
	3.3 Staff training		
	3.3A	We will ensure that all members of staff have the knowledge and skills to support those regulated by ENTRUST and understand the principles of good regulation and how ENTRUST delivers them.	Green
	3.3B	We will ensure that all members of staff are provided with training such that they are able to act in accordance with our service standards.	Green
4. Data and information requests	4.1 Forms and data requests		
	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. We will only collect and process essential data, including 'personal data', as required to regulate the fund.	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

	4.2 Design of new forms and revising existing forms		
	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
5. Compliance	5.1 Appeals		
	5.1	We will provide a clear and impartial route to appeal against project application decisions. The route to appeal, either in person or in writing, will be clearly explained to applicants whose projects are not accepted.	Green
	5.2 Reviews		
	5.2A	We will provide clear and timely guidance to EBs on what they can expect from a compliance review and what is expected from the EB before, at and after a compliance review.	Green
	5.2B	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
	5.2C	We will use a risk score to help determine how often each EB should be reviewed. Risk scores are generated automatically and incorporate the amount of funding involved, the number of projects approved and any history of non-compliance.	Green
6. Enforcement	6.1 Enforcement process		
	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
	6.1C	As part of the enforcement process, we will clearly explain to non-compliant EBs the actions required of them and why as well as providing opportunities for dialogue.	Green

7. Transparency	7.1 Accessibility		
	7.1	We will publish details of our staff and contact details so that stakeholders know who to contact and how to contact them.	Green
	7.2 Publication of service standards		
	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 and appeals against our decisions.	Green
	7.3 Complaints handling		
	7.3	We will publish a clear complaints policy so stakeholders understand how to make a complaint and how any complaint will be handled. We will publish anonymised accounts of the outcomes of formal complaints.	Green
	7.4 Publication of anonymised data		
7.4	We will publish anonymised data for a range of metrics including EB risk scores to allow EBs to benchmark their performance.	Green	