



Value for Money Report 2017/2018



What is the Landfill Communities Fund (LCF)

The aim of the LCF is to offset some of the impacts that landfill sites have on local communities. All projects must satisfy the environmental objectives contained in the Landfill Tax Regulations 1996 (Regulations).

Under the LCF, Landfill Operators (LOs) are able to pay a proportion of their landfill tax liability to not-for-profit organisations which deliver projects for the benefit of communities and the environment in the vicinity of a landfill site.

Landfill Communities Fund Objects

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

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

* Object F was removed from the Regulations from 1 April 2016 as part of the Government's reform of the LCF.

Reporting

In accordance with the Terms of Approval (TOA) and the Reporting Schedule agreed between ENTRUST and H M Revenue & Customs (HMRC) in our 2018-2021 Corporate Plan, in August 2018 ENTRUST provided HMRC with a Value for Money (VfM) report containing an analysis for the period 2015/2016 to 2017/2018 of the value of LCF monies invested in projects and VfM data for projects completed in the 2017/2018 reporting year.

We are publishing a summary of the data contained in that report so that interested parties may access it. The data highlights the achievements of the LCF since 2015 and demonstrates the positive impact of the LCF on communities affected by landfill, and upon the environment. The data is primarily collected from the Form 9 Project Completion Form.

You can also read the VfM report published in 2017 on our [website](#).

Expenditure on projects in the last three years

Total expenditure on projects during 2017/2018 was £46.86 million (irrespective of whether projects were completed), representing a decrease of £20.48 million in comparison to the previous year. There are several reasons which may account for the decreases reported. These include:

- EBs reducing the amount of funds held from the start of the 2016/2017 period, as a result EBs had less money available in the 2017/2018 period to spend on projects; and
- Within 2016/2017 a total of £9.55 million was spent on projects in Scotland. 2017/2018 was the first year that the scheme no longer covered Scotland.

| | 2015/2016 | 2016/2017 | Percentage change | 2017/2018 | Percentage change |
|----------------------------|-------------|-------------|-------------------|-------------|-------------------|
| Project expenditure | £82,815,655 | £67,346,626 | -18.7% | £46,864,415 | -30.4% |

Expenditure by Object

Object D projects accounted for 81.7% of expenditure on completed projects during 2017/2018, followed by Object DA projects which accounted for 12.7%. There have been no Object B projects undertaken across the period of this report and Object F was removed from 1 April 2016, therefore the last expenditure for this Object type will be shown in 2015/2016.

| Year | Expenditure on projects by LCF Object | | | | | | Total |
|--------------|---------------------------------------|-----------|---------------------|--------------------|--------------------|----------------|---------------------|
| | A | B | D | DA | E | F | |
| 2015/2016 | £32,329 | £0 | £63,930,807 | £11,682,273 | £7,109,858 | £60,624 | £82,815,892 |
| 2016/2017 | £271,365 | £0 | £53,343,447 | £7,576,730 | £6,177,126 | £0 | £67,368,668 |
| 2017/2018 | £0 | £0 | £38,325,545 | £5,960,239 | £2,629,632 | £0 | £46,915,417 |
| Total | £303,694 | £0 | £155,599,798 | £25,219,243 | £15,916,616 | £60,624 | £197,099,976 |

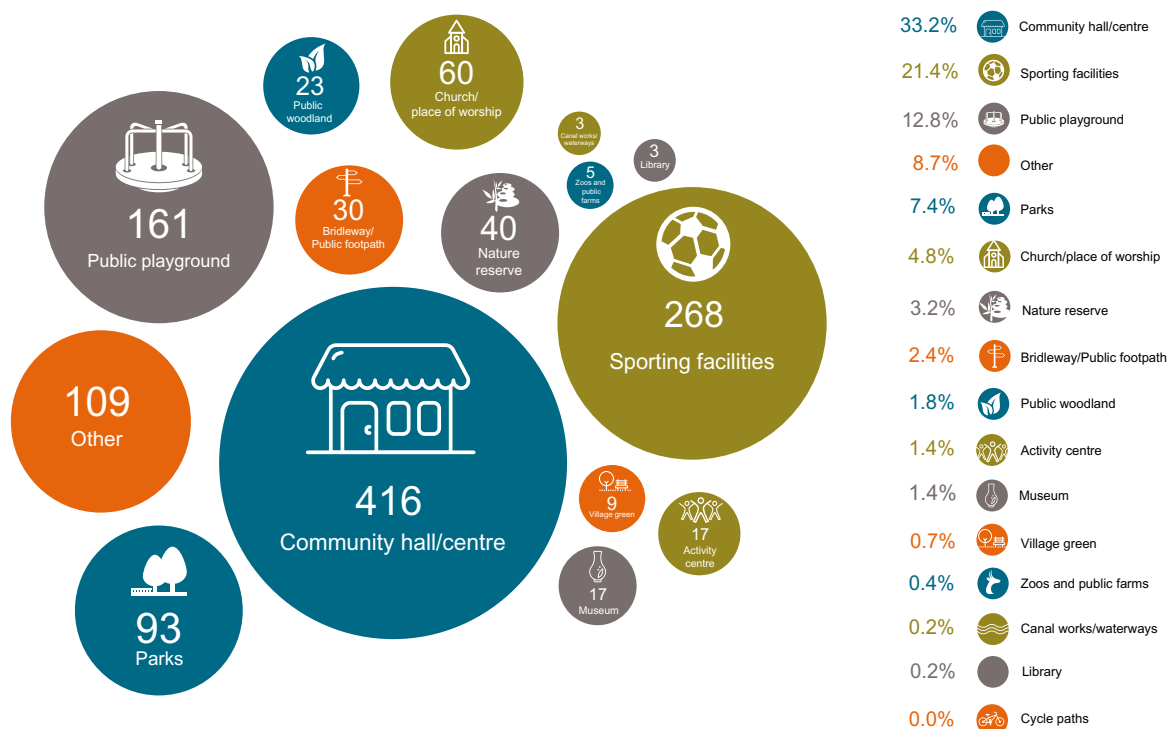
Numbers of completed projects in the last three years

1,508 projects were reported as completed in 2017/2018, this represents a reduction of 868 projects (a decrease of 36.5 per cent) year on year. ENTRUST considers that the reduction in the number of projects is consistent with the reduction in the size of the LCF, and the closure of the LCF in Scotland. However, we also know that some EBs have reduced the value of the individual grant awards that they make, which may result in a greater number of projects being supported in future years.

| Year | Number of projects completed by LCF Object per year | | | | | | Total |
|--------------|---|----------|--------------|------------|------------|----------|--------------|
| | A | B | D | DA | E | F | |
| 2015/2016 | 1 | 0 | 2,221 | 347 | 203 | 1 | 2,773 |
| 2016/2017 | 2 | 0 | 1,965 | 252 | 155 | 0 | 2,376 |
| 2017/2018 | 0 | 0 | 1,254 | 162 | 92 | 0 | 1,508 |
| Total | 3 | 0 | 5,440 | 761 | 450 | 1 | 6,657 |

Object D projects completed in 2017/2018

Community Halls were the most popular Object D amenity type, accounting for 33.2 per cent of all completed Object D projects during 2017/2018. Sporting facilities were the next most significant type with 21.4 per cent of the projects.



Object DA projects

Terrestrial Invertebrates were the most common groups of species to have been conserved, or protected in 2017/2018 (48 per cent). This represents a decrease compared to 2016/2017 (72.2 per cent of species protected in 2016/2017 were Terrestrial Invertebrates). As with last year the second most common group of species to be conserved or protected were Vascular Plants (23.8 per cent).

In 2017/2018 Urban/Brownfield was the most common habitat to be conserved, or protected (48.6 per cent) overtaking Woodland, which was the most common in 2016/2017. Urban/Brownfield in 2017/2018 accounted for 13.2 per cent. The most common habitat protected, or conserved varies each year.

Assets purchased or created with LCF funding – asset types

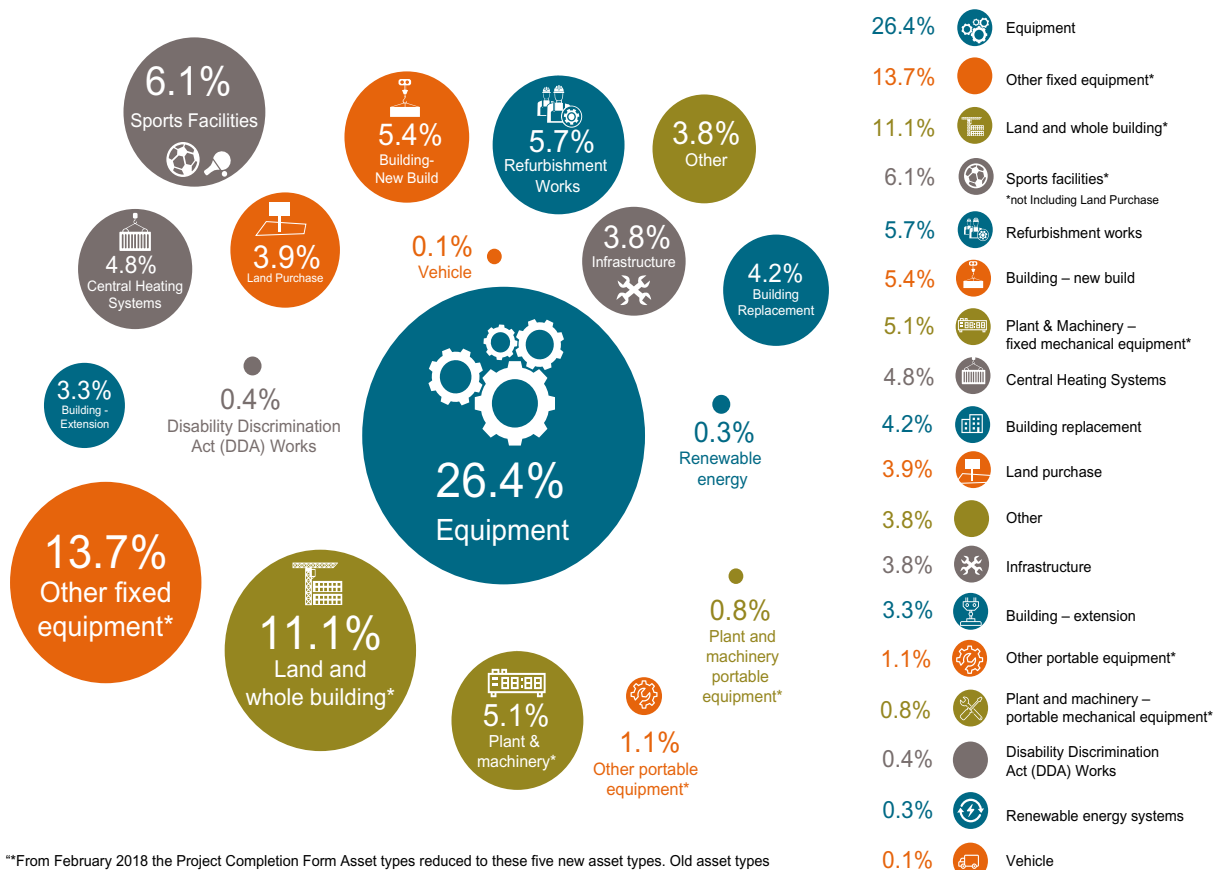
EBs reported assets purchased, or created using LCF monies.

| | 2016/2017 | 2017/2018 |
|--|-------------|-------------|
| Total LCF expenditure on projects for which a project completion form has been submitted* | £69,137,964 | £42,222,522 |
| Total LCF expenditure on capital assets | £21,475,627 | £14,535,554 |
| Percentage of LCF project expenditure which was spent on capital assets | 31% | 34% |

*Expenditure may have taken place in any of the project years not only in the year in which the project was reported as completed.

LCF expenditure on asset types for projects completed in 2017/2018 (all Objects)

In February 2018 we simplified our list of assets which EBs could report as being created or purchased using LCF monies, as a result for projects completed in 2017/2018 expenditure has been reported against both the old and new asset types. Despite the changes in asset types equipment (an old asset type) accounted for the largest percentage of LCF expenditure at 26.4 per cent followed by two of the new asset types; other fixed equipment at 13.7 per cent and land and whole building at 11.1 per cent.



**From February 2018 the Project Completion Form Asset types reduced to these five new asset types. Old asset types will continue to be shown until those projects underway have been completed.

Amount of funding generated from other sources

EBs reported the total amount spent on their project in addition to the amount of LCF money spent on the project. This information provides a better understanding of the wider financial impact that the LCF delivers to communities and the environment. LCF funding accounted for more than half of total funding for projects completed in 2017/2018

| | 2017/2018 |
|---|--------------|
| Total LCF expenditure on projects for which a project completion form has been submitted | £42,222,522 |
| Total funding from all other sources | £202,000,932 |
| LCF funding as a percentage of all funding | 21% |

Project sustainability

For the 1,371 projects for which there was a submitted Project Completion form for 2017/2018, EBs provided information on the expected income derived from their project, reductions in utility costs, creation or maintenance of jobs, and increases in visitor numbers as a result of their project going ahead.

| | Total for projects in 2016/2017 | Average per project in 2016/2017 | Total for projects in 2017/2018 | Average per project in 2017/2018 |
|--|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| Expected Income Derived | £3,677,290 | £1,633 | £4,978,612 | £3,631 |
| Expected reduction in utility costs | £355,133 | £158 | £201,086 | £147 |
| Expected creation of new jobs or maintenance of existing jobs | 1,041 | 0.46 FTE | 792 | 0.58 FTE |

Achieving the intended outcome

For the 1,371 projects for which there was a submitted Project Completion form for 2017/2018, EBs reported whether the project has achieved its intended outcome.

| | Total for projects in 2016/2017 | Percentage of 2016/2017 projects with positive response | Total for projects in 2017/2018 | Percentage of 2017/2018 projects with positive response |
|---|---------------------------------|---|---------------------------------|---|
| Achieved intended aims | 2,245 | 99.7% | 1,368 | 99.8% |
| Improved the lives of people in the community or achieved environmental benefits | 2,124 | 94.3% | 1,308 | 95.4% |
| Brought together people from different backgrounds | 1,498 | 66.5% | 1,045 | 76.2% |



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Regulating the Landfill Communities Fund
Benefiting people and the environment