



# Value for Money Report 2020/2021

## What is the Landfill Communities Fund (LCF)

The aim of the LCF is to offset some of the impact 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) in England and Northern Ireland 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. The LCF closed in Scotland on 31 March 2015 and in Wales on 31 March 2018, with a two year transitional closure period for both. The following report will therefore include expenditure in Wales but not in Scotland.

### 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

## Reporting

In accordance with the Terms of Approval (TOA) and the Reporting Schedule agreed between ENTRUST and HM Revenue & Customs (HMRC) in our 2021-2024 Corporate Plan, in August 2021 ENTRUST provided HMRC with a Value for Money (VfM) report containing an analysis for the period 2018/2019 to 2020/2021 of the value of LCF monies invested in projects and VfM data for projects completed in the 2020/2021 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 and demonstrates the positive impact of the LCF on communities affected by landfill, and on the environment. The data is primarily collected from the Form 9 Project Completion Form. This report contains updated information for previous reporting years. In some cases, the data will have been adjusted and corrected due to Environmental Bodies (EBs) updating their Statutory Annual Returns and Project Completion forms throughout the year.

You can also read the previous VfM reports published on the statistics page of our [website](#).

## Expenditure on projects in the last three years

Total expenditure on projects during 2020/2021 was £34.1 million (irrespective of whether projects were completed), representing a decrease of £7.8 million in comparison to the previous year. During this reporting period, the value of contributions to the Fund also decreased from £40.6m in 2018/2019 and £35.9m in 2019/2020 to £32.3m in 2020/2021. ENTRUST therefore considers that it is reasonable to assume that the reduction in project expenditure can be attributed to the decline in contributions and the overall reduction in the size of the Fund. Although we also recognise that the COVID-19 pandemic may have also reduced the ability for project works to take place, indicated by the small increase in uncommitted funds seen in this reporting period.

	2018/2019	2019/2020	Percentage change	2020/2021	Percentage change
<b>Project expenditure</b>	£45,968,020	£41,880,379	-8.9%	£34,075,337	-18.6%

## Expenditure by Object

Object D projects accounted for 84.8 per cent of project expenditure on completed projects during 2020/2021, followed by Object DA projects which accounted for 11.6 per cent. There have been no Object B projects undertaken across the period of this report.

Year	Expenditure on projects by LCF Object					Total
	A	B	D	DA	E	
2018/2019	£46,145	£0	£39,812,955	£4,819,394	£1,311,930	£45,990,424
2019/2020	£66,417	£0	£35,325,673	£4,708,631	£1,778,020	£41,878,741
2020/2021	£47,495	£0	£28,925,073	£3,940,046	£1,186,606	£34,099,220
<b>Total</b>	<b>£160,057</b>	<b>£0</b>	<b>£104,063,701</b>	<b>£13,468,071</b>	<b>£4,276,556</b>	<b>£121,968,385</b>

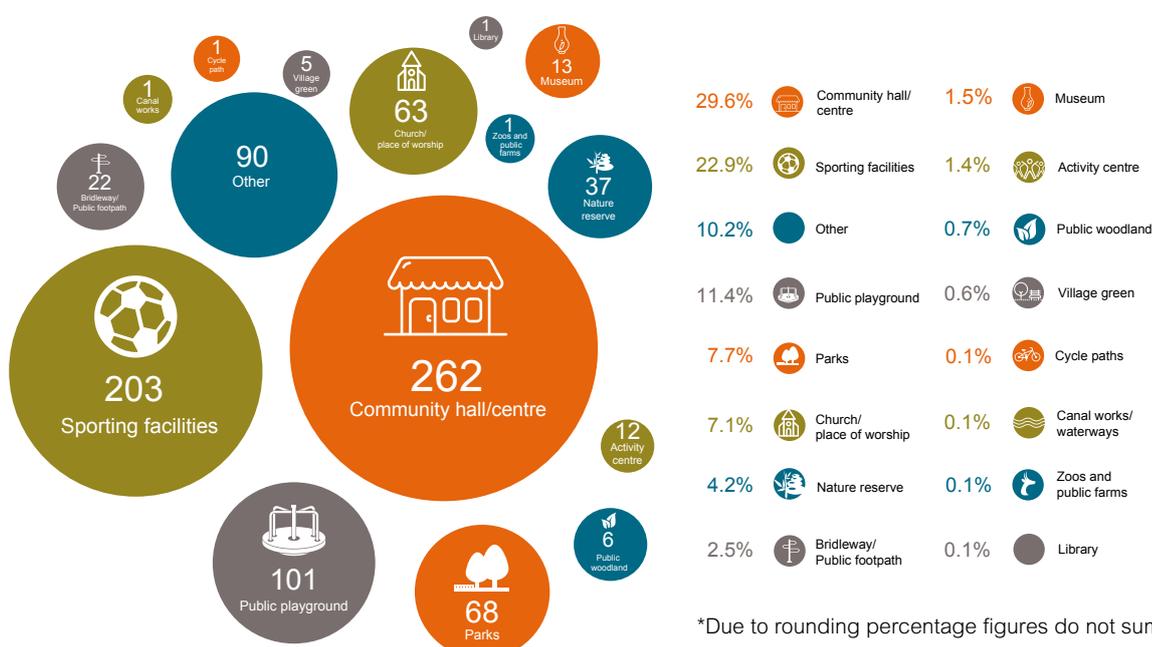
## Numbers of completed projects in the last three years

1,042 projects were reported as completed in 2020/2021, this represents a reduction of 205 projects (16.4 per cent) year on year. This is a significant reduction, but in line with the reduction seen between 2018/2019 and 2019/2020 (of 270 projects). We believe that this reduction is also consistent with the overall reduction in the size of the Fund and with the high levels of project extensions in 2020/2021, which we consider is due to project delays associated with the COVID-19 pandemic; for example, 1,002 extensions were granted in 2021/2022, compared with 641 in the previous year:

Year	Number of projects completed by LCF Object per year					Total
	A	B	D	DA	E	
2018/2019	0	0	1,288	171	58	1,517
2019/2020	0	0	1,092	97	58	1,247
2020/2021	1	0	886	116	39	1,042
<b>Total</b>	<b>1</b>	<b>0</b>	<b>3,266</b>	<b>384</b>	<b>155</b>	<b>3806</b>

## Object D projects

A total of £28.9 million was spent on Object D projects in 2020/2021. Community Halls were the most popular Object D amenity type, accounting for 29.6 per cent of all completed Object D projects during 2020/2021. Sporting facilities were the next most significant type with 22.9 per cent of the projects. This is consistent with information from previous reporting years.



\*Due to rounding percentage figures do not sum to 100.

## Object DA projects completed in 2020/2021

A total of £3.9 million was spent on all Object DA projects in 2020/2021. Terrestrial Invertebrates were the most common groups of species to have been conserved, or protected in 2020/2021 (50.5 per cent). This project level remained steady compared to 2018/2019 and 2019/2020 and invertebrates have continued to be the most common species protected for this three-year reporting period. As with the previous year the second most common group of species to be conserved, or protected was Vascular Plants (20.5 per cent). As Terrestrial Invertebrates contain the highest number of species as a group it is to be expected that this group would be the most represented as each project can support one, or multiple species.

In 2020/2021 Woodlands were the most common habitat project type under Object DA, accounting for 28.6 per cent of all habitats conserved, or protected. Urban and Brownfield projects were the most common habitat type in the previous year (2019/2020), but Woodland the most common type in 2018/2019. In 2019/2020 there were 441 urban brownfield habitats being conserved, but this reduced to one in 2020/2021. This reduction was due to one EB managing a large portfolio of projects improving pollinator habitat in urban brownfield areas across multiple sites which completed in 2019/2020. The most common habitat protected, or conserved varies each year, as each project can support multiple habitats. It is therefore difficult to identify any trends as an increase in one habitat type may be linked to one EB focusing on a particular habitat type, therefore the data may show a significant increase in one habitat, but this does not reflect overall trends.

## Assets purchased or created with LCF funding – asset types

EBs reported assets purchased, or created using LCF monies.

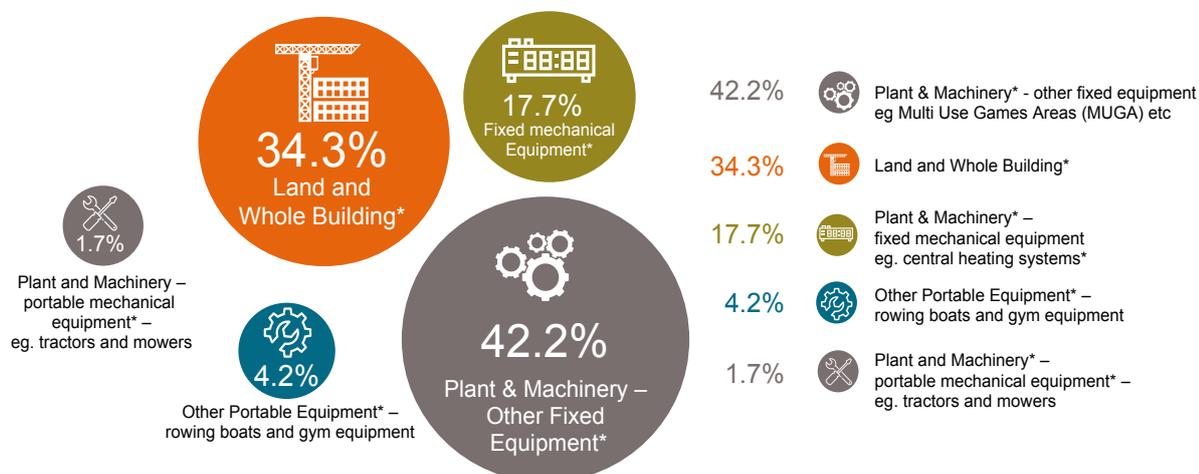
	2018/2019	2019/2020	2020/2021
<b>Total LCF expenditure on projects for which a project completion form has been submitted*</b>	£44,558,012	£43,974,836	£34,737,190
<b>Total LCF expenditure on capital assets</b>	£14,326,101	£15,132,208	£15,399,293
<b>Percentage of LCF project expenditure which was spent on capital assets</b>	32.15%	34.41%	44.33%

\*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 2020/2021 (all Objects)

In February 2018 we simplified the list of assets which EBs could report as being created or purchased using LCF monies.

The largest percentage of LCF expenditure on asset types at 42.2 per cent was for Plant & Machinery - other fixed equipment, for example MUGA (Multi Use Games Area) equipment followed by Land and Whole Buildings at 34.3 per cent.



\*From February 2018 the Project Completion Form Asset types reduced to these five new asset types.

## 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 (58.6 per cent) of total funding for projects completed in 2020/2021.

	2020/2021
<b>Total LCF expenditure on projects for which a project completion form has been submitted</b>	£34,737,190
<b>Total funding from all other sources</b>	£59,247,407
<b>LCF funding as a percentage of all funding</b>	58.6%

## Project sustainability

For the 986 projects for which there was a submitted Project Completion form for 2020/2021, 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 2019/2020	Average per project in 2019/2020	Total for projects in 2020/2021	Average per project in 2020/2021
<b>Expected Income Derived</b>	£3,413,226	£2,773	£2,210,015	£2,244
<b>Expected reduction in utility costs</b>	£215,057	£175	£206,580	£210
<b>Expected creation of new jobs or maintenance of existing jobs</b>	737	0.65 FTE	487	0.49 FTE

## Achieving the intended outcome

For the 986 projects for which there was a submitted Project Completion form for 2020/2021, EBs reported whether the project has achieved its intended outcome.

	Total for projects in 2019/2020	Percentage of 2019/2020 projects with positive response	Total for projects in 2020/2021	Percentage of 2020/2021 projects with positive response
<b>Achieved intended aims</b>	1,229	99.8%	984	99.9%
<b>Improved the lives of people in the community or achieved environmental benefits</b>	1,203	97.7%	975	99.0%
<b>Brought together people from different backgrounds</b>	1,014	82.4%	800	81.2%



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Regulating the Landfill Communities Fund  
Benefiting people and the environment