



ENTRUST

Regulating the Landfill Communities Fund
Benefiting people and the environment

2017 – 2018 ANNUAL REPORT



Since its inception in 1996 the Landfill Communities Fund (LCF) has supported over 60,000 community and environmental projects across the UK with contributions from Landfill Operators (LOs) totalling more than £1.6bn.

ENTRUST is the Regulator of the LCF, an innovative tax credit scheme enabling LOs to contribute money to organisations enrolled with ENTRUST as Environmental Bodies (EBs). EBs carry out projects in local communities that comply with the objectives set out in the Landfill Tax Regulations 1996 (Regulations).

We regulate both the EBs' activities and the work they undertake through the delivery of approved projects. We assess each project before any LCF money is spent to ensure it is going to deliver an approved object. We do not allocate or have influence over the distribution of landfill tax monies.

Front cover images (clockwise from top right): Rosslyn Chapel Visitor Centre; Kings Lynn Parkour; Coventry Cathedral; all courtesy of Jim Varney; Butterfly, courtesy of Gareth Knass; Back cover image: Boynes Coppice Meadow, Worcestershire Wildlife Trust. Photo courtesy of Wendy Carter.



www.entrust.org.uk

ENTRUST

Regulating the Landfill Communities Fund
Benefiting people and the environment

Chair's overview

The Landfill Communities Fund (LCF) was launched in 1996 and has since acted as an important source of funds for a range of local community and environmental projects in the UK. As regulator of the scheme ENTRUST ensures that LCF monies are spent compliantly and provides support and guidance to those operating within the scheme.

Following a reduction in the value of the LCF we have fundamentally reviewed ENTRUST's resource requirement as the statutory regulator of the scheme to ensure Value for Money (VfM). In 2017/2018 we operated with a reduced funding requirement and we consider that the organisation structure introduced in 2017/2018 represents an effective and efficient configuration with which to regulate the LCF.

Over the course of 2017/2018 we have continued to work closely with all LCF stakeholders. This dialogue is essential to the smooth running of the LCF, ensuring that ENTRUST can react and respond to stakeholder needs and, as a Board of Directors, we continue to prioritise this by attending regular meetings with, and visits to, our key stakeholders.

In 2017/2018 we have worked hard to further support the sector to enable it to assess their operational performance and the value of their LCF related activities. To deliver this ENTRUST published benchmarking data and updated the framework for assessing the wider economic value of the LCF. In August 2017 we issued the first annual briefing to LOs who contribute to the LCF to inform them of the operation of the Fund. Furthermore, following meetings with EBs we felt it would be helpful to provide briefing notes on subjects such as cyber security and the new General Data Protection Regulation (GDPR), to best support the sector to be compliant with other regulatory duties.

Finally, I have been pleased to note that 2017/2018 has been a strong year for ENTRUST, during which we delivered all of our objectives and Key Performance Indicators (KPIs) on time and on budget. This was delivered whilst the company and staff were adjusting to the reduction in ENTRUST's staffing levels and resource requirement. I would like to thank all of the staff for adapting and responding to the new reduced company structure whilst ensuring the smooth regulation of the LCF.

Dr Ann G Limb CBE DL
Chair, ENTRUST



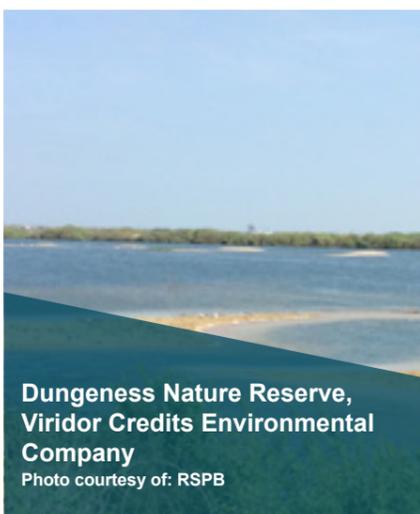
Featherstone War Horse – A Place of Peace to be Together, WREN

Photo courtesy of: Featherstone War Horse



Quainton Tennis Courts, WREN

Photo courtesy of: Quainton Tennis Courts



Dungeness Nature Reserve, Viridor Credits Environmental Company

Photo courtesy of: RSPB

CEO's operational review

The previous 12 months have been of key importance to ENTRUST. Alongside delivery of our core regulatory services we have further implemented plans for strategic change and service improvement, looked to better ensure VfM of the scheme and put in place preparations for the closure of the LCF in Wales.

With the reduction in the size of the scheme in mind we have streamlined our processes whilst improving the service offered to EBs. To support our move to 100 per cent digital delivery we have made improvements to our website, guidance, online forms and ENTRUST Online (EOL). We have also undertaken a review of the Accreditation Scheme and following consultation with Accredited EBs we have ended the scheme, putting in place transitional arrangements to minimise disruption for EBs.

On behalf of HMRC we have monitored EB administration costs and the level of unspent funds, encouraging EBs to reduce their administration costs below the Government's target of 7.5 per cent of LCF project expenditure and to reduce the level of unspent funds which they hold. These areas remain key strategic priorities for HMRC for 2018/2019 and are addressed in our 2018 – 2021 Corporate Plan.

In 2017/2018 we completed our reporting to HMRC regarding the closure of the LCF in Scotland. The lessons learnt have been included in our closure plan for the LCF in Wales. We also made preparations to ensure we are compliant with the new GDPR which was implemented on 25 May 2018. I would also like to highlight the following successes during the year:

- We increased levels of satisfaction with our regulatory services to 86 per cent against the 2016 baseline of 81 per cent;
- We reviewed and updated our compliance risk model; and
- We updated the funders search on our website to improve the information available to project applicants.

This period has been a time of significant change for ENTRUST and all organisations operating in the LCF and I am pleased that as a regulator we have continued to deliver all of our statutory regulatory activities whilst at the same time maintaining the service offered to our stakeholders.

Christopher Welford
Chief Executive, ENTRUST



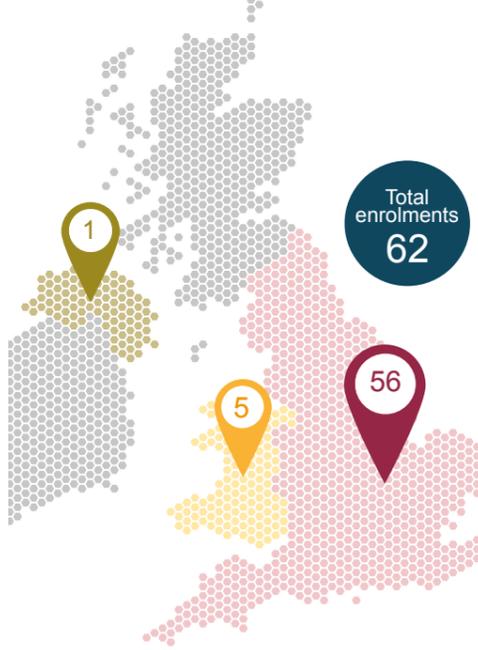
Since 1996 the Landfill Communities Fund has supported almost **60,000** projects with contributions from landfill operators totalling **£1.6bn** as at 31 March 2018

In 2017/2018

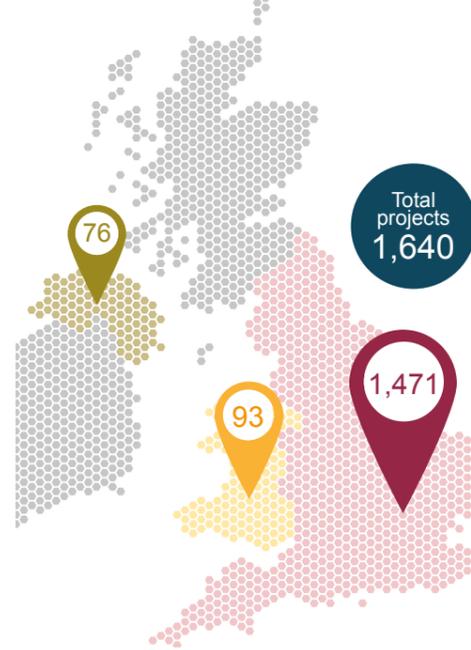


We have enrolled 62 EBs and registered 1,640 new projects. Our compliance inspectors have conducted 229 reviews. The following charts show the spread of activity across the UK.

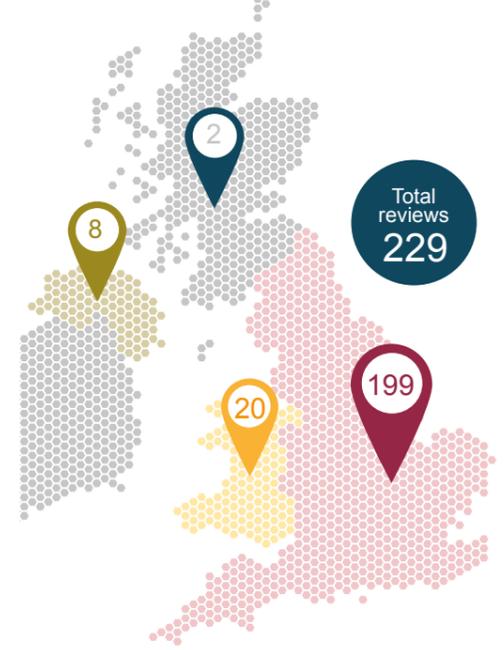
EB enrolments



Project registrations



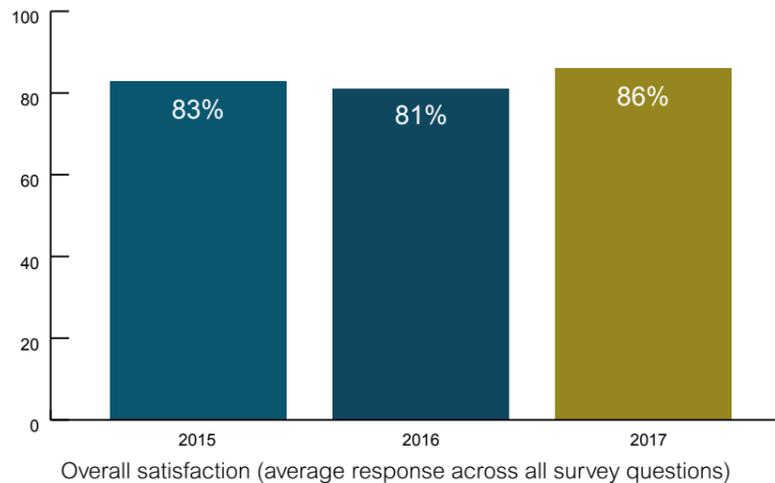
Compliance reviews



EB satisfaction with ENTRUST

Each year we invite EBs to feed back on the services that we provide through an online satisfaction survey. The results from the 2016 survey were very positive overall and we were able to report the following. We also received strong feedback scores for our training events and compliance reviews.

The following chart shows the percentage of those who agree/agree strongly.



Overall satisfaction with the Compliance process
 Target: 4.5/5.0
 Actual: 4.6/5.0

Overall satisfaction with the ENTRUST training events
 Target: 4.5/5.0
 Actual: 4.6/5.0



Achievements

We have delivered on all of our objectives and we have met all of our agreed Key Performance Indicators (KPIs) on time and on budget as agreed with Her Majesty's Revenue & Customs (HMRC). As a best practice organisation we also set a number of internal targets. The table below shows our performance against those. More details are in our full annual report available at www.entrust.org.uk

	TARGET	ACTUAL
Number of EBs enrolled in five working days	98%	100%
Number of projects enrolled in five working days	98%	100%
Number of compliance inspection reviews	220	229
Maintain the proportion of Form 4s received by the due date of 28 April 2017 with the 2015/16 baseline	83%	84%
Maintain the proportion of projects submitted online with the 2015/16 baseline	95%	99%
Maintain the proportion of reporting forms (Forms 3, 4 and 7) submitted online with the 2016/2017 baseline	90%	97%*
Publish the 2016/2017 ENTRUST Regulator Standards	By 31 July	Published 26 July

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