

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): Prema Arts Centre, Bethesda Chapel, courtesy of Rupert Russell of SDR Photography; Silverdale Colliery Pit Wheel, courtesy of Red Industries Ltd; Boynes Coppice Meadow, Worcestershire Wildlife Trust, courtesy of Wendy Carter; Neve Park Peterborough, Sculpture by Jeni Cairns, courtesy of FEC Communities Foundation Ltd. Back cover image: Elmton Pinfold, courtesy of Viridor Credits Environmental Company



Regulating the Landfill Communities Fund
Benefiting people and the environment

2018 – 2019 ANNUAL REPORT



www.entrust.org.uk



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Benefiting people and the environment

Chair's overview

ENTRUST has operated as the Regulator of the Landfill Communities Fund (LCF) since the inception of the Fund in 1996. Across the last 22 years we have provided independent assurance to HMRC that landfill tax monies diverted to the LCF are spent compliantly in accordance with the Landfill Tax Regulations 1996 (Regulations). During this time, the LCF has supported over 4,000 Environmental Bodies (EBs) to complete almost 60,000 projects, with a value of more than £1.5 billion.

Alongside ENTRUST's core role of providing assurance to HMRC, we also work hard to support the sector, reducing the administrative burden on EBs and using our 'coaching to compliance' ethos to ensure that EBs and projects remain compliant with the Regulations.

As part of our continuous improvement, in 2018/2019 we considered it appropriate to review and update ENTRUST's aim, vision, mission and values which define how we work with both our key external stakeholders and internally amongst our staff.

Our aim: To be an independent, credible and professional Regulator that treats all stakeholders fairly in all of their dealings with us. To improve awareness amongst our stakeholders of the regulatory role we perform and the work we do.

Our vision: To be a first class regulator facilitating delivery of LCF projects for the benefit of communities and the environment.

Our mission: Assuring compliant use of the LCF monies while delivering Value for Money (VfM) for our stakeholders.

Our values:

We're transparent in all of our activities;
We act with integrity in our dealings with stakeholders, the sector and staff;
We're consistent in our actions and approach;
We're supportive, promoting good practice, sharing information and providing focused training where it is needed; and
We always pursue excellence in our work, delivering value for money to our stakeholders.

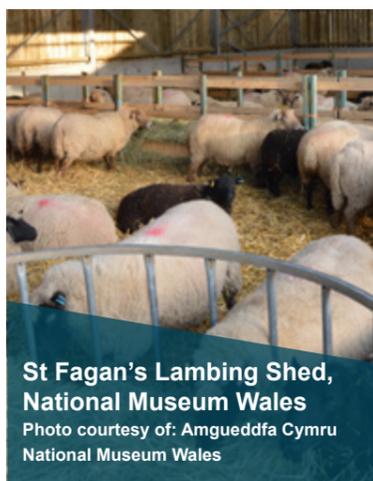
This report sets out the work undertaken in 2018/2019 to deliver against these corporate values as well as the actions and measures which we set out in the 2018-2021 Corporate Plan. I am particularly pleased to note that 2018/2019 has been another strong year for ENTRUST, during which we delivered all of our objectives and Key Performance Indicators (KPIs) on time and on budget, and as always I would like to thank ENTRUST staff for their hard work this year.

Dr Ann G Limb CBE DL
Chair, ENTRUST



Maddington Church Room, Shrewton Community First

Photo courtesy of: Maddington Church Room



St Fagan's Lambing Shed, National Museum Wales

Photo courtesy of: Amgueddfa Cymru National Museum Wales



The Young People's Forest at Mead, Woodland Trust

Photo courtesy of Veolia Environmental Trust

CEO's operational review

ENTRUST's Corporate Plan for 2018-2021 was shaped to reflect the reduction in the size of the LCF whilst recognising the importance of maintaining regulatory efficiency and a low administrative burden on EBs. A key priority for 2018/2019 was also the smooth closure of the LCF in Wales.

Across the last twelve months we have continued to prioritise reducing the administrative burden on EBs and increasing the transparency of our operations, whilst supporting the Government's key strategic priorities following the 2015 Reform of the LCF.

In November 2018, we completed a review of EB's Contributing Third Party practices, which we submitted to HMRC. In the same month, we also published our framework for reviewing, monitoring and managing the level of administration costs and unspent funds. We continue to report to HMRC to show the value of the LCF monies held by EBs year on year and the percentage of administration costs they claim.

As part of our 'coaching to compliance' ethos we have also continued to work with individual EBs where breaches of the Regulations were identified. During 2018/2019 there were several open cases of EBs spending LCF funds non-compliantly. We worked with the EBs to ensure any loss to the Fund was rectified and a total of more than £314,000 was recovered in relation to five cases.

The first year of the plan to oversee the closure of the scheme in Wales has progressed well, with funds reducing from £1.3m at 30 June 2018 to £800k at 31 March 2019 and 48 EBs in Wales, who have completed their LCF activities, voluntarily revoked from the scheme.

We have also completed our preparations to be compliant with the new Data Protection Act 2018 which incorporates the General Data Protection Regulation (GDPR).

Finally, in addition to the above I would also like to highlight the following successes during the year:

- We maintained levels of satisfaction with our regulatory services at 86 per cent;
- We have delivered all of our objectives and met all of HMRC's agreed KPIs, including reporting 99.9 per cent of LCF funds by the statutory Annual Return deadline (target 99 per cent); and
- Published our third Value for Money (VfM) of the LCF report which shows that 99.8 per cent of LCF projects completed in 2017/2018 achieved their intended aims and 76 per cent of these projects brought together people from different backgrounds.

Christopher Welford
Chief Executive, ENTRUST



Since 1996 the Landfill Communities Fund has supported almost **60,000** projects with contributions from landfill operators totalling **£1.65bn** as at 31 March 2019

In 2018/2019

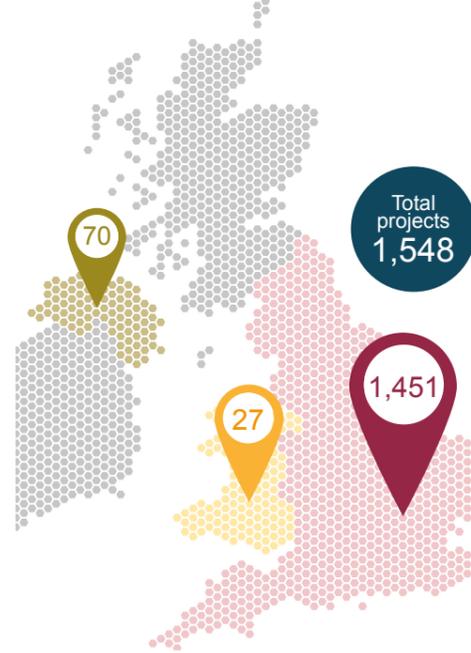


We have enrolled 36 EBs and registered 1,548 new projects. Our compliance inspectors have conducted 199 reviews. The following charts show the spread of activity across the UK.

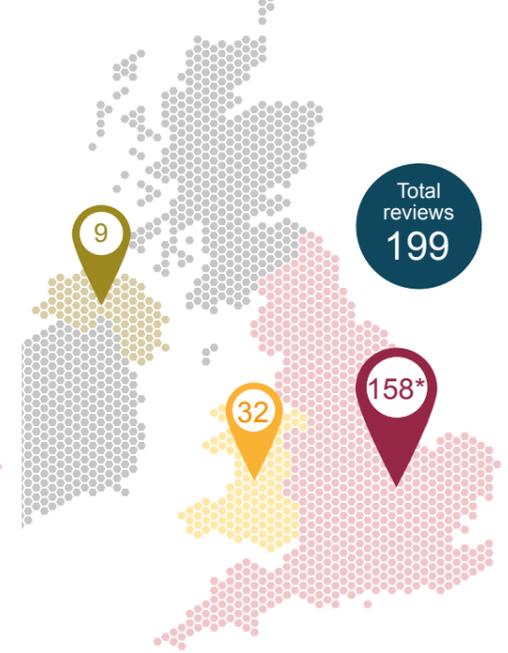
EB enrolments



Project registrations



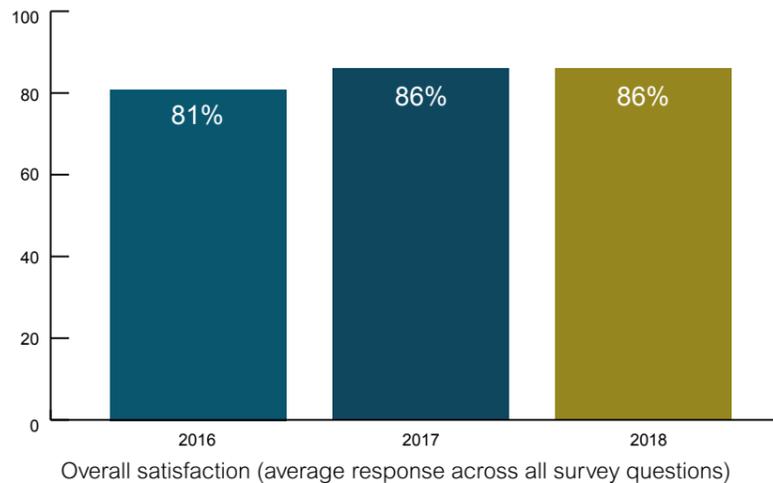
Compliance reviews



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 2018 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: 4.7/5.0

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

Achievements

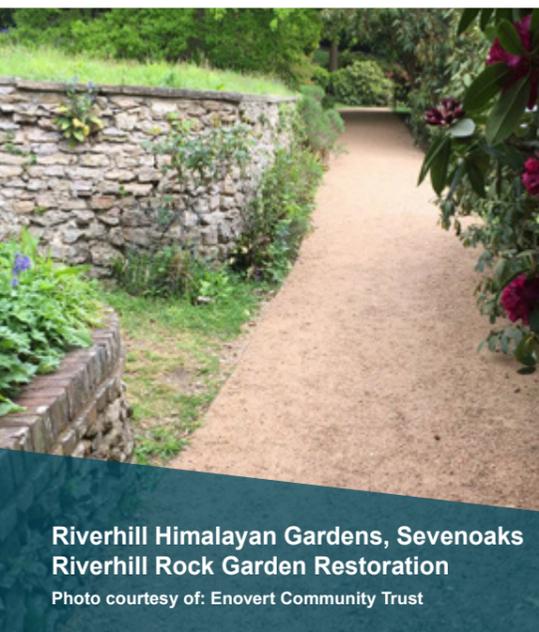
We have delivered on all of our objectives and we have met all of our agreed Key Performance Indicators (KPIs) on time and on budget as agreed with Her Majesty's Revenue & Customs (HMRC). As a best practice organisation we also set a number of internal targets. The table below shows our performance against 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%	99.8%
Number of compliance inspection reviews	1/3 active EBs	199
Ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return by the due date	99%	99.9%
Increase the proportion of Forms 2, 3 and 7 submitted online to 100 per cent in 2018/2019	100%	100%
Ensure the proportion of Statutory Annual Returns (Form 4) received online is 90 per cent or above	90%	91.3%*
Publish the 2017/2018 ENTRUST Regulator Standards	By 31 July	Published 29 July

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



Denehurst Park, Rochdale – New Play Area, Viridor Credits Environmental Company
 Photo courtesy of: Viridor Credits Environmental Company



Riverhill Himalayan Gardens, Sevenoaks
 Riverhill Rock Garden Restoration
 Photo courtesy of: Enover Community Trust



Norwich Castle Museum Visitor Centre Toilet and Rotunda Refurbishments
 Photo courtesy of: Norwich Castle Museum and original artwork by Ben Hawkes