

Regulating the Landfill Communities Fund  
Benefiting people and the environment



2020 – 2021 Annual Review Summary



## Chair's overview



**Dr Ann G Limb CBE DL**  
**Chair, ENTRUST**

The Landfill Communities Fund (LCF) was launched in 1996 and ENTRUST has operated as the Regulator of the scheme since its inception. In July 2020, we agreed new Terms of Approval (TOA) with HM Revenue & Customs (HMRC), which will run until 30 June 2025. In signing the TOA, ENTRUST will continue to:

- Mitigate the risk of financial loss to the Exchequer by providing HMRC with independent assurance that LCF monies are spent compliantly in accordance with the Regulations; and
- Continue to deliver the requirements of the TOA, which ensures that we fully support HMRC in regulating the Fund and deliver the annual objectives and Key Performance Indicators (KPIs) set by HMRC.

ENTRUST's 2020-2023 Corporate Plan set out the activities, which we considered were key to our provision of regulatory services. As always, this report reflects on the delivery of those activities. However, 2020/2021 also required ENTRUST to respond flexibly and proactively to the changing landscape due to the impact of COVID-19 on our Staff and Stakeholders.

In accordance with the Government's advice and guidance, ENTRUST moved to a homeworking-based model. As a 24/7 e-enabled business, ENTRUST had already developed and tested a full Business Continuity Plan (BCP), which facilitated Staff working at home. The implementation of this plan therefore had a negligible impact on ENTRUST's overall capability and ability to deliver our Corporate Plan and recognised Service Standards. Furthermore, our previous strategy, to move to 100 per cent e-delivery of services, enabled us to quickly and efficiently respond in an agile manner which has ensured that ENTRUST continued to provide a 24/7 service for our Stakeholders.

I continue to be proud of ENTRUST's ability to manage our business and respond to the challenging circumstances under which we have all operated, for more than a year now. I have been particularly pleased to note the positive feedback from Stakeholders and the Association of Distributive Environmental Bodies (ADEB) regarding ENTRUST's support for the Sector during the pandemic.

Reflecting back on our core activities across the year, we have continued to work closely with all LCF Stakeholders including ADEB, the Chairs of the largest Environmental Bodies (EBs), and Landfill Operators (LOs). 2020/2021 was another strong year for ENTRUST, during which we delivered all of our objectives and KPIs. We also finalised the closure of the LCF in Wales and submitted our final closure report to HMRC. Alongside these achievements, we also continued to receive positive feedback from our annual EB satisfaction survey, which highlighted an 83 per cent overall level of satisfaction from those EBs who responded.

As ever, these results would not be possible without ENTRUST's most important asset – our Staff. I would like to end by thanking them for their hard work, and in particular for how they have adapted and responded to the significant changes across the last year.

## Chief Executive's operational review



**Christopher Welford**  
Chief Executive,  
ENTRUST

Throughout the last twelve months, despite the COVID-19 pandemic, we continued to fully operate following the implementation of our BCP. In improving our operational capability, we also undertook a post-implementation review of the BCP and made a number of recommendations based on the lessons learnt. These will be carried forward in 2021/2022 to further strengthen our business model to continue to manage the impact of the pandemic and provide for any other disaster recovery scenarios.

ENTRUST's Corporate Plan for 2020-2023 set out the activities which we considered key to our delivery of regulatory services across the Corporate Plan period. Alongside delivery of our core services, we further implemented plans for strategic change and service improvement, looked to better ensure Value for Money (VfM) of the scheme and completed the closure of the scheme in Wales with the end of the transitional closure period. Furthermore, we continued to place emphasis on ensuring the Government's strategic priorities for the LCF continued to be met. In particular to:

- Reduce EB administration costs to below the recommended guidance of 7.5 per cent of annual project expenditure; and
- Reduce EB unspent funds at year end to no more than 1.5 times an EB's LCF income in that year.

I am pleased to note that in June 2021 we provided HMRC with an updated report about the Sector's use of Administration Costs and Unspent Funds for the 2020/2021 reporting data. For both measures the Sector as a whole remains below the recommended guidance levels. ENTRUST continues to monitor and work closely with organisations who are performing outside of the guidance levels.

As part of our continuous improvement programme, and following feedback from EBs, we reviewed and updated the framework for processing projects considered to be high risk, originally implemented in 2019. This review ensured that it remains an effective tool in obtaining the necessary assurance that a potential project is compliant with the Regulations. During 2020/2021 we also further reviewed and updated the criteria based upon which the need for a pre-approval project visit or review is required. This innovative approach enables ENTRUST to verify information provided at the project approval stage to help mitigate the risk of any potential compliance issues before a project commences. It also provides a valuable opportunity for project applicants to discuss the project with a member of ENTRUST's Staff. The process was implemented in April 2020 and during the pandemic the reviews have taken place via telephone or video conference as an alternative to physical project site visits.

Under our agreed KPIs with HMRC, KPI 3.2 requires us to ensure that 99 per cent of LCF monies are reported through the Statutory Annual Returns (Form 4) by the due date of 28 April each year. I am pleased to note that we exceeded this KPI in 2020, reporting 99.9 per cent of funds by the due date.

Whilst the impact of COVID-19 has been ever present across the last year, I hope that the content of this report will showcase the depth and breadth of work that ENTRUST has continued to undertake during the unprecedented twelve months of 2020/2021.

You can read our full Annual Report on the [ENTRUST website here](#).







Since 1996 the Landfill Communities Fund has supported more than

61,000

projects with contributions from Landfill Operators totalling

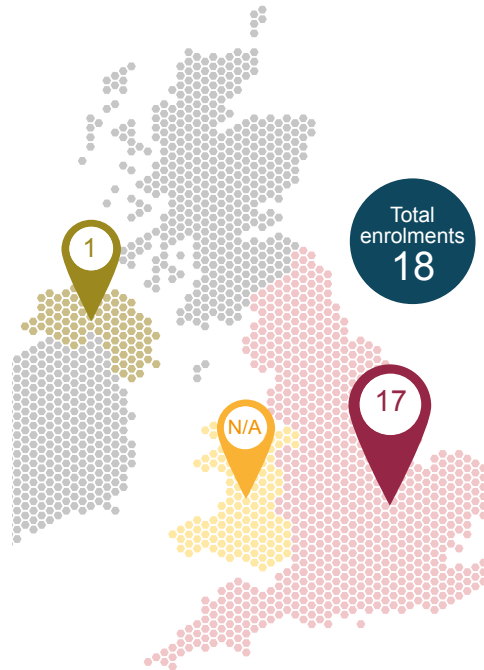
£1.72bn

as at 31 March 2021

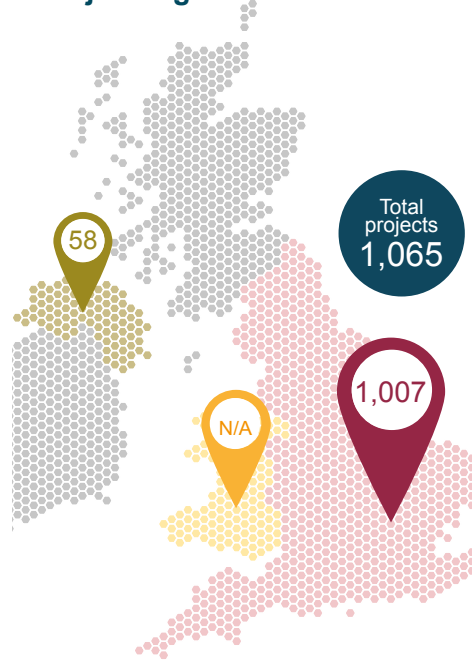
## In 2020/2021

We enrolled 18 EBs and registered 1,065 new projects. Our compliance inspectors conducted 187 reviews. The following charts show the spread of activity across the UK.

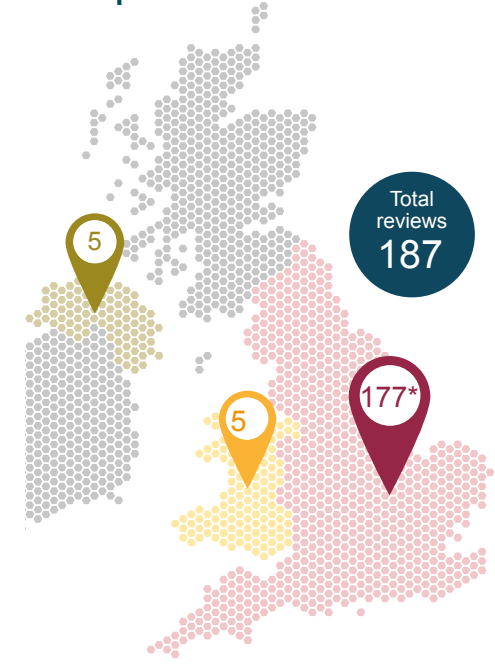
### EB enrolments



### Project registrations



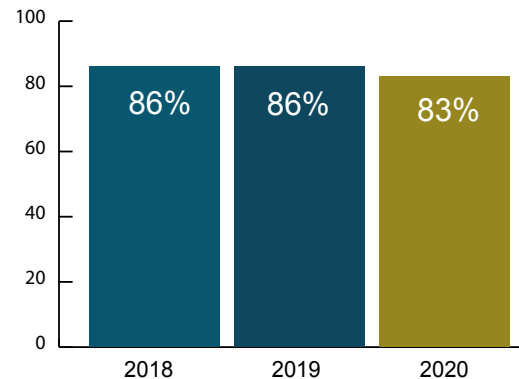
### Compliance reviews



\*includes Landtrust who are based in Scotland but operate in England

## EB satisfaction with ENTRUST

Each year we invite EBs to feed back on the services that we provide through an online satisfaction survey. As shown in these graphics the results from the 2020 survey for overall satisfaction, Compliance and Training remained very positive. The following chart shows the percentage of those who agree/agree strongly.



Overall satisfaction (average response across all survey questions)

Overall satisfaction with the Compliance process	
Target	Actual
4.5/5.0	4.4/5.0
Overall satisfaction with the ENTRUST Training events	
Target	Actual
4.5/5.0	4.8/5.0

















Canterbury Cathedral,  
Quire Restoration  
Photo courtesy of:  
Chapter of Canterbury Cathedral



Restoring Wetland Habitats –  
New Moss Wood, Woodland Trust  
Photo courtesy of: Woodland Trust

## Achievements

We have delivered on all of our objectives and we have met all of our agreed KPIs on time and on budget as agreed with HMRC. As a best practice organisation we also set a number of internal targets. The table below shows our performance against our KPIs. More details are in our full annual report available on the ENTRUST website at [www.entrust.org.uk](http://www.entrust.org.uk)

	TARGET	ACTUAL	
 Percentage of EBs enrolled in five working days	98%	100%	
 Percentage of projects enrolled in five working days	98%	99%	
 Number of compliance inspection reviews	1/3 active EBs	187	
 Ensure that 99 per cent of LCF funds are reported through the Statutory Annual Return by the due date	99%	99.9%	
 Maintain the online submission of all Forms at 100 per cent in 2020/2021	100%	100%*	
 Publish 2019/2020 benchmarking data for EBs by 30 June 2020	By 30 June 2020	Published 24 June 2020	
 Report to HMRC priority regulatory improvements to the Landfill Tax Regulations 1996	By 31 July 2020	Submitted 20 July 2020	

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

# What is ENTRUST?

ENTRUST is the regulator of the Landfill Communities Fund (LCF), an innovative government tax credit scheme enabling Landfill Operators (LOs) to contribute money to enrolled Environmental Bodies (EBs) to carry out projects in local communities.

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

We regulate both the EBs' activities and their work in delivering ENTRUST approved projects. Our processes (if complied with by EBs) assess individual projects before any LCF money is spent, to mitigate the risk that a project does not comply with the Regulations. We do not allocate, or have influence over the distribution of LCF monies.

## Our aim

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

## How the Landfill Communities Fund works

LOs in England and Northern Ireland pay landfill tax to HM Revenue & Customs (HMRC) on every tonne of waste that they dispose of in a landfill site. Under the LCF, LOs are able to divert a proportion of their landfill tax liability to not-for-profit organisations which deliver projects in England and Northern Ireland for the benefit of communities and the environment in the vicinity of a landfill site.

In order to receive LCF funds directly from a LO these not-for-profit organisations must become enrolled with ENTRUST as EBs.

### 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

Front cover images (clockwise from top left) courtesy of: Sutton Parish Council Outdoor Gym, image courtesy of Grantscape; Warmley Forest Park, image courtesy of Enovert Community Trust; Kirtlington Village Hall Solar Panels, image courtesy of Viridor Credits Environmental Company; Skipper Butterfly, Southern Pennines Grassland, Lancashire Wildlife Trust funded by FCC Communities Foundation Ltd, image courtesy of Phil Reddell, image courtesy of Yorkshire Wildlife Trust.



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