



2022 – 2023 Corporate Plan



Regulating the Landfill Communities Fund
Benefiting people and the environment



Since its inception in 1996, the LCF has supported more than 62,000 projects with a total value of over £1.7 billion – making it one of the most successful environmental tax credit schemes in operation.

Summary from the Chair and Chief Executive

Welcome to our Corporate Plan for 2023-2024, which sets out our key regulatory activities for the upcoming year. In developing the Plan, we have taken into consideration the evolving regulatory landscape as well as issues such as Diversity, Equity, and Inclusion (DEI) and the challenges associated with gaining a better sense of how the fund delivers value in people's lives.

The Landfill Communities Fund (LCF) is an innovative tax credit scheme that enables operators of landfill sites in England and Northern Ireland to reduce their tax liability in exchange for contributing funds to registered Environmental Bodies (EBs). These EBs then distribute the funds to environmental and community projects that align with the objectives of the Landfill Tax Regulations 1996 (Regulations).

Since its inception in 1996, Entrust has been the regulator of the LCF. It's our role to provide HM Revenue & Customs (HMRC) with independent assurance that LCF funds are spent compliantly as per the regulations. Our 2023/2024 Corporate Plan outlines our commitment to fulfilling this statutory role and regulate the fund effectively.

From our assurance and managing breaches work in 2021/2022 and 2022/2023, we have identified some compliance issues among the EBs. In our 2022 Regulatory Improvement Report (RIR), we raised these issues with HMRC and made recommendations for addressing them. In 2023/2024, it is therefore our intention to take positive action to continue to address these issues (for example, providing general and bespoke training for EBs on due diligence practice and updating our Guidance Manual and training materials). As a modern and transparent regulator, we also intend to carry out a fundamental review of our compliance and reporting frameworks to ensure they remain compliant and fit for purpose.

Our assurance work has also shown us that certain project applications received during 2022/2023 did not fully comply with the Regulations. Again, in our RIR we raised this issue with HMRC and explained the background to these issues, for example, projects being focussed on specific user groups, rather than the general public. During 2023/2024, our ongoing work with HMRC will develop appropriate options and solutions to address this matter, at the same time recognising that the overarching aim of the LCF is to support the wider community rather than specific user groups.

We're also working with EBs to develop the scheme's capacity to engage under-represented communities. We've also noted that a number of EBs are supporting renewable energy community projects. To ensure that these projects are a success, we will work in conjunction with EBs to develop guidance and identify best practice in this area.

Looking to the future, we've developed an Economic, Environmental, Community, Impact Model (ECEIM) to gain a better sense of how the scheme delivers value on the ground. The model is based on the project information submitted to Entrust by EBs, on the Forms 2, 4 and 9. That being said, we've noticed that some of the information given to us by EBs has been inaccurate or incomplete. To address this issue, we've implemented an improved reporting regime in 2023/2024; helping EBs to provide more accurate information.

Over the past year, we've successfully dealt with more major breach management cases than before, which has led us to believe that our current organisational structure and staffing levels are sufficient to regulate the LCF at an appropriate standard and minimise any potential financial losses to the Exchequer.

Our organisational structure is designed to make the most of our staff's skills and resources, so we can do more with less. To achieve this, we ensure our organisation is cross-skilled, sharing resources and multi-skilling across teams and functions. Moreover, despite us being a relatively small team, we believe that our governance and management framework aids our team in providing full regulatory services from start to finish. We also prioritise data protection and cybersecurity practices to ensure continued business resilience and compliance with all data protection laws.

As a community and environment-focused organisation, Entrust is also committed to minimising our environmental impact and continuously improving our environmental performance. We introduced Streamlined Carbon reporting requirements last year and plan to expand on that work in the coming year to reduce our carbon footprint further.

And finally, we look forward to engaging and collaborating with all of our stakeholders in the upcoming year to ensure that LCF funds are spent appropriately on projects that benefit the local community and environment.

Antony Townsend
Chair, Entrust

Christopher Welford
Chief Executive, Entrust



Streety Tennis Club Environmental & Tennis Courts Improvements – Funded By Enover



Willsbridge Mill Pond Community Refresh – Funded By Enover

Target 1

Achieve standards of service delivery and effectiveness acceptable to stakeholders of a modern regulator

- Approve 100% of eligible applications to enrol as an EB within five working days.
- Approve 98% of eligible project applications within five working days.
- Undertake a customer satisfaction survey by 31 August 2023 and use the findings to improve EBs' level of satisfaction with our services with identified improvements included in an action plan developed by 31 December 2023.



Target 2

Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation

- Provide reports to HMRC against the agreed reporting schedule.



Target 3

Secure/increase the level of compliance with the Regulations

- During the 2023/2024 year inspect at least one third of active EBs to monitor compliant spend, focusing on the areas of highest risk based on previous non-compliance, risks identified through the risk model and issues identified during the year.
- Ensure that 99 per cent of LCF funds are reported through the 2022/2023 Statutory Annual Return (Form 4) by the due date of 28 April 2023.



Target 4

Deliver value for money



- Following the implementation of our e-delivery policy, maintain the online submission of all forms at 100 per cent in 2023/2024.
- Publish 2022/2023 benchmarking data for EBs by 30 June 2023.

Target 5

Report to HMRC by 31 July 2023 priority regulatory improvements to the Landfill Tax Regulations 1996. Implement agreed changes to guidance or regulation in accordance with agreed timescales

- Conduct targeted compliance interventions and if necessary consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.



The Landfill Communities Fund (LCF) is a tax credit scheme designed to alleviate the negative impact of landfill sites on local communities.

Through the scheme, landfill site operators are able to reduce their tax liability by contributing money to registered Environmental Bodies (EBs) who, in turn, utilise these funds to support environmental and community projects in the surrounding areas.

Entrust, as the regulator of the scheme, works diligently to ensure that the fund is regulated with fairness and transparency. We do this by evaluating all projects before LCF funding is released, monitoring EB expenditure, and providing guidance and support throughout the project approval, delivery and post completion process.

We are funded through:

- an application fee of £100 which is payable by organisations when they apply for approval to become an EB and enter the scheme; and
- a levy paid by all approved EBs on all qualifying contributions received from Landfill Operators in England and Northern Ireland. For 2023/2024, HMRC have set the levy at 3.38 per cent which applies to all contributions received on or after 1 April 2023.

	2022/2023 Approved Budget £'000	2023/2024 Approved Budget £'000	Variation £'000
Resource Requirement	1,110	1,111	1

The Landfill Communities Fund (LCF) is a unique program that rewards landfill operators in England and Northern Ireland with tax credits for investing in registered Environmental Bodies (EBs).

For more than 25 years, the scheme has fostered positive change in local communities and across the environment, mitigating the adverse effects of landfills and promoting a brighter and more sustainable future.

Front cover images (clockwise from top left):

Bradford on Avon Bowls Club – Funded By Communities First

Projekts Skate Park Renovation – Funded By Veolia Environmental Trust

Brockweir and Hewelsfield Play Area – Funded By Enover

Shrewton Maddington Church Room Windows – Funded By Communities First



Alice Cross Centre New Kitchen –
Funded By Enover



St Peter's Parish Church Entrance –
Funded By Valencia Communities Fund



Refurbishment of Artificial Turf Pitch & Floodlighting at
Slazenger Sports and Social Club - Funded By Veolia Environmental Trust



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www.entrust.org.uk

