



Entrust Corporate Plan - 2025/2026

Published - May 2025



> Introduction

Background and Context

The Landfill Communities Fund (LCF) is the name given to the scheme that allows Landfill Operators (LOs) to contribute funds to community and environmental projects and register the amount on their Landfill Tax Return. In return, HMRC give a tax credit to the LO to the value of 90% of the contribution, and communities that receive project funding often meet the 10% shortfall. These funds are managed and distributed by Environmental Bodies (EBs) who we regulate as the HMRC appointed Regulator.

The aim of the fund, is to enhance the provision of amenities and protect the environment in the localities of landfill activity, giving back to the communities who are negatively impacted by the activity. This document reports on our planned activities for 2025/2026 and draws on the Value of the LCF Report (VLR), <https://www.entrust.org.uk/resources/the-value-of-the-lcf/>

The VLR report gives detailed insight into how the LCF has been spent and into LCF activities and to the resulting economic and environmental impact on communities that this remarkable fund facilitates.

Changing Landscape



The volume of waste that is being sent to landfill is reducing year on year resulting in a fall in contributions. In the [Net Zero Strategy](#), published in October 2021 the Government committed to the near elimination of municipal biodegradable waste to landfill from 2028.

It would not be unreasonable to expect that a new strategy will be published by the new Government at some point. LOs can be seen to be changing their own approach to maximise reuse and improving recycling efficiency, and investing in technology, to reduce their carbon impact. We have seen in recent news for example Essex County Council who have committed to a move away from Landfill towards Energy From Waste methods by October 2025

Measures for generating renewable energy, developing heat networks, moving to zero emissions fuels, and looking to invest in carbon capture and storage are increasing which will result in a move away from Landfill, meaning that it would be rational to assume that recent decline in contributions is likely to continue.

There are three key strategies that we will need to take from this insight:



Maximising every potential contribution from tax paid on Landfill by both identifying those LOs who are not in the scheme and showing them the benefits of joining, and by ensuring current contributors recognise the value created by the fund.



Continuing to ensure every penny of the contributions EBs receive is spent on compliant, high-quality projects that deliver value for communities and the environment.



Ensuring that our running costs and those of EBs are tightly controlled and any duplication and inefficiency is removed.

The 2025/2026 plan leads on from the progress made in 2024/2025. We have significantly improved our relationships with EBs, and simplified and clarified our guidance. We have reduced our running costs.

Our mission is to work with the regulated community, to enable them to continue enhancing the value of the fund, by delivering compliant projects, in the most effective way, while delivering high value for money and community impact.

Overview of Entrust

We were appointed in 1996 as the regulatory body responsible for monitoring the compliance of EBs with the statutory requirements of the Landfill Tax Regulations 1996 (Regulations). We work with HMRC under a Terms of Approval which currently runs to June 2025. We will be working to renew this in Spring 2025.

At Entrust, we play a vital role in the functioning of the LCF. Our role is to serve as its regulatory body, ensuring that funds are used effectively and in accordance with established guidelines, maximising benefits for communities and the environment.

Through these efforts, we ensure that the LCF operates efficiently and transparently, delivering significant benefits to both communities and the environment. In 2024 we refreshed our values and replaced our aim, vision and mission statement with a new Purpose and Objective.



Those new values are:

	Fair	We act with consistency and consideration, maintaining an open minded, impartial approach, ensuring reasonableness in all of our actions and decisions.
	Proportionate	We are balanced and measured in our approach, focussing on issues that truly matter.
	Professional	We are consistent and reliable in our work, drawing upon knowledge and experience.
	Honest and Transparent	We are committed to truthful reporting, justifying all that we do while maintaining an open culture.
	Supportive	We engage in active listening and non-judgemental support, helping and assisting each other and our stakeholders.

Our new Purpose and Objective statement is:

“Our purpose is to regulate the Landfill Communities Fund (LCF) in a fair, proportionate, and cost-effective way.

We support Environmental Bodies (EB's) to understand and operate within the regulations, in order to provide HMRC with assurance that the scheme is run compliantly, is well organised, delivers benefits for communities and the environment, while offering value for money.

We do this by engaging with EBs constructively, respectfully, and clearly. Where there is a need to take action, we take it – clearly, promptly, and fairly.”

> History

Since the LCF was established £1.7bn has been spent by EBs on projects.

EBs and projects tell us that the LCF is a highly valued fund, delivering economic, social, and environmental benefits with a broad and diverse range of project aims, often acting as the catalyst for attracting further investments.

The data indicates that the value of the LCF goes far beyond the initial £32.9m spent on projects in 2023/2024 and is recognised as a transformative fund with that spend translating into an estimated total economic value of £83.6m.

It is worth noting that the 2023/2024 costs to administer the funds by EBs was £2.3m (7% of completed project spending) with a levy of £1.1m (2.93% of contributions) to regulate. This administrative cost as a percentage of the estimated total economic value is just 4%.

Alongside this, the fund reaches diverse and deprived communities, provides jobs, opportunities and wellbeing, while improving the biodiversity of the natural environment.

This demonstrates a fund with EBs who have been increasing their value of output, channelling community and environmental passions into compliant, valuable project outputs.

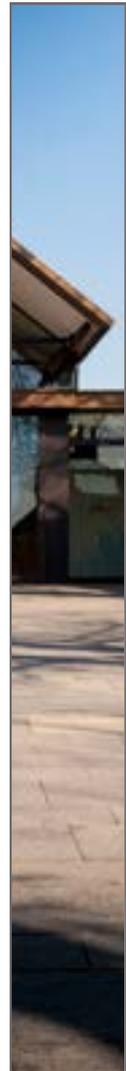
As a regulator, we are delighted to see the efforts of passionate individuals across England and Northern Ireland, using the mechanism of a unique fund to make a real difference in the lives of individuals, communities and their environment, giving back to those most impacted by landfill activity.

The past six months have seen significant improvements to the way that we work with EBs. In consultation with EBs we have identified a key reform to the operating model. Previously, smaller organisations receiving grants from larger EBs had to register separately as an EB. This created confusion for the project applicants, and duplication for both us and the funding EB.

In collaboration with the EBs we have changed this model, improving the quality of project registrations and a significant reduction in duplication of compliance activity.

This is a material change to the way we will be able to regulate in the future which will allow us to focus on the key relationships with around 100 EBs, and significantly reduce administration costs. It will also reduce the burdens on small community projects.

The following table shows the number of Active and Inactive EBs (from Form 4 data) over the past 5 years, and a forecast for 2024/2025 and 2025/2026:



EB Type	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026 forecast
Active EBs with direct contribution income	39	41	37	36	35
All active EBs	132	154	117	116	90
Inactive EBs	1,716	1,628	1,441	590	50

> Our Approach in 2025/2026



In December 2023, following a management restructure, we reached out to EBs to share our vision for how regulation of the fund could be simplified while still ensuring adherence to the rules. We recognised that processes and guidance had grown over the years and that it was the opportune time to review how guidance could be rationalised and focus on risk could be improved.

A rapid and high-level review of all our main regulatory processes was undertaken. This included applications, approvals, monitoring/visits, breach management, and significant changes to reduce unnecessary burdens were proposed.

We worked closely with the Association of Distributive and Environmental Bodies (ADEB) engaging and informally consulting, resulting in new guidance being released in January 2024 to reduce any unnecessary administration not based on regulatory compliance, or any duplication of efforts.

This approach was delivered under the mantra of doing less, better. We committed to EBs that we undertook to engage with them constructively, respectfully, clearly and promised that where we need to take action we will – clearly, promptly, and fairly.

The key changes to the operating model which took effect in April 2024, saw one of the largest EBs change the way they distributed grants. They withdrew the requirement for the receiving organisation, known as a project applicant, to register as an EB. The impact of this was immediate and now ensures that as a regulator we are assessing projects for EBs, the majority of whom receive funds directly from a Landfill Operator – meaning they can charge appropriate administration fees and recruit qualified staff to manage their processes, a huge change from having to train and assist multiple volunteers who struggled with the complexity of the Regulations.

For instance, if a project applicant managed a project as an EB, the project staff, often volunteers, would be required to apply to the funder for the award, then apply to Entrust for regulatory approval, understanding the difference between the two organisations while navigating their obligations as EBs. As the table in the previous section showed, approximately 150 EBs were completing this process every year. For reference, the table below separates the number of projects registered directly by the funding organisation, and the number registered by the project applicants in the last three years:

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026 (Projected)
Registered by Funder	850	798	724	714	700
Registered by Applicant	143	151	96	65	30
% Registered by Applicant	14%	16%	12%	8%	5%

While the percentage of projects registered by the project applicant is only between 9 and 16%, we estimated that it requires approximately five times the administration time for Entrust to assess a project registered by a project applicant due to assisting the applicant in navigating the requirements of the scheme, meaning that almost as much administrative effort is spent on applicant projects than projects from funder organisations. As can be seen, the effects of this are already showing with a fall in application from project applicants to 9%, from a high of 16% in 2022/2023.

By taking an upstream compliance approach of focusing on the activity of larger professional funding EBs, we have been able to review the resources required to regulate the fund. As can be seen from the table below, when reviewed in 2023/2024, it was found that project applicant EBs had twice the number of findings at a compliance review than those who acted as funding EBs across a three-year period. This outcome is not surprising when all factors are taken into consideration:



Reviews in 2020-2023	Distributive EBs	Project EBs
Number of projects reviewed	203	407
Number of non-compliant findings	50	121
Number of guidance findings	80	317
Total Findings	130	438
Reviews with a finding	55	217
Reviews without a finding	148	190
% of reviews with a finding	27%	53%

In December 2024 we held an LCF conference that brought together all EBs who receive funding from LOs.

The conference embraced the relationship shift. The change to the operating model means that the Top Ten meeting that was previously held once a year is no longer fit for purpose as it excludes some 15 EBs who receive funds from Landfill Operators (LOs) who may not be members of ADEB.

The one-day conference gave the regulated community the opportunity to discuss ongoing concerns and to hear directly from Entrust about new initiatives. The plan is to repeat this annually and a date has been reserved in November 2025 for the next event.

At the end of the 2024/2025 financial year, we expect to have voluntarily revoked 800 EBs. This process will continue through 2025/2026 as there are several projects currently in delivery, and the process of raising awareness to encourage EBs to voluntarily revoke can be challenging.

The clarity of who is regulated, and the focus of both the engagement and compliance work along with the reduced duplication, has been significant in enabling a reduction in overheads.

A consultation with EBs regarding the framework and calculation methodology of Administration Costs is being planned in Spring 2025. The outcome of the consultation will feed into the Regulatory Improvement Report in September 2025.

> Our Key Priorities and Commitments



Following the restructure in December 2023, the Board undertook a review of our strategic approach to regulating the fund, focusing internally on people, systems and processes and externally on the impact of wider policy driven decisions around landfill and the subsequent impact of a reducing fund. We reviewed our Strengths and Weaknesses and looked at the Opportunities and Threats that faced us as an organisation.

We identified amongst our strengths the continuity and knowledge of our people, our determination to improve the way we worked with EBs and our open and transparent working relationship with HMRC. We also acknowledged that our weaknesses included a lack of consistency of tone of voice, dated IT systems and over-reliance on key personnel for support and development of those systems

The observations around opportunities and threats focused mainly on the players in the LCF and the level of contributions. As mentioned above, it can only be a positive for absolute levels of landfill to reduce, however there are opportunities to bring in new players and to retain the existing contributors and this will need to be a focus in the next 18 months.

As a result, the strategic direction in 2025/2026 will be to address specifically the areas that need improvement, building on the range of projects that will deliver the priorities of the 2024/2025 Corporate Plan.

The key themes are therefore:

- Replace EOL
- Redefine Compliance Activity
- Support the invitation for new and returning players to contribute to the fund

Replace EOL

It was clear from satisfaction surveys and internal assessment, that our current online system, Entrust OnLine (EOL), required rewriting. This was due to the shift in stakeholders, the tools available in Office 365, the need to modernise, and the increasing possibilities to move to a low cost but highly effective cloud-based system.

In September 2024, we commenced the process to rewrite EOL after a successful procurement process, and the new system is due to launch in May 2025 at the start of the 2025/2026 financial year, and after the Annual Returns are completed.

This system is being designed to both provide familiarity with the previous system, while refreshing where tasks can be simplified, reduce administration or made easier to navigate. In addition the new system will generate significant cost savings.

We will enable the testing of the system by key stakeholders, to ensure the transition is as smooth as possible.

Redefine Compliance Activity

Our guidance and support are key to reducing non-compliant findings and ensuring a high quality of applications. As such, we are committed to improving access to on-demand guidance and support through the Helpline and direct contact with inspectors, while providing an easy to navigate suite of resources such as videos, guides and a regularly reviewed Guidance Manual.

This will be a focus of the development of the new website and new EOL system, to ensure help and support is available at the point of need.

As a direct result of the change to the number of, and competence of, the EBs we regulate we can take a much more upstream approach to compliance, ensuring that voluntary compliance by EBs is easier due to the clarity of our guidance and functionality of our systems.

A full review of the way we undertake compliance reviews will therefore be required, not only due to the changes to the operating model, but also as a result of the changes to our systems and tools available to Inspectors.

We are aware of the risk of regulatory capture in this exercise, and will engage with sector specialists and harness the knowledge, skills and experience of our Board in these changes, to ensure that the process remains robust.

New LCF Contributors

Our role in the explicit invitation of new landfill operators into the scheme will be one of sharing knowledge and insight into the value of LCF. We envisage starting this exercise by facilitating a workshop of interested parties to clarify roles and to understand boundaries.



> Resource Requirements

We remain committed to reducing our cost base and following the initiatives taken to restructure the team and relocate the office in January 2024, our revised resource requirement will continue a downward trajectory. A second restructure has taken place in Spring 2025 which has delivered additional cost savings.

To fulfil both our statutory and contractual responsibilities, and to support the activities in this Plan, we've detailed our Resource Requirements for 2025/2026 in the table below.

Financial Snapshot	Resource Requirement £000s		
	Approved 2024/2025	Revised Requested 2025/2026	Increase/ (Decrease)
Salary and Staff Costs	£916	£781.7	(£134.3)
Establishment Expenses	£102	£80.9	(£21.1)
General Expenses	£15	£15.8	£0.8
Professional Fees	£25	£32.2	£7.2
Information Technology	£38	£37.6	(£0.4)
Gross Operating Budget	£1,096	£948.2	(£147.8)
Exceptional one off Costs	£0	£0.0	
Investment Income (Net)	(£40)	(£48.8)	(£8.8)
Operating Budget	£1,056	£899.5	(£156.5)

> Conclusion

This Corporate Plan outlines our priorities for 2025/2026 and builds on the transformation work we are undertaking in 2024.

We plan to upgrade our systems, continue to engage with our regulated community, focusing on proportionate and fair regulatory activities which we believe will strengthen the level of assurance we offer to HMRC.

We remain dedicated to ensuring the LCF is well managed, bringing substantial benefits to communities and the environment.

As a regulator, we are delighted to see the efforts of passionate individuals across England and Northern Ireland, using the mechanism of a unique fund to make a real difference in the lives of individuals, communities and their environment, giving back to those most impacted by landfill activity.

> Key Outcomes

As we plan the Corporate Plan for 2025/2026, we have identified several key outcomes that encompass a range of specific actions and measures. These outcomes ensure we will continue to deliver our statutory responsibilities effectively.

Actions

Action	
A.	Utilise pre-approval project visit and inspection criteria to allocate resources to areas of highest risk.
B.	Monitor compliant spending by inspecting a range of completed projects across all funded EBs using our risk-based compliance approach.
C.	Enhance the project risk model to identify high-risk projects that require site visits or reviews.
D.	Conduct mid-year contact with EBs to verify and update their details.
E.	Communicate with Directors, Trustees and main contacts of frozen EBs following six months of no communication from the main contact.
F.	Continue conducting Feedback Surveys for the Helpline, Compliance, and Satisfaction.
G.	Hold an annual conference for all funded EBs.
H.	Agree with HMRC the annual Value of the LCF report, and publish accordingly.
I.	Report on Statutory Annual Return (Form 4) data to HMRC, including annual benchmarking data and information on Admin Costs and Unspent Funds.
J.	Publish quarterly Non-compliance activity.
K.	Undertake an annual EB satisfaction survey
L.	Conduct quarterly reviews of the Entrust website to ensure all information is current and accurate.
M.	Undertake an annual penetration test of our systems by an independent, external IT security company.
N.	Conduct an annual self-assessment of cyber security arrangements against the National Cyber Security Centre's (NCSC) guidance.
O.	Ensure full compliance with all UK data protection legislation.
P.	Undertake an annual review of employee engagement

Measures

Measure	
A.	Challenge EBs with administration costs above 7.5% of annual project expenditure.
B.	Maintain pressure on EBs to ensure administration costs are reasonable and justified, with total costs below 7.5% of annual project expenditure.
C.	Monitor EBs with unspent funds at year-end above 1.5 times income received in year and maintain oversight of the action plan to appropriately spend contributions in a reasonable timeframe.
D.	Maintain sector level performance with unspent funds at year-end below 1.5 times income received in year.
E.	Yearly reduction in the value of uncommitted funds held by EBs.
F.	Maintain EB Satisfaction levels.
G.	Maintain Employee engagement levels.
H.	Maintain the return rate for project completion forms from the baseline in 2024/2025, providing complete data sets for reporting on value
I.	Retain our independent Cyber Security certification.

> HMRC Reporting Requirements

We report a wide range of information relating to the LCF and our own performance to HMRC and the schedule of formal reports that will be provided during 2025/2026 are set out below:

Timing/Frequency	Title
31 May 2025	Annual Chair's Statement of Assurance
30 June 2025	Statutory Annual Return (Form 4) Data including EB Administration Costs and Unspent Funds Reports and EB Benchmarking
30 June 2025	Agree new Terms of Approval
31 August 2025	Value of the LCF Report
Date TBC in TOA	Draft Corporate Plan and KPIs and 2024/2025 Resource Requirement
30 September 2025	Regulatory Improvements Report
By end December 2025	Annual Accounts submitted to Companies House
31 January 2026	Update to Corporate Plan and KPIs
Quarterly	Entrust Board papers
Monthly	TOA report
Monthly	KPI update
Ad hoc	Data requests

> KPIs

HMRC monitor our performance as the Regulator of the LCF and we agree a number of KPIs with them that encompass key targets.

The KPIs for 2025/2026 are below:

Target 1: Achieve standards of service delivery and effectiveness acceptable to Stakeholders of a modern regulator

KPI 1.1 - Approve 100 per cent of eligible applications to enrol as an EB within five working days.

KPI 1.2 - Approve 98 per cent of eligible project applications within five working days.

KPI 1.3 - Conduct a customer satisfaction survey by 31 August 2025 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 2025.

Target 2: Enhance the accountability and transparency of the LCF by reporting and publishing information about its operation

KPI 2.1 - Provide scheduled reports to HMRC.

Target 3: Secure/increase the level of compliance with the Regulations

KPI 3.1 - During 2025/2026, introduce a compliance plan that appropriately reviews funded EBs and selected projects, focusing on areas of highest risk.

KPI 3.2 - Ensure that 99 per cent of LCF funds are reported through the 2024/2025 Statutory Annual Return (Form 4) by the due date of 28 April 2025

Target 4: Deliver value for money

KPI 4.1 - Publish 2024/2025 benchmarking data for EBs by 30 June 2025.

Target 5: Report to HMRC by 30 September 2025 priority regulatory improvements to the Landfill Tax Regulations 1996. Implement agreed changes to guidance or regulation in accordance with agreed timescales

KPI 5.1 - Conduct targeted compliance interventions and if necessary, consultation exercises to identify issues and make recommendations supported with robust analysis and evidence.