



**Entrust Regulator Standards (ERS)
Review for the financial year 2023/2024**

July 2024

Introduction

The Entrust Regulator Standards (ERS) consist of 21 standards spread across five areas encompassing the regulatory work undertaken throughout Entrust whilst delivering our statutory duty to provide HM Revenue & Customs (HMRC) with independent assurance that Landfill Communities Fund (LCF) monies are spent in compliance with the Landfill Tax Regulations (1996) (Regulations).

The ERS reflect the Government's Regulators' Code which was published in April 2014 (<https://www.gov.uk/government/publications/regulators-code>). The Regulators' Code provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate. The standards were reviewed and updated in 2021 and will be due for further review in 2024/2025.

This report provides a summary of our self-assessment of our performance against our ERS for 2023/2024. Each standard is listed below with evidence as to how Entrust has approached each standard.

1. Our duties and requirements

1.1 **We carry out our duties as the approved regulator for the Landfill Communities Fund (LCF) in accordance with the Terms of Approval (TOA)... *in order that...* We maintain compliance with HMRC's requirements and provide HMRC with independent assurance that LCF funds are spent in compliance with the Regulations.**

The TOA has formed a significant part of the shaping of our change programme, recognising our role and requirements in discussions regarding changes to the organisation. For example, the TOA required that all projects are approved that meet the criteria. Therefore, project application form changes were written only to achieve this result and place no further requirements on EBs.

When carrying out compliance reviews and developing guidance, we recognise that the TOA focusses on regulatory compliance, therefore, when developing the compliance programme and guidance changes, we more clearly defined what was regulatory and what was guidance in communications.

1.2 **We consult Environmental Bodies (EBs) and other relevant stakeholders regarding any potential changes to the Regulations, guidance or requirements... *in order that...* Stakeholder feedback has a central role in the development of proposals for change to the Regulations, Entrust's guidance, or our operational model.**

We significantly increased communication with EBs during the change programme, specifically regarding any guidance changes and developments to EOL. This enabled smoother more effective transition to updated areas while being able to best understand the views of the relevant parties effected by changes.

This included a formal consultation on the Breach Management Framework and future developments to reporting the Value of the LCF. We have received several positive comments from EBs that our approach to consultation has improved and is appreciated.

1.3 We report on any outcomes of reviews and consultations, including providing appropriate feedback to those who took part... *in order that...* Stakeholders and EBs can be confident that their input is critical in shaping the future of the LCF and our operational framework.

When undertaking reviews, we take into consideration the impact on Stakeholders to assesses how changes can be made to achieve the best outcome while at the same time minimising the administrative burden on them and helping them to mitigate their risk of non-compliance with the Regulations.

In 2023/2024, we issued the following to Stakeholders including:

- The Breach Management Consultation Report
- 5 Spotlight emails to detail the results of discussion that had significant input to guidance and EOL updates.
- Emails directly after the three working groups that took place, to detail what was discussed and give Stakeholders an opportunity to challenge the understanding of discussions.

1.4 We provide clear and timely guidance to EBs on what they can expect, before, during and after a compliance review, providing assistance to guide EBs in continued compliance with the Regulations... *in order that...* EBs understand their responsibilities and have an appropriate period of time to respond to and make any interventions to address any non-compliance that are identified as part of the compliance review process.

Initial contact with EBs that will be subject to review is made at the earliest opportunity. For the large Distributive EBs (DEBs) the proposed programme of EB and Project Site Visits (PSVs) was communicated to them in April 2024 and the timing of individual visits and reviews agreed for the year ahead. Details of reviews are confirmed by email along with details of documentation required in advance of reviews.

We allow EBs 28 days to provide management responses to any findings in our compliance reports unless serious non-compliance issues are identified, in which case we would require a response within the statutory 14 calendar day, time limit.

We require the initial responses to provide an explanation of how the EB proposes to address the issues raised. We accept that additional time to introduce changes to any of their policies/procedures, or implement any action plans may be required and we would agree an appropriate action plan which would be followed up in accordance with the timescales agreed in the compliance inspection report.

We also obtain feedback on our compliance inspection review process via our online compliance satisfaction forms. The overall satisfaction with the advice and guidance provided at compliance inspections in 2023/2024 was 4.3 out of 5.

1.5 We set out details of how breaches in the Regulations are managed and how we consider risk... *in order that...* Stakeholders can be confident that we operate to achieve compliance with the least overall burden for those concerned.

Entrust's Breach Management Framework is set out on our website and explains each step of the process when an issue of non-compliance with the Regulations is identified:

<https://www.entrust.org.uk/environmental-bodies/breach-management/>

We also publish a quarterly report, and an annual report, detailing regulatory breaches and how we work with EBs to resolve them. It also provides advice on how EBs can mitigate the risk of breaching the Regulations:

<https://www.entrust.org.uk/environmental-bodies/breach-management/breach-management-activity/>

1.6 As part of the breach management process, we clearly explain to non-compliant EBs the actions required of them, the reasons for these actions, as well as providing opportunities for dialogue... *in order that...* EBs understand their responsibilities and requirements to comply with the Regulations and have the opportunity to discuss any non-compliance with us.

This area was identified as needing improvement in 2023/2024, therefore we undertook a formal consultation, that involved a full rewrite of our Breach Management Framework. Within this framework is now a full outline of communication requirements with an EB at each stage of the process, explaining the stage and any requirements.

In the few cases that have arisen since, it is believed this has worked well, and cases have been more efficient, expedient and with much improved communication with the EB. We will be reviewing these changes in 2024/2025 to gather evidence of the effectiveness of implementation. Until this review, the status will remain Amber on the RAG matrix.

1.7 In all areas, we only collect data (including personal data) when it is essential to the regulation of the LCF... *in order that...* We comply with all data legislation including the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 (DPA 2018) and uphold the highest standards of data privacy.

We only request information from EBs when it is required to allow us to deliver our statutory duties, or comply with the TOA. During 2023/2024, we believe we took appropriate actions to mitigate and minimise the information requests that we made:

- We continue to anonymise personal data monthly, in accordance with the Entrust Privacy Policy.
- We identified the necessity for document retention as part of a review, in order not to retain any unnecessary items that included personal information not relevant to ongoing regulatory requirements.

2. Training and guidance

- 2.1 We provide information, advice, guidance and training which is accessible, timely, focused and provides Value for Money (VfM)... in order that... EBs understand they can approach us for advice and guidance, can utilise our training and guidance provision and gain greater understanding of their responsibilities.**

The training strategy included three basic training sessions which were delivered as planned. However, it was identified that additional support could be provided in short videos, specifically regarding amendments to guidance and EOL. These were well received, and it has been reported that they have been very helpful.

We also run a helpline service that consistently received high satisfaction scores, 98% in 2023/2024, ensuring an accessible source of advice and guidance. However, issues with phone contact technology have been identified, leading to several missed voicemail messages. Therefore, while this has been rectified in the short term, this area has been marked as Amber, recognising the need to ensure the technology solutions for the area are fit for purpose.

- 2.2 We review Stakeholders' training needs as a result of feedback from all Satisfaction Surveys and other communications with stakeholders... in order that... Our training and guidance for all Stakeholders continues to be relevant, accessible and fit for purpose.**

We continued to deliver out training events virtually and these events were held in June and October 2023 and in February 2024. However, attendance has been reducing; the videos and bespoke training sessions we included as additional resources have been reported by EBs as more useful as they are available at the point of need.

The feedback from EBs' attendance at the training events was reviewed after each session and incorporated in the annual scheduled review of our training package, alongside feedback gathered through the delivery of the Registrations Team's day to day activities and responses to the Helpline and EB Satisfaction Surveys.

3. How we prioritise our activities

3.1 **In reviewing our operations, we use an evidence-based approach to determining priority risks in accordance with the Regulators' Code... *in order that...* All our operations are effective, proportionate and not unnecessarily burdensome.**

When reviewing our operational framework, we use the ERS to guide our processes, ensuring that the Regulators Code is core to the application of our business model. As part of our continuous improvement programme, we regularly review our systems and operations and monitor feedback we receive from EBs to best inform our strategy for any developments to our processes.

The findings of our annual EB satisfaction survey and feedback from other mediums, such as meetings with ADEB, provide us with evidence to help us to assess the effectiveness of our work.

3.2 **We prepare a corporate plan annually which is approved by our Board and HMRC... *in order that...* Stakeholders can be assured that we are a transparent organisation, whose work is structured, planned and monitored, while delivering VfM.**

We believe our 2023/2024 Corporate Plan explained how we:

- Mitigated 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,
- Continue to deliver the requirements of the TOA, which ensure that we deliver the annual objectives and Key Performance Indicators (KPIs) that HMRC sets us.

3.3 **We use a risk model to help determine how often each EB, or project should be reviewed. From the model, EB risk scores are generated based on their history within the LCF... *in order that...* EBs are not reviewed more often than is proportionate and necessary in order that we can provide assurance to HMRC that LCF monies are spent in accordance with the Regulations.**

All EBs are awarded an individual risk score consisting of a number of key risk indicators, which are based on the data held on EOL. These risk scores are updated in real time and are based on an EBs activity and performance and are used to determine how often EBs are subject to compliance inspections. Our website details the risk assessment process, risk indicators and weightings used in the EB Risk Model:

<https://www.entrust.org.uk/environmental-bodies/compliance-process/>

The Risk Models are reviewed annually to ensure that they continue to reflect HMRC priorities for the Fund. Individual EB risk scores are included in the compliance inspection reports. EB risk scores are one of the Benchmarking indicators which are published on the website:

<https://www.entrust.org.uk/environmental-bodies/compliance-process/good-practice/>

4. Transparency and accountability

- 4.1 We publish several corporate documents including our Customer Charter, service standards, and details of our performance against these standards. These are measured through the feedback from the annual EB Satisfaction Survey... *in order that...* Stakeholders understand our service standards are transparent, know what is expected of us and understand our expectations of Stakeholders when working with our staff.**

Our Customer Charter and service standards were last updated and published on our website in December 2021 (www.entrust.org.uk/about-us/standards-of-service/). These are reviewed on a regular basis to ensure they remain fit for purpose. They will be reviewed again in 2024/2025.

The EB Satisfaction Survey ran from June to July 2023 and the results were published on the Entrust website in January 2024.

<https://www.entrust.org.uk/about-us/environmental-body-satisfaction-survey/>

- 4.2 We publish details of our Staff and their contact details... *in order that...* Stakeholders know who to contact and how to contact them.**

Details of all Entrust Staff including job titles, direct dial phone numbers and photographs are included on the 'contact us' page of our website. We use the Entrust website to ensure that all information relating to the regulation of the LCF is transparent and accessible at:

www.entrust.org.uk/contact-us

- 4.3 We set out a clear complaints policy and publish anonymised accounts of the outcomes of formal complaints... *in order that...* Stakeholders understand how to make a complaint, how any complaint will be handled and can view the results of the complaints process.**

Our complaints procedure and whistle blowing policies are clearly laid out on the Entrust website and were reviewed in March 2021 as part of the website content review. One complaint was lodged with Entrust in the reporting period.

www.entrust.org.uk/about-us/complaints-process/

- 4.4 We provide a clear and impartial route to appeal against our decision to reject a project, or enrolment application. The route to appeal, either in person or in writing, is clearly explained to those whose applications are not accepted... *in order that...* Stakeholders have confidence in the projects and enrolment approval processes, their transparency, and that all applications that comply with the Regulations will be approved.**

We have a clear, documented process for appeals and applicants have a clearly identified route by which they can appeal and provide representations associated with enrolments and project approvals:

(www.entrust.org.uk/projects/review-panel/)

Our EB enrolment and project application Review Panel were not required to meet as there were no rejected applications. This is due to a helpline and registrations service that works through any issues with compliance before an application is submitted, or throughout their registration process before approval.

5. Better regulation

5.1 **We operate an ethos of coaching to compliance... *in order that...* We achieve the objectives of compliance through quality information, advice, guidance and training, reducing the need for breach management measures.**

We have previously sought to coach to compliance primarily through basic training sessions and guidance on compliance reports. As such, we provide advice and guidance to enable the EB to address any issues identified in our compliance inspection reports.

However, we do not believe, having assessed our compliance, training, and breach management programmes, that we have been as helpful as we may have been, regarding coaching EBs to avoid regulatory breaches or guidance findings. Our revised bespoke training platform, and a compliance framework that emphasises relationship management, will seek to improve this area in 2024/2025. While we have already seen indications in the reduction in findings and breaches, until the statistics are gathered for 2024/2025, this will be listed in Amber on the RAG matrix.

5.2 **In responding to consultations, developing proposals for change, revisions and additions to forms we consider risk and burden... *in order that...* We assess which method would best achieve the intended outcome with the least burden for Stakeholders.**

When reviewing or making additions to forms, we always look to do so in a way which will minimise the regulatory burden placed upon EBs through consultation and consideration of the consequences. EOL is available for all reporting requirements as per our online delivery strategy. We look to constantly improve EOL and implement any improvements that will improve the usability of EOL and reduces the burden for EBs where possible.

In 2023/2024, we developed a substantial update to EOL, which was released at the beginning of June 2024. This included a change because of EB consultation, through one-to-one visits and a working group. We also developed and released spotlight emails alongside news items for the website, which also gave all active EBs an opportunity to request clarification or ask any question.

5.3 **We seek to understand those we regulate through regular liaison with representative groups and individual EBs in all our interactions with them... *in order that...* We understand the impacts and outcomes of our work on Stakeholders.**

In regular meetings with the larger EBs, via the ADEB and working groups, and our communication with individual EBs, we believe we listen to their views and positions, recognising the consequences of any changes to the Regulations, or our processes. After our meetings with Stakeholders, we record any points that they raise and where appropriate follow up the issues that are raised.

5.4 **We ensure that all members of our Staff have the skills to assist Stakeholder enquiries, understanding the principles of good regulation and service standards... *in order that...* Stakeholders are confident in a quality service and consistent advice.**

The training needs of our members of Staff are assessed through the annual performance review process and are incorporated into their individual training programme. We also develop a collective training programme to ensure that members of Staff have the knowledge and skills to meet the needs of Entrust and those we regulate. The training plan is approved annually by the Entrust Board.

The Staff training programme delivered in 2023/2024 incorporated sessions on cyber security, well-being, customer service, and IT skills. Once appointed new members of Staff undergo a comprehensive induction plan that incorporate relevant training on UK GDPR and data protection, Health and Safety, Fire awareness and job specific training requirements. Training sessions for Office 365 were delivered in November, ready for the implementation of Microsoft 365.

5.5 We publish anonymised benchmarking data for a range of metrics including EB risk scores... *in order that...* EBs can measure their performance compared to other EBs.

In July 2023, we published anonymised data (provided by EBs via annual returns and other reporting requirements) against a set of key scheme metrics to enable EBs to benchmark their own performance against that of the Sector. The data was published alongside guidance instructing EBs on how to best make use of the information.

<https://www.entrust.org.uk/environmental-bodies/compliance-process/good-practice/>

We have further enhanced benchmarking in additional project value, by providing an individual report for each distributive EB, outlining their performance on Economic, Community and Environmental measures against the scheme average.

Conclusion

The ongoing assessment of our work against the ERS throughout the year is key to ensuring that our regulatory activity follows the principles set out in the Regulator's Code and best regulatory practice. We believe that for each of the ERS, we believe that the evidence provided in the report, demonstrates that we have met the Standards on most areas, with ongoing plans to improve in the areas identified as amber.

Appendix

Appendix - Entrust Regulator Standards - Annual Assessment - 2023 2024 - RAG matrix

Entrust

July 2024

Entrust Regulator Standards (ERS)

2023/2024 Annual Assessment

Section 1: Our duties and requirements					
Ref	Standard			Rating (Green, Amber, Red)	Note
1.1	We carry out our duties as the approved regulator for the Landfill Communities Fund (LCF) in accordance with the Terms of Approval (TOA)	<i>In order that...</i>	We maintain compliance with HMRC's requirements and provide HMRC with independent assurance that LCF funds are spent in compliance with the Regulations.	Green	
1.2	We consult Environmental Bodies (EBs) and other relevant stakeholders regarding any potential changes to the Regulations, guidance or requirements	<i>In order that...</i>	Stakeholder feedback has a central role in the development of proposals for change to the Regulations, Entrust's guidance, or our operational model.	Green	
1.3	We report on any outcomes of reviews and consultations, including providing appropriate feedback to those who took part	<i>In order that...</i>	Stakeholders and EBs can be confident that their input is critical in shaping the future of the LCF and our operational framework.	Green	
1.4	We provide clear and timely guidance to EBs on what they can expect, before, during and after a compliance review, providing assistance to guide EBs in continued compliance with the Regulations	<i>In order that...</i>	EBs understand their responsibilities and have an appropriate period of time to respond to and make any interventions to address any non-compliance that are identified as part of the compliance review process.	Green	
1.5	We set out details of breaches in the Regulations are managed and how we consider risk	<i>In order that...</i>	Stakeholders can be confident that we operate to achieve compliance with the least overall burden for those concerned.	Green	

1.6	As part of the breach management process, we clearly explain to non-compliant EBs the actions required of them, the reasons for these actions, as well as providing opportunities for dialogue	<i>In order that...</i>	EBs understand their responsibilities and requirements to comply with the Regulations and have the opportunity to discuss any non-compliance with us.	Amber	As the new Breach Management Framework has only been in place for two months, it is not yet known whether performance has improved as intended. This will be reviewed within the year.
1.7	In all areas, we only collect data (including personal data) when it is essential to the regulation of the LCF	<i>In order that...</i>	We comply with all data legislation including the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 (DPA 2018) and uphold the highest standards of data privacy.	Green	
Section 2: Training and guidance					
2.1	We provide information, advice, guidance and training which is accessible, timely, focused and provides Value for Money (VfM)	<i>In order that...</i>	EBs understand they can approach us for advice and guidance, can utilise our training and guidance provision and gain greater understanding of their responsibilities.	Amber	As explained above, while phone issues we identified have been rectified in the short term, and a plan to improve the consistency of services has been devised, this area has been marked as Amber, recognising the need to ensure the technology solutions for the area are fit for purpose.
2.2	We review Stakeholders' training needs as a result of feedback from all Satisfaction Surveys and other communications with stakeholders	<i>In order that...</i>	Our training and guidance for all Stakeholders continues to be relevant, accessible and fit for purpose.	Green	
Section 3: How we prioritise our activities					
3.1	In reviewing our operations, we use an evidence-based approach to determining priority risks in accordance with the Regulators' Code	<i>In order that...</i>	All our operations are effective, proportionate and not unnecessarily burdensome.	Green	

3.1	We prepare a corporate plan annually which is approved by our Board and HMRC	<i>In order that...</i>	Stakeholders can be assured that we are a transparent organisation, whose work is structured, planned and monitored, while delivering VfM.	Green	
3.3	We use a risk model to help determine how often each EB, or project should be reviewed. From the model, EB risk scores are generated based on their history within the LCF	<i>In order that...</i>	EBs are not reviewed more often than is proportionate and necessary in order that we can provide assurance to HMRC that LCF monies are spent in accordance with the Regulations.	Green	
Section 4: Transparency and accountability					
4.1	We publish several corporate documents including our Customer Charter, service standards, and details of our performance against these standards. These are measured through the feedback from the annual EB Satisfaction Survey	<i>In order that...</i>	Stakeholders understand our service standards are transparent, know what is expected of us and understand our expectations of Stakeholders when working with our staff.	Green	
4.2	We publish details of our Staff and their contact details	<i>In order that...</i>	Stakeholders know who to contact and how to contact them.	Green	
4.3	We set out a clear complaints policy and publish anonymised accounts of the outcomes of formal complaints	<i>In order that...</i>	Stakeholders understand how to make a complaint, how any complaint will be handled and can view the results of the complaints process.	Green	
4.4	We provide a clear and impartial route to appeal against our decision to reject a project, or enrolment application. The route to appeal, either in person or in writing, is clearly explained to those whose applications are not accepted	<i>In order that...</i>	Stakeholders have confidence in the projects and enrolment approval processes, their transparency, and that all applications that comply with the Regulations will be approved.	Green	

Section 5: Better regulation					
5.1	We operate an ethos of coaching to compliance	<i>In order that...</i>	We achieve the objectives of compliance through quality information, advice, guidance and training, reducing the need for breach management measures.	Amber	Our revised bespoke training platform, and a compliance framework that emphasises relationship management, will seek to improve this area in 2024/2025 after recognition that this has not been as good as it could have been during 2023/2024. While we have already seen indications in the reduction in findings and breaches, until the statistics are gathered for 2024/2025, this will be listed in Amber on the RAG matrix.
5.2	In responding to consultations, developing proposals for change, revisions and additions to forms we consider risk and burden	<i>In order that...</i>	We assess which method would best achieve the intended outcome with the least burden for Stakeholders.	Green	
5.3	We seek to understand those we regulate through regular liaison with representative groups and individual EBs in all our interactions with them	<i>In order that...</i>	We understand the impacts and outcomes of our work on Stakeholders.	Green	
5.4	We ensure that all members of our Staff have the skills to assist Stakeholder enquiries, understanding the principles of good regulation and service standards	<i>In order that...</i>	Stakeholders are confident in a quality service and consistent advice.	Green	
5.5	We publish anonymised benchmarking data for a range of metrics including EB risk scores	<i>In order that...</i>	EBs can measure their performance compared to other EBs.	Green	