

## Meeting Note

10.30am, 1 March 2016

Room G3  
169 Union Street  
London  
SE1 0LL

*Approved at the LWARB Audit Committee Meeting on 12 July 2016*

*Signature: .....*  
*David Williams, Committee Chair*

## Committee Members Present

David Williams  
Barbara Anderson  
Clyde Loakes

## Also Present

James Lanman, LWARB  
Brian Welch, Mazars  
Wayne Hubbard, LWARB  
Adam Leibowitz, LWARB

### 1 Introductions and Apologies for Absence

David Williams welcomed everyone to the meeting.

Apologies were received from Nicholas Paget-Brown and Bassam Mahfouz

### 2 Declarations of Interest

No declarations of interest were made over and above those included in the Committee's standing register of interests.

### 3 Minutes of the previous meeting (5 January 2016)

Minutes of the previous meeting held on 5 January 2015 were agreed.

### 4 Finance Reports (December 2015, January 2016)

James Lanman introduced the reports.

Wayne Hubbard added that WRAP had confirmed that their contribution to the Resource London programme would continue, but it would be reduced by 20% in line with their reduced settlement from Defra. In addition, WRAP have confirmed that underspend from 2015-16 may be carried over to 2016-17.

No queries were raised by the committee.

## 5 Risk Register

Adam Leibowitz introduced the risk register and pointed out where wording had been amended following discussions at the previous meeting.

David Williams noted that the risks were kept under constant review and should not be considered definitive.

The Committee confirmed that they were content with the amendments.

## 6 Internal Audit Reports

Brian Welch introduced the reports.

### London Waste Authority Support Programme

Brian Welch noted that there was only one significant issue relating to the London Waste Authority Support Programme: in the budget the allocation of staff costs across work streams had been done in advance on a pro-rata basis rather than on the basis of actual time spent on each work stream. Brian Welch noted that this issue had been highlighted by management in advance of the audit and was already being addressed for 2016/17 budgeting.

Clyde Loakes asked whether this was complicated by the relationship between LWARB and WRAP. Wayne Hubbard thought that this did add to the difficulty as resources from two separate organisations needed to be allocated.

The Committee noted the London Waste Authority Support Programme.

### Progress Report

The progress report was noted by the committee.

Brian Welch noted that the 2015-16 Internal Audit Annual Report would be brought to the next meeting, and queried whether the 2016-17 Audit Plan would be agreed by the current Committee. The Committee requested that the Audit Plan be brought to the July meeting also.

## 7 Treasury Management Proposal

James Lanman introduced the paper and explained that the proposal was essentially for LWARB to make a loan to GLA which they would re-pay with interest calculated at the return rate from the GLA Group Investment Syndicate, and that this was required as LWARB was not able, for legal reasons, to invest directly in the Syndicate. James Lanman thought that this was a good offer as the only risk would

be the credit risk of GLA not repaying. However, GLA currently has an AA+ rating and is considered therefore to be a good risk.

Barbara Anderson queried whether this was a safe investment given previous discussions that had taken place with GLA over LWARB's funds from government. Wayne Hubbard this was a different situation as GLA will be contracted to return LWARB funds on demand.

Clyde Loakes asked what the GLA would gain from the arrangement. James Lanman thought they were genuinely trying to help LWARB, but would also receive a small fee. In addition, he thought they had aspirations to grow the fund generally and that this was a step in that direction.

David Williams asked how this would be documented. James Lanman explained that a full legal loan agreement would be entered into after consultation with lawyers.

David Williams asked about instant draw downs. James Lanman confirmed that this is what the GLA team had offered.

The Committee agreed to recommend to the Board entering into the arrangements described in the report for the GLA to manage its cash via a callable deposit with the GLA as direct counterparty.

## **8 Staffing update**

Wayne Hubbard reported that two new investment staff had been appointed: Stuart Ferguson would start as head investment at the end of April, and Jessica Brodrick would start as Business Development Officer at the start of April.

David Williams asked about other staff working with LWARB. Wayne Hubbard explained that one WRAP office (Alice Harlock) worked on Resource London communications one day per week, which would increase to 2-3 days in the new financial year. James McGowan is employed full time by WRAP on Love Food Hate Waste. In addition, James Fulford and Regina Alonzi are working on the London Business Waste and Recycling project from the LWARB offices (LBWR is expected to seek its own accommodation when they have their first contract in place). Barbara Anderson requested that such staff be added to the organisation structure.

David Williams asked about LWARB's current desk space. Wayne Hubbard confirmed that LWARB occupies nine desks at the LFB headquarters and a degree of 'hot-desking' is required. If the ERDF circular economy SME support bid is successful, further desks will be requested.

## **9 Any other business**

Wayne Hubbard reported that the GLA Oversight Committee had published a report on transparency in the GLA group and family (LWARB being considered a part of the GLA family along with London Travel Watch, the Museum of London, London & Partners and the London Pension Funds Authority). LWARB had responded to questions about its procedures regarding transparency. While no specific recommendations were made regarding LWARB, the report did recommend that:

*“The next Mayor should introduce a more consistent approach to transparency across the GLA Family, bringing it in line with that of the GLA Group. Each organisation should publish a transparency policy that reflects the objectives of the Local Government Transparency Code. In particular, these organisations should publish Board and committee papers, and details of contracts over £5,000 (and full contracts on request). These requirements will remain subject to commercial sensitivity tests, but the presumption should be to publish.”*

Wayne Hubbard noted that LWARB does not currently routinely publish such contract information. David Williams noted that London Councils may object to LWARB being considered a part of the GLA family, as it is equally a part of the ‘London Councils family’. Wayne Hubbard noted that LWARB was established by the GLA Act so, while independent of the GLA and the London boroughs, is a part of the GLA family.

The meeting ended at 11.40am