



**07/02/19 – 1**

**Chief Executive Officer's Report**

<b>Board paper title</b>		Paper 7/02/19 - 1
Chief Executive Officer's Report		
<b>Report by</b>	Wayne Hubbard	
<b>Job Title</b>	Chief Executive Officer	
<b>Date of decision</b>	Board Meeting 7 February 2019	

**Summary**

This report provides an update on recent activity.

**Recommendations**

The Board is recommended to note the updates presented.

The Board is recommended by the Audit Committee to note the matters reported and to approve the proposed amendments to the Scheme of Delegated Authority:

- Addition of the Community and Office Manager with an approval limit of £1,000 for expenditure on operational costs.
- Addition of Project Development Manager – Commercial Recycling to the Scheme of Delegated Authority with an approval limit of £10,000 for programme expenditure in the Resource London Programme.

The Board is further recommended to approve the following amendments to the Scheme of Delegated Authority, *subject to their approval by the Audit Committee at their meeting on 7 February 2019.*

- Addition of the role of Head of Communications with delegated authority of up to £50,000 spend for corporate communications.
- Addition of the role of Head of Communications with delegated authority of up to £10,000 for Resource London communications programmes.
- Addition of the role of Corporate Communications Officer with delegated authority of up to £1,000 spend for corporate communications.
- Replacement of James Lanman with Eddie Confoy in Mandates section.



**07/02/19 – 1**  
**Chief Executive Officer's Report**

**Part A: Non Confidential Information**

<b>Risk Management</b>	
<b>Risk</b>	<b>Action to mitigate risk</b>
No significant risks arise from the decisions presented in the paper	

<b>Implications</b>	
<b>Legal</b>	None
<b>Financial</b>	None
<b>Equalities</b>	None

<b>Originating Officer</b>	Wayne Hubbard
<b>Contact details</b>	<a href="mailto:Wayne.hubbard@lwarb.gov.uk">Wayne.hubbard@lwarb.gov.uk</a>

**07/02/19 – 1**

**Chief Executive Officer's Report**

**Why the paper is being presented**

The paper is presented in order to provide an update on activities since the last meeting of the Board.

**Report**

**Staffing**

Jane Mossman joined the Advance London Business Support Team in November 2018 as a Business Engagement Officer (fixed term).

Kirsty Ainsworth has been appointed as Communications and Campaigns Officer (Trifocal) (fixed term), and will start at the end of February.

Isabella Kima has been appointed as Corporate Communications Officer (fixed term) and will start at on 11 February.

Recruitment for an Administration and Finance Officer is underway. An update will be given at the meeting.

Andri Constandinou, Advance London Business Advice Officer has resigned and will be leaving LWARB at the end of March.

**Communications and Publicity**

Four news releases (two corporate and two consumer) have been produced and distributed since the last Board meeting:

- 19th October 2018 – launch of Advance London accelerator programme – news release and social media
- end October 2018 – announcement of Love Not Landfill pop-up shop – news release and social media
- 26<sup>th</sup> November 2018 – Circe visit from other regions – news release and social media
- 7<sup>th</sup> January 2019 – launch of London Recycles plastics ‘push’ - news release and social media (paid advertising)

All of these resulted in media coverage, with the two consumer releases leading to local broadcast interviews with BBC London (both radio and TV news) and London Live.

Ali Moore was interviewed about seasonal recycling on BBC Radio London on 27<sup>th</sup> December; and the Love Not Landfill campaign continues to attract media attention, with Hannah Carter giving an interview on the Today programme on 15<sup>th</sup> January in response to Boohoo publishing their annual accounts. This was followed by four BBC radio interviews for use on their national wire service, broadcast on local radio in four towns or regions across the UK later that same day, all on the impact of fast fashion on the environment.

07/02/19 – 1

## Chief Executive Officer's Report

Details of the new office have been widely shared, through face-to-face presentations, website content and social media. A case study about the office fit-out has been published in Business in the Community's 'Circular Office Guide' and shared as an article in the BSRIA Delta T magazine.

### **Events:**

LWARB and its programme teams have both run and attended a series of events since the last Board meeting. An events calendar is at Appendix 1.

### **Communications strategy:**

A workshop was run with LWARB colleagues on 6th December 2018 to discuss a corporate communications and brand strategy and develop targets and approaches for building LWARB's profile and reputation with stakeholders and potential partners. This was followed by branding discussions at the Board strategy awayday, where it was agreed to take some short-term actions to help build LWARB's profile across the programmes. All outgoing email addresses have since been changed to @lwarb.gov.uk accordingly.

### **Long Term Strategy Review**

The Board met on 18 December to discuss LWARB's approach to delivering its objectives at the end of the current business plan period (2020). The board determined the following:

- that there would be a continued emphasis on the delivery of support to waste authorities in London to continue to increase recycling in London;
- to continue the focus on accelerating the transition to a circular economy in London;

It was agreed that LWARB should adopt a small number of KPIs to focus activity. These are not yet determined but will include a measure of London's recycling rate and a circular economy indicator. Initial thinking has been initiated by the team with following early thoughts.

A recycling rate indicator should be measured against municipal waste (household and similar). This implies that the future focus should continue to include some activity to increase commercial waste recycling. Measurement of successful commercial waste recycling is a challenge and will require some work with London stakeholders.

There are no generally accepted circular economy indicator. Most municipalities that attempt to create one usually adopt a dashboard approach and select range of indicators. However, for London we want to adopt a more simple approach. An indicator could be based upon a measure LWARB developed with Cambridge Econometrics, which measures the ratio of goods consumed vs services used and recycled goods used. Or we could adopt a jobs measure. Either way, a third KPI should be the amount of waste arising, probably on a per capita basis.

07/02/19 – 1

## Chief Executive Officer's Report

We will also need to set realistic but challenging targets for LWARB that can contribute to the KPIs.

### Progress Against Business Plan Milestones

#### Advance London

- **Launch of a collaboration and innovation Hub.**  
Our accelerator programme has now launched and the application period has closed. We have seen strong interest from the startup community with a very interesting range of technologies evident. Partner interest has also been very strong with several companies signed up..
- **Launch a Venture Capital Fund.**  
At the time of writing we are very close to completion of the deal. The fund is likely to open for investment in April and the team has been working closely with the selected fund manager, MMC Ventures, to support their pipeline development.
- **Advance London Business Support – work with 30-40 SMEs.**  
The Advisory team has significantly exceeded the target for SME support, with the initial 3-year target for support met by the end of the second year. To date 132 SMEs are now in the portfolio, with significant pipeline demand evident. The team has recently submitted a bid to secure additional ERDF funding for a further 3-year period.

#### Circular London

#### Communications

- **Work to disseminate circular economy thinking and promote the work of LWARB and London.**  
LWARB sponsored and was well represented (Chair, CEO and Circular Economy Manager) at Business in the Community's Waste to Wealth event on 22 November 2018. Both Prince Charles (who referenced LWARB as an example of good practice in his speech) and Michael Gove gave key note speeches. The Advance London team hosted an exhibition stand which showcased eight of their client businesses. BiTC launched their circular office guide at the event. LWARB's new office is a key case study.
- **Launch a virtual circular economy hub, bringing London's circular economy actors together and providing information to help them accelerate the circular economy in London.**

Circular London plan to host a second London Circular Economy Week w/c 10 June 2019. The team will look to leverage more partners to participate in this years event



07/02/19 – 1

## Chief Executive Officer's Report

through early promotion. The Circular London community is growing, with 246 members now signed up to receive news and events information.

- ***Continue to work with other European cities and regions to share good practice on circular economy policy and evidence base through the EU CircE project.***

The Circular London team delivered a CircE stakeholder event on 27-28 November. Over 40 European project partners and stakeholders visited London to learn about London's pioneering circular economy work.

- ***Engage London boroughs with the circular economy agenda and benefits through the development of the circular economy champions programme.***

Three new borough champions have been appointed, those being colleagues from Hackney, Camden and Bromley. Our Circular Economy Policy and Projects Officer will meet with each borough in turn to understand their circular economy aspirations, help develop a project plan and ensure they are offered opportunities to engage with the Ellen MacArthur Foundation through our membership.

LEDNET have set up a sub group on circular economy that will meet quarterly for environment directors to both understand more about circular economy and identify areas for potential activity within their borough.

### Demonstrators

- ***Develop a pipeline of collaboration opportunities for stakeholders in London to demonstrate circular economy activity across the five focus areas, with a particular emphasis on working with large corporates to develop projects with the potential to scale up.***

For full confidential listing of stakeholder pipeline, please see Circular London programme update.

### Resource London

- ***Resource London will continue to have a primary focus on supporting London's waste authorities to drive up household recycling rates.***

To achieve the programme objective, Resource London is delivering a number of regional, sub-regional and individual authority level projects. Each project sits on a continuum between physical service change/interventions and behaviour change intervention/activity. The major projects currently being undertaken are:

- *Flats Project:* (in partnership with Peabody Housing Association and six inner London boroughs) – interventions have been in place for four months, since September - October, these will be in place until June 2019. One week of interim compositional analysis was then undertaken in December;



**07/02/19 – 1**

**Chief Executive Officer's Report**

- *Reduction and Recycling Plans (RRPs):* Resource London are supporting phase one London borough to develop their RRP's to be submitted to the GLA.
- *London Recycles One Bin is Rubbish campaign:* On 10<sup>th</sup> January the London Recycles campaign launched a mini- social media campaign (under the 'One bin is rubbish' campaign umbrella) called #KnowYourPlastic, which resulted in interviews on BBC London Radio, London Live, and BBC London TV news.;
- ***There will be an additional focus on promoting commercial waste recycling (including food).***  
Commercial recycling Project: Conversations have been held with each Local Authority, and a number of London Business Improvement Districts (BID). All Local Authorities and BIDs have been advised of the available support and a number of support projects are being scoped.

**07/02/19 – 1**  
**Chief Executive Officer's Report**

**Audit Committee Activity**

This is a summary of the Audit Committee activity, from the Committee Chair, Cllr. Bassam Mahfouz.

The Audit Committee met once since the last Board meeting and considered the following items.

***Establishing a Trading Company***

The committee noted the Board's intension to raise revenue through commercial activities and agreed that officers should investigate possibility of establishing an LWARB trading company.

***Finance Report***

The Committee reviewed and approved the Finance Report for Q2 2018/19, which is included at Appendix 2.

***Internal Audit***

The Committee noted the procurement activity undertaken through the Crown Commercial Service Management Consultancy Framework for the appointment of internal auditors. At the time of the meeting the procurement closed but evaluations of tenders were still underway.

*Subsequently, the contract for internal audit services has been awarded to Ankura with TIAA as subcontractor.*

***External Audit***

The Committee received Grant Thornton's Annual Audit Letter, which is a summary of the previous year's audit report, and noted the unqualified opinion on the accounts and the value for money conclusion.

***Risk Register***

The Committee agreed that Brexit should be added to the register as a high level risk to LWARB given the many ways in which LWARB's operations could be impacted.

***Staffing Update***

The committee reviewed proposals for changes to LWARB's staff structure and approved

- the amendment of the current role of Communications and Behaviour Change Manager to create a new role of Head of Communications (Grade 10), reporting to the CEO on a fixed term basis until 31<sup>st</sup> March 2020.
- the establishment of a new role of Corporate Communications Officer (Grade 6) reporting to the Head of Communications on a fixed term basis until 31<sup>st</sup> March 2020
- the establishment of a 12 month, fixed term, position of Communications Officer within Resource London.



07/02/19 – 1

## Chief Executive Officer's Report

- extending the Circular Economy Policy and Projects Officer role an additional 2 years to July 2021 for which the funding is already in place.

### **Scheme of Delegated Authority**

The Committee agreed the following amendments to the Scheme of Delegated Authority:

- Addition of the Community and Office Manager with an approval limit of £1,000 for expenditure on operational costs.
- Addition of Project Development Manager – Commercial Recycling to the Scheme of Delegated Authority with an approval limit of £10,000 for programme expenditure in the Resource London Programme.

The Audit Committee recommends that these amendments are approved by the Board.

Subsequent to this meeting, it has been noted that further amendments to the SODA are required. At its next meeting (7<sup>th</sup> February 2019) the Audit Committee will be requested to agree the following amendments:

- Addition of the role of Head of Communications with delegated authority of up to £50,000 spend for corporate communications.
- Addition of the role of Head of Communications with delegated authority of up to £10,000 for Resource London communications programmes.
- Addition of the role of Corporate Communications Officer with delegated authority of up to £1,000 spend for corporate communications.
- Replacement of James Lanman with Eddie Confoy in Mandates section.

In order to avoid delay in establishing these changes, the Board is recommended to approve these recommended amendments *subject to them being agreed by the Audit Committee*.

### **Supporting papers/appendices**

- Appendix 1: Events List
- Appendix 2: Finance Report Q2 2018/19
- Appendix 3: Scheme of Delegated Authority

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
03/10/2018	China waste imports restrictions liaison group	Environment Agence	Update meeting	China waste import restrictions	BS	Wastes industry, central government, local government	
08/10/2018	Thinkdif video at BRE innovation park	EMF /BRE	Video	BE innovation	PG	thinkdif broadcast	Speaker / interview
10/10/2018	Uk Construction Week		Conference	Built Environment innovation	SF, JaB, CO		
10-11/10/2018	LARAC conference	LARAC	Conference	Recycling & Waste	BS	Industry	Speaker and presenter at workshop (involved both days)
11/10/2018	built +ve Toolbox: Wellbeing and Circularity	Built +ve / Cradle2cradle	Conference	Wellbeing and circularity in BE	PG	Built Env. businesses	Delegate
17/10/2018	Impact Investment Conference	Clearly So	Conference	Impact Investment	JB	VC Investors, Angels	Delegate
23/10/2018	LondonBuild	LondonBuild	Exhibition	Built Environment	CO, SF, JB	Businesses	Speaker and delegates
26/10/2018	London Legacy Climathon	LLDC	Workshop	Plastics	NA	SMEs and individuals	Panelist
30/10/2018	Circular Restaurant Workshop	Advance London	Workshop	CE and catering industry	JB, NA, SB	Restaurants	Organiser
31/10/2018	RUBN social housing workshop	LWARB	Workshop	Re-useable buildings	PG, CO	Social housing providers	Organiser
01/11/2018	Circular Economy Hotspot Scotland	Zero Waste Scotland	Conference	Circular Economy	Acr,NA, JB	Industry	Delegate
08/11/2018	Executive Roundtable Discussion: The Future of Sustainable Cities	Bloomberg	Roundatble	Sustainability and Cities	JB	Finance stakeholders, Corporates	Delegate
13/11/2018	UKGBC 1st CE Webinar	UKGBC	Webinar	Insight and innovation	PG	Built Env. businesses	Speaker
13/11/2018 - 15/11/2018	CE 100 network Accelerator	Ellen MacArthur Foundation	Workshop	Circular Economy	CO, JB	Corporates, public bodies, SMEs	Delegate
16/11/2018	West London Autumn property lunch	West London business	Networking Event	Built Environment	EM	Business	Delegate
16/11/2018	BSRIA Annual Summit	BSRIA	Conference	Disruptive innovation	PG	300 Built Env. Businesses	Speaker
19/11/2018	Zero waste cities conference	ACR+	Conference	Zero waste cities	AB	EU cities and regions	Speaker
20/11/2018	Resource Manchester Flats workshop	Resource Manchester	Workshop	Flats recycling	CC, GS	Local Authorities	Presenter/facilitator
21/11/2018	Circular Business Masterclass	Advance London	Workshop	Circular Economy	AL Team	SMEs	Host / Organiser
21/11/2018	Clean Tech London	Knight Frank	Workshop	Clean Tech & Procurement	EM	SMEs & Local Authorities	Delegate
22/11/2018	Waste to Wealth	BITC	Conference	Circular Economy	EM/SB	Businesses & VVIPs	Exhibitor
22/11/2018	Circular Economy for Food in London	Intesa San Paolo	Conference	CE & food	JB	Intesa employees, SMEs, investors	Speaker

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
22/11/2018	Waste to wealth	Business in the Community	Conference	Innovation	LG, WH, CO, EM, SB	Businesses	Sponsor, exhibitor
22/11/2018	Circular office networking	LWARB	Networking	New circular office	PG, CO	Businesses, local authorities, NGOs	Organisers
28/11/2018	LGPE 2018	LGA	Conference	Public Procurement	EM	Public Sector & Business	Delegate
28/11/2018	Plastics Hackathon	Unilever	Hackathon	Plastic Packaging	JM/AC	Industry/Corporates	Delegates
29/11/2018	Copenhagen Delegation	Advance London	Study visit	CE	NA	Copenhagen Delegates	Organiser
29/11/2018	Embedding the circular economy in London	New London Architecture	Conference	Built Environment	CO	Businesses, policy makers	Speaker and panellist
27-29/11/18	CircE stakeholders workshop	LWARB	Workshop	Circular economy in London	ACr, Co, PG	CircE partners and stakeholders, London stakeholders	Organisers
30/11/2018	UKGBC innovation hackathon	UKGBC	Workshop	Innovation in built environment	PG	Businesses / academics	Judge
03/12/2018	LEDNET circular economy workshop	LEDNET	roundtable and workshop	CE	WH, ACr, EM	Public Sector	Organiser
03/12/2018	BASIS Eliminating Plastics in Sport	BASIS / Lords Cricket Ground	Conference	Single use plastic	JM	Industry / Businesses	Delegate
04/12/2018	Textiles Waste	CIWM	Conference	Textiles Waste	JM/HC	Industry / Councils	Delegate & Speaker
04 - 06/12/2018	New Plastics Economy workshop	EMF	Workshop	Plastics	BS,ACr	Businesses	Delegates
06&07/12/2018	Boosting Circularity among SMEs	European Commission	Conference	CE	NA	Businesses / Public Sector	Delegate
10/12/2018	PA Circular Economy Innovation Panel	PA Consulting	Panel Q&A	CE Innovation	SF	PA Colleagues	Panel member
11/12/2018	Circular Economy and waste workshop - business climate leaders programme	GLA	Workshop	Circular economy and waste	CO, SC	Businesses	Speakers
12/12/2018	Access to Finance Workshop	Advance London	Workshop	Finance for CE SMEs	Al team	AL SMEs	Organiser
12/12/2018	Celebrating a Circular Christmas	Advance London / Circular London / CEC	Networking event	CE achievements in 2018	AL & CL team	AL, CL and CEC network	Organiser
10/01/2019	Breaking The Plastic Habit	Canary Wharf group	Conference	Single use plastic	EM,JB	SMEs, Corporates	Delegate
10/01/2019	The Ocean Plastics Accelerator	Sky	Competition Briefing	Plastics	BS, NA	SMEs and individuals	Delegates
14/01/2019	Wilmot Dixon Waste Task Team	WD	Workshop	Waste / LWARB activity	PG	Businesses	Speaker
17/01/2019	London Food Strategy	GLA	Report launch	Food	CO, SF, JB	Businesses, Charities and city officials	Delegate

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
22/01/2019	PWC Low Carbon Scale Up	PWC	Conference	Low Carbon & CE Startup	SF, JaB, JB	Industry	Delegate
24/01/2019	Block Chain Consortium Launch	Block Chain Consortium	Launch Event	Blockchain for CE in Retail	JM/JB	Industry / Entrepreneurs	Delegates
24/01/2019	One year on from the China waste ban	Green Alliance	Conference	China waste import restrictions	BS	Industry/government	Delegate

**London Waste & Recycling Board  
Finance Report  
Q2 2018/19**

**LWARB Business Plan Expenditure summary**

The overall LWARB expenditure for the first half of the year is £248k under budget. This is made up of Advance London being underspent by £180k through work on the circular economy accelerator\*\* being pushed back, and an underspend on consultancy and marketing.

Resource London is £54k overspent due to staffing variances from the budget, this is expected to come back in-line for the second half of the year. It will also be reduced when contributions from Trifocal and ECAP are received.

The Circular London programme is £45k under budget and again planned to be in-line for the full year.

Programme professional fees show an underspend of £33k in the first half of the year, due to VC investment not being made yet. And overheads are £45k under budget due mainly to the serviced accommodation saving from moving into the new premises two months later than budgeted.

<b>LWARB Expenditure 2018- 2020 (LWARB spend exluding partnership contributions)</b>	<b>2018/19 H1 Actual</b>	<b>2018/19 H1 Budget</b>	<b>Variance</b>	<b>%</b>	<b>FY Budget</b>	<b>%</b>
<b>Advance London</b>						
London Green Fund II		-	-		- 7,000	
Circular Economy Accelerator	- 75	- 150	- 75	50%	- 300	25%
Circularity Capital growth fund	- 214	- 300	- 86	71%	- 600	36%
Business Consultancy Support	- 98	- 117	- 19	84%	- 217	45%
<b>Total Advance London</b>	<b>- 387</b>	<b>- 567</b>	<b>- 180</b>	<b>68%</b>	<b>- 8,117</b>	<b>5%</b>
<b>Resource London</b>	<b>- 694</b>	<b>- 640</b>	<b>54</b>	<b>108%</b>	<b>- 2,133</b>	<b>33%</b>
<b>Circular London</b>	<b>- 105</b>	<b>- 150</b>	<b>- 45</b>	<b>70%</b>	<b>- 300</b>	<b>35%</b>
Programme Professional Fees	- 5	- 38	- 33	13%	- 75	7%
<b>Overheads</b>						
Serviced Accommodation	- 196	- 249	- 53	79%	-485	40%
Staff Costs*	- 276	- 285	- 9	97%	-570	48%
Professional Fees	- 21	- 10	11	209%	-20	104%
Training		- 10	- 10	0%	-20	0%
Other Overheads	- 41	- 25	16	166%	-50	83%
<b>Total Overheads</b>	<b>- 534</b>	<b>- 579</b>	<b>- 45</b>	<b>92%</b>	<b>- 1,145</b>	<b>47%</b>
<b>Total spend</b>	<b>- 1,725</b>	<b>- 1,973</b>	<b>- 248</b>	<b>87%</b>	<b>- 11,770</b>	<b>15%</b>

\* Core staff cost – excludes dedicated Resource London, Advance London and Circular economy staff, whose costs are included in relevant programme budget lines

\*\* Accelerator underspend – the original proposal, which was anticipated at the time of budget preparation, was amended due to feedback from Investment Committee. This had the effect of pushing back the start date and reducing the quantum of capital committed. A total of £300k of the original allocation will be spent by July 2019.

**London Waste & Recycling Board**  
**Finance Report**  
**Q2 2018/19**

**LWARB Income and expenditure**

The income and expenditure report excludes investments in the LWARB expenditure summary of £7.9m (LGF II (£7.0m), Circular Accelerator (£300k), and Circularity Capital (£600k). There are also £544k of additional costs included in the budgeted for which we expect to incur and then have refunded.

1. Grant income for the YTD to September was £318k. EU funding under the Advance London ERDF £80k, Trifocal £163k, and CirCE £31k programmes and £43k from the C&A foundation.
2. £43.5k of interest on reserves with the GLA was received at the half year. A further £2.7k of interest came in from Ecotech Ltd.
3. Resource London programme expenditure is £694k which is 8% (£54k) over budget for the year. Included in this figure is staff £232k and overhead of recharges £118k. The overspend was in line with expectations as the staff numbers were not finalised at the time of the budget, full year spend is anticipated to be on budget.
4. Advance London programme expenditure is 8% (£18k) below budget for the year. This principally relates to programme underspend on consultancy and marketing of around £90k. The team has used this capacity in the budget to pay for a 6th team member, so the underspend will reduce by y/e. This is offset in the total by £75k of costs related to the Circular Economy Accelerator for which the budget sits on the balance sheet as it was originally classed as an investment.
5. Circular Economy programme expenditure is 32% (£64k) under budget. This is in line with expectations and is allocated against work to be done on metrics and route map reviews in the second half of the year.
6. Investment programme costs are under budget by £33k as the programme has not yet really started.
7. The net effect of the above is overall programme expenditure 5% (£58k) under budget for the year to date.
8. Staff costs for the six months are in line with budget showing a 3% (£9k) favourable variance.
9. Serviced accommodation and office move in total are under budget by £52k, which is equal to two months' rent in the new offices. The move took place in October but was budgeted from August. The P&L shows a YTD saving in serviced accommodation of £184k, which needs to be offset against the £132k shown in Professional Fees – Office move.
10. Professional fees at £21k are £11k over budget, this is due to legal fees associated with the move.
11. Other overheads are £3k over budget.

12. Overall admin expenditure is 8% under budget for the year at £535k.
13. Net expenditure at £1.2m overall is 18% (£267k) under budget for the year.

### **Balance Sheet**

14. Equity investments are £3.2m, £0.6m of this relates to our fair value assessments of investments into Circularity Capital and Sustainable Accelerator. The remaining equity balance relates to a legacy investment in London Green Fund which is in exit mode.
15. Project Loan £1.2m, this relates to the outstanding balance on our loan to East London Biogas. This asset is in the process of being sold which should see a recovery of circa £1-1.1m
16. The increase in the Debtors balance of £28k in the year is mainly due to GLA funding £30k secured for CirCE project (received in October). The current £81k balance also includes £36.5k AL grants receivable, £8.5k existing CirCE, along with £6k of staff loans.
17. The prepayments released of £44k reflects the serviced accommodation charges for 3 months to June that were on the balance sheet at year end. The final quarter to September has now also been prepaid and released.
18. Cash – The net £1,669k decrease in cash over the six months to September is reconciled to the net cash outflow figure in the Cash Flow statement.
19. Trade Creditors - The trade creditors balance of £144k relates mainly to the outstanding invoices £112k, additionally there is £25k PAYE related, and around £6k of credit card balances.
20. Deferred income –The £58k balance relates to the receipt of EU grant funding that hasn't yet been matched to project expenditure.
21. Provision for committed expenditure – This reflects outstanding contractual funding commitments. The £485k relates to funding agreements with Local Authorities made under the Resource London programme.

**Income & Expenditure (£000s)**  
**London Waste and Recycling Board**  
**For the 3 months ended 30 September 2018**

	Period							YTD						
	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%
<b>Income</b>														
Grant income	118		118		(1)	119	20608%	318	200	118	59%	(1)	319	55156%
LGF1 crystallisation income					18,000	(18,000)	-100%					18,000	(18,000)	-100%
Loan interest income					41	(41)	-100%	3		3		93	(90)	-97%
Bank interest receivable	44		44		28	16	59%	44		44		28	17	60%
Other income					4	(4)	-100%					4	(4)	-96%
<b>Total Income</b>	<b>162</b>		<b>162</b>		<b>18,072</b>	<b>(17,910)</b>	<b>-99%</b>	<b>365</b>	<b>200</b>	<b>165</b>	<b>82%</b>	<b>18,124</b>	<b>(17,759)</b>	<b>-98%</b>
<b>Programme Expenditure</b>														
Resource London programme expenditure	374	400	(26)	-7%	322	52	16%	694	640	54	8%	608	86	14%
Advance London programme expenditure	148	105	43	41%	66	82	123%	216	234	(18)	-8%	138	78	57%
Circular Economy programme expenditure	31	90	(59)	-66%	57	(27)	-47%	134	198	(64)	-32%	134	(1)	-1%
Circular Economy - Reusable Buildings	3		3			3		3		3			3	
Impairment losses					10,141	(10,141)	-100%					10,141	(10,141)	-100%
Investment programme costs		19	(19)	-100%	1	(1)	-100%	5	38	(33)	-87%	1	4	389%
<b>Total Programme Expenditure</b>	<b>556</b>	<b>614</b>	<b>(58)</b>	<b>-10%</b>	<b>10,587</b>	<b>(10,032)</b>	<b>-95%</b>	<b>1,052</b>	<b>1,110</b>	<b>(58)</b>	<b>-5%</b>	<b>11,022</b>	<b>(9,970)</b>	<b>-90%</b>
<b>Administrative Expenditure</b>														
Staff costs	128	143	(15)	-10%	125	2	2%	276	285	(9)	-3%	250	26	10%
Serviced Accomodation	(6)	209	(215)	-103%	22	(29)	-129%	65	249	(184)	-74%	51	14	27%
Professional fees	16	5	11	229%	5	11	232%	21	10	11	109%	6	15	279%
Professional Fees - Office Move	132		132			132		132		132			132	
Office expenses	3		3			3		3		3			3	
Other overheads	25	18	7	42%	13	12	86%	39	35	4	10%	33	5	16%
<b>Total Administrative Expenditure</b>	<b>297</b>	<b>374</b>	<b>(76)</b>	<b>-20%</b>	<b>166</b>	<b>131</b>	<b>79%</b>	<b>535</b>	<b>579</b>	<b>(44)</b>	<b>-8%</b>	<b>340</b>	<b>195</b>	<b>57%</b>
<b>Net Income / (Expenditure)</b>	<b>(691)</b>	<b>(988)</b>	<b>297</b>	<b>30%</b>	<b>7,319</b>	<b>(8,010)</b>	<b>-109%</b>	<b>(1,222)</b>	<b>(1,489)</b>	<b>267</b>	<b>18%</b>	<b>6,762</b>	<b>(7,984)</b>	<b>-118%</b>



**Balance Sheet (£000s)**  
**London Waste and Recycling Board**  
**As at 30 September 2018**

	<b>Movement YTD</b>	<b>Closing Balance</b>
<b>Fixed Assets &amp; Investments</b>		
Equity investments	169	3,170
<b>Current Assets</b>		
Project loans	(235)	1,227
Debtors	28	81
Prepayments	(44)	2
Cash and cash equivalents	(1,669)	25,603
<b>Total Current Assets</b>	<b>(1,919)</b>	<b>26,913</b>
<b>Current Liabilities</b>		
Accruals	(21)	15
Deferred income		58
Stamp Duty	(9)	(9)
Trade creditors	(447)	144
<b>Total Current Liabilities</b>	<b>(477)</b>	<b>207</b>
Provision for committed project expenditure	(51)	485
<b>Net Assets / (Liabilities)</b>	<b>(1,222)</b>	<b>29,390</b>
<b>General Fund</b>	<b>(1,222)</b>	<b>29,390</b>

**Cash Flow (£000s)**  
**London Waste and Recycling Board**  
**For the 3 months ended 30 September 2018**

	Period	YTD
<b>Net Income / (Expenditure)</b>	<b>(691)</b>	<b>(1,222)</b>
(Increase)/decrease in project loans		235
(increase)/decrease in equity investments		(169)
(increase)/decrease in debtors	(24)	(28)
(increase)/decrease in prepayments	2	44
increase/(decrease) in creditors	60	(447)
Increase/(decrease) in accruals		(21)
Increase/(decrease) in stamp duty	(9)	(9)
Increase/(decrease) in deferred income		
increase/(decrease) in provision for committed project expenditure		(51)
<b>Net cash inflow (outflow)</b>	<b>(662)</b>	<b>(1,669)</b>
<b>Opening cash</b>	<b>26,265</b>	<b>27,272</b>
<b>Closing cash</b>	<b>25,603</b>	<b>25,603</b>

**LWARB fund forecast to 31/03/2020**

<b>Fund Forecast 2018- 2020</b>	<b>2018/19</b>	<b>2019/20</b>
<b>£000</b>		
<b>Income</b>		
Bank interest	133	84
Project returns*	262	1,100
<b>Total income</b>	<b>395</b>	<b>1,184</b>
<b>Advance London</b>		
London Green Fund II	- 7,000	-
Circular Economy Accelerator	- 300	- 900
Circularity Capital growth fund	- 600	- 673
Business Consultancy Support	- 217	- 142
<b>Total Advance London</b>	<b>- 8,117</b>	<b>- 1,715</b>
<b>Resource London</b>	<b>- 2,133</b>	<b>- 1,833</b>
<b>Circular London</b>	<b>- 300</b>	<b>- 300</b>
Programme Professional Fees	- 75	- 75
<b>Overheads</b>		
Serviced Accommodation	- 485	- 275
Staff Costs	- 500	- 500
Professional Fees	- 20	- 20
Training	- 20	- 20
Other Overheads	- 50	- 50
<b>Total Overheads</b>	<b>- 1,075</b>	<b>- 865</b>
<b>Total spend</b>	<b>- 11,700</b>	<b>- 4,788</b>
<b>b/f cash</b>	<b>26,202</b>	<b>14,897</b>
<b>c/f cash</b>	<b>14,897</b>	<b>11,293</b>

\* Anticipated loan returns based on secured investments

Potential upside from LGF 1 of £2.9m if currently performing unsecured unsecured investments continue to perform as projected by fund manager, with returns likely early in next business plan period.

Returns from accelerator, capital growth fund and LGF II due in next business plan period.

In addition, LWARB will continue to discuss with government funding to support our work, and pursue any appropriate grants where they support the aims of our business plan.

## **London Waste and Recycling Board Scheme of Delegated Authority**

### **Preamble**

The London Waste and Recycling Board Order allows the Board to authorise an individual member of the Board, an employee of the Board or a Committee of the Board to carry out any of its functions that it chooses.

All decisions are required to be made by the Board if they are not delegated to another person or committee either in this Scheme of Delegated Authority or by a decision of the Board.

This Scheme of Delegated Authority was adopted by the Board on **7 February 2019** and supersedes all previous versions.

### **Policy**

Authority for making all decisions on the Board's policy sits with the Board. LWARB's main expression of policy is the Business Plan which it is required to publish each year.

### **Staffing and Remuneration**

Authority for changes to the staff structure, establishment, pay and pay policy is delegated by the Board to the Audit Committee.

The day-to-day management of all staff (including recruitment of new staff) is delegated to the Chief Executive Officer to operate under the policies and procedures as agreed by the Board and/or Audit Committee (for example, the Pay Policy and other policies agreed in the Employee Handbook).

### **Investment Programme**

Authority for all new investment decisions (including decisions on additional investment in already invested projects) is retained by the Board. For all **existing** portfolio investment decisions, the Board has delegated authority to the Investment Committee to appraise, input and approve those decisions. However, should the decision result in a negative financial impact greater than £200,000 to LWARB, or if the decision could, in the eyes of the IC Chair, cause significant reputational damage to LWARB then the Investment Committee must make a recommendation to the Board for it to consider and decide.

## **Resource London (London Waste Authority Support Programme)**

The Resource London Partnership Board is responsible for the allocation and monitoring of expenditure within its budget (as set by LWARB and WRAP). Decisions on individual items of expenditure may be made as per the table below. Responsibility for the allocation of the overall budget to particular works streams lies with the Resource London Partnership Board.

Responsibility for monitoring of expenditure previously allocated by the Efficiencies Committee sits with the Resource London Partnership Board.

## **Circular Economy Programme**

The budget for the Circular Economy Programme is set by the Board. Decisions on individual items of expenditure may be made as per the table below.

### **Virements**

- Any virements between approved Business Plan budget lines below £50,000 shall require the approval of the Chief Executive Officer and will be reported to the next meeting of the Audit Committee.
- Any virements between approved Business Plan budget lines of between £50,000 and £100,000 shall require the approval of the Audit Committee at the next Audit Committee meeting.
- Any virements between approved Business Plan budget lines over £100,000 shall require the approval of the Board.

### **Approval of Expenditure**

The tables below show the maximum spending authorities (in pounds sterling, including VAT) for different programmes. These limits apply to the ordering of goods and services as well as to the paying of invoices. All figures shown are inclusive of VAT.

Staff & Remuneration														
Activity	Note													
		Board	Board Chair	Audit Committee/Chair of Audit Committee	Investment Committee	Resource London Partnership Board	CEO	Head of Finance	Head of Programme (Resource London)	Head of Investment	Business Development Officers Local Authority Support Managers Circular Economy Manager	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
External Appointments	Standard contracts only.			>100,000 (Cttee)			100,000							
Agency or Seconded Staff (FTE annual cost)	Subject to approval of the AC for any increase in staff number for longer than 3 months.			>100,000 (Cttee)			100,000							
Annual Pay Increments	Within approved pay policy only.		CEO's				All							
Other Remuneration (including ex-gratia payments, Loans, PRP)	Loans other than transport season ticket loans may not be approved other than with the explicit approval of the Board Chair.			>5,000 (Cttee)			5,000							
Expenses Claims		>10,000	10,000	1,000 (Cttee Chair*)			1,000	1,000	500	500		500	500	

Note:

- All expenses claims must be approved by the claimant's line manager or the Head of Finance, unless for an amount greater than that manager's delegated authority, in which case they are to be approved by the CEO , the Board Chair or the Board.
- Board Members' expenses are to be approved by the CEO or the Chair of the Board, unless for an amount greater than the CEO 's delegated authority, in which case they are to be approved by the Board Chair, or the Board.
- Expenses incurred by Committee members who are not Board members are to be approved by the CEO or the Chair of the Board, unless for an amount greater than the CEO 's delegated authority, in which case they are to be approved by the Board Chair, or the Board.
- The CEO 's expenses must be approved by the Board Chair.
- All expenses must be in accordance with the Board's expenses policy as contained in the Operations Manual.

\*The Board Chair's expenses must be approved by the Audit Committee Chair.

## Investment Programme

NB: the Board shall approve proposals based on recommendations from the Investment Committee, which will be informed by outline proposals for investment. Unless specifically decided otherwise, the detailed negotiations and contracting are delegated by the Board to the Head of Investment who shall seek further approval from the Board should there be a material adverse change to the proposal as originally agreed. The Board may delegate to the Head of Infrastructure and Investment, and the CEO the authority to negotiate and sign contracts on its behalf subject to the qualification above.

Activity	Note	Board	Board Chair	Audit Committee/ Chair of Audit Committee	Investment Committee	Resource London Partnership Board	CEO	Head of Finance	Head of Programme (Resource London)	Head of Investment	Business Development Officers	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
New Investment Proposals		All					Approval on behalf of the Board*	Signature on behalf of the CEO or Head of Investment		Approval on behalf of the Board*				
Amendment to existing investments		>200,000			200,000		Approval on behalf of the Board*	Signature on behalf of the CEO or Head of Investment		Approval on behalf of the Board*				
Investment Development, Evaluation and Monitoring Costs					>50,000		50,000	50,000		25,000	10,000			

\*Where a commitment has previously been made by the Board



Resource London (London Waste Authority Support Programme)														
Activity	Note													
		Board	Board Chair	Audit Committee/ Chair of Audit Committee	Investment Committee	Resource London Partnership Board	CEO	Head of Finance	Head of Programme (Resource London)	Head of Investment	Head of Communications <sup>1</sup> / Local Authority Support Managers/ Project Development Manager – Commercial Recycling <sup>2</sup>	Communications and Campaigns Officer	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Project Funding Agreements						>50,000	50,000		25,000					
Project Development , Evaluation and Monitoring Costs						>50,000	50,000		25,000					
Programme Costs						>100,000	100,000	100,000	50,000		10,000	1,000		

<sup>1</sup> Recommended to the Audit Committee for approval 07/02/19

<sup>2</sup> Agreed by the Audit Committee 27/11/18

<b>Circular Economy Programme</b>														
Activity	Note													
		Board	Board Chair	Audit Committee/Chair of Audit Committee	Investment Committee	Resource London Partnership Board	CEO	Head of Finance	Head of Programme (Resource London)	Head of Investment	Circular Economy Manager	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Programme Costs		>100,000					100,000	100,000			25,000			

<b>Advance London (Circular Economy SME Support)</b>														
Activity	Note													
		Board	Board Chair	Audit Committee/Chair of Audit Committee	Investment Committee	Resource London Partnership Board	CEO	Head of Finance	Head of Programme (Resource London)	Head of Infrastructure & Investment	Circular Economy Manager	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Programme Costs.		>100,000					100,000	100,000				5,000	25,000	

General/Central/Admin Costs																
Activity	Note	Board	Board Chair	Audit Committee	Investment Committee	Efficiencies Committee	CEO	Head of Finance	Head of Programme (Resource London)	Head of Investment	Head of Communications <sup>3</sup>	Corporate Communications Officer <sup>4</sup>	Business Development Officers	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer/Community & Office Manager <sup>5</sup>
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Operational Costs		>100,000	100,000				50,000	50,000	25,000	25,000	50,000	1,000	1,000			1,000
Other expenditure/tenders/contracts	Expenditure in accordance with contracts already approved at an appropriate level may be approved by the CEO or the Head of Finance.	>100,000	100,000				50,000	50,000								
Settlement of Legal Proceedings		>20,000	20,000				10,000									

<sup>3</sup> Recommended to the Audit Committee for approval 07/02/19

<sup>4</sup> Recommended to the Audit Committee for approval 07/02/19

<sup>5</sup> Agreed by the Audit Committee 27/11/18

## Bank Mandates

Cheque Payments	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Standing Orders and Direct Debits	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Electronic banking (internal transfers)	WH or EC only						
BACs Run	Up to £1,000,000 any two signatories one of which must be Group A or Group B; above £1,000,000 any two signatories one of which must be group A (individual items to be initialled in line with Cheque Payments)						
CHAPs	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Changes to mandate	Two Group A signatories						
Signatory	BM	WH	AB	SF	EC	BDO	AL
Signatory Group	A	A	B	B	B	C	C
BM - Board Member							
WH - Wayne Hubbard							
EC – Eddie Confoy <sup>6</sup>							
AB - Antony Buchan							
BDO - Business Development Officer/Waste Authority Support Manager/Circular Economy Manager							
AL - Adam Leibowitz							

<sup>6</sup> Replacement of James Lanman with Eddie Confoy, recommended to Audit Committee 7/02/19