



31/10/19 – 2
Chief Executive Officer's Report

Board paper title		Paper 31/10/19- 2
Chief Executive Officer's Report		
Report by	Wayne Hubbard	
Job Title	Chief Executive Officer	
Date of decision	Board Meeting 31 October 2019	

Summary
This report provides an update on recent activity.

Recommendations
The Board is recommended to: <ul style="list-style-type: none">• Note the updates presented.

Risk Management	
Risk	Action to mitigate risk
No specific risks are identified in relation to this report.	

Implications
Legal None
Financial
Equalities None

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31/10/19 – 2 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

New Starters

Anna Szeler joined the Advance London team in June as a Business Advisor.

Leavers

Philip Guthrie, Circular Economy Hub Coordinator left the organisation in October. Philip was on a fixed term contract until 31 March 2020, and recently had been working mainly on the establishment of the CIRCulT programme. In light of the team changes proposed in the draft business plan and the shortness of the remaining time on the contract, it is proposed that a replacement will not be recruited.

Recruitment

The CIRCulT Project Manager and Project Coordinator positions were advertised in September. A good response was received and interviews were held in mid-October for both positions. An update will be provided at the meeting.

Contract Extensions

The Love Not Landfill Campaign Lead and Campaign Executive were previously on fixed term contracts ending on 31 December 2019. It is envisioned that these roles will continue in the new business planning period from April 2020. In order to ensure that the current post holders are retained until the positions are extended on approval of the business plan, these two fixed term contracts have been extended until 31 March 2020.

Following confirmation of the three year extension of the ERDF funding of the Advance London SME Support Programme, the contracts of the post holders are being made permanent. Permanent contracts are being put in place rather than three year extensions as once staff have been employed for longer than two years there is no material difference between a fixed term and a permanent contract.

Communications and publicity

A number of news releases have been distributed since the last meeting, relating to a range of initiatives:

- **C&A Foundation** – on 30th May a release was sent out to announce the sign-up of four brands to the 'Circular Fashion Fast Forward' project, funded by the C&A Foundation. This has been followed by a series of announcements relating to the brands' individual projects either piloting or launching circular business models:

31/10/19 – 2

Chief Executive Officer's Report

- Full Stack Supply Company launched their new outdoors wear brand and repair service FW; in August and LWARB issued a release with partners QSA to announce our role in developing the service;
- on 3rd October Ted Baker announced that they will be launching a resale platform within this financial year;
- and on 15th October Adidas hard-launched its take-back and resale service, 'Infinite Play', and LWARB accompanied this with a release to trades and local media.
- The **Greater London Investment Fund** was launched on 30th May, accompanied by a GLA press release containing a quote from Dr Liz Goodwin on LWARB's role and contribution to the £14m circular economy element of the fund.
- **CE Week 2019** – a release went out in advance of CE Week (10th – 14th June) to a range of London, environment and business titles, resulting in a number of pieces including a feature in the Evening Standard: a beginner's guide to the circular economy and why it is important.
- 12th June – London was awarded **EMF Food Initiative Flagship City** status, alongside Sao Paulo and New York. The announcement was made by EMF at EAT Stockholm and via a news release.
- TRiFOCAL and the **Small Change, Big Difference** householder campaign has been active since the summer, launching a series of 30 cookery classes at the end of June with a news release resulting in a wide range of coverage including an article with interview in the Londonist; and the final wave of campaign activity will have taken place by the time the Board takes place during the week commencing 14th October. This campaign week will be launched with a news release featuring a 'food waste house' and a series of localised releases from the 12 boroughs funded as part of the activity, all highlighting the things that citizens can do to reduce food waste, eat more sustainably and recycle more unavoidable food waste.
- 23rd – 29th September was national **Recycle Week**, and the London Recycles campaign issued a localised version of the national release encouraging citizens to take action on recycling. This resulted in a number of local media articles in those boroughs who were funded to run localised campaign activity during the week, as well as a live interview on BBC Radio London on Monday 23rd.
- **#LoveNotLandfill** has run a number of engaging events since the last Board meeting, principally a pop-up shop during July in Carnaby Street in collaboration with online vintage clothes platform Depop, in a venue provided free of charge by Shaftesbury plc. This was accompanied by a news release which achieved coverage in a number of consumer and listings titles. The retail landlord has gone on to provide a much larger space on Neal Street for the next charity pop-up shop in mid-November, for which a news release has been developed and will have been distributed by the time of the Board meeting.

31/10/19 – 2

Chief Executive Officer's Report

Awards

LWARB's communications and behaviour change activity has won a number of awards over the summer:

- #LoveNotLandfill – communication and education award at the Better Society Awards; campaign of the year (jointly with 'One bin is rubbish') at the National Recycling Awards; and 'One to watch' at the Global Good Awards.
- London Recycles 'One bin is rubbish' campaign – campaign of the year (jointly with #LoveNotLandfill) at the National Recycling Awards.

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.

Digital

- The LWARB podcast, 'The Circular Economy Playbook', was launched with a teaser episode at the beginning of August, followed by the first full episode at the end of August on 'what is the circular economy?'. Episode 2 – on fashion and featuring interviews with businesses that LWARB has worked with was released in October. Episode 1 has been listened to by almost 600 people so far, from locations as diverse as Iceland, India, the United States, Ukraine and Ethiopia. A special on flats recycling is planned for November, with episodes on food and consumption-based emissions to follow this year.
- Advance London have recently completed a full review of their project communications approach and have refreshed all their materials, including the website. A series of case studies are to be published shortly.

Engagement with waste authorities

An engagement plan for members and senior officers in waste authorities has been created as an output of recent consultation with borough representatives through London Councils. A presentation will be given to the Board presenting the outline plan.

Progress Against Business Plan Milestones

Circular London

- **Advance London Business Support**

The Advance London business support project has now been extended for a further 3 years (originally due to end Dec 2019) with additional LWARB/ERDF funding and output targets. The portfolio now consists of 160 circular economy SMEs, who have each received business advice and support from LWARB's specialist team. The team has recently enlisted a communications company to refine their messaging and has revised its service offerings to provide clear streams of support based on SME needs. The new services will be launched with a new look website, application processes and related materials is now live.

31/10/19 – 2
Chief Executive Officer's Report

- ***Circular Economy Week –***

The week was much bigger than last year with more than 40 events across the city throughout the week. This created significant activity in trade press, including a piece in the evening standard, and across our social media channels. It is estimated that more than 1200 people attended events over the week. As part of the activities LWARB host a launch event which had 150 attendees from across industry sectors and businesses in London and featured Kate Raworth as a keynote speaker. LWARB also organised a cities roundtable which was attended by 9 cities and a few regional representatives from Scotland and Wales as well as DEFRA. There is a desire that this will become a UK circular cities working group. This event also opened up to a global cities networking event hosting the wider Ellen MacArthur Foundation cities network.

- ***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.***

CircE - We have completed phase 1 and are now focusing on phase 2, the delivery of the action plan, which covers procurement, the circular economy statement and updating our strategy for the five focus areas.

Circular Construction In Regenerative Cities (CiRCUIT) - LWARB is a partner in an EU Horizon 2020 project that focuses on circular economy built environment demonstrator projects. The project involves Copenhagen, Hamburg and Helsinki Region as well as London. LWARB have put together a consortia in London that will receive around €2 million over 4 years, with around €1 million to cover LWARB staff time and to facilitate circular economy built environment demonstrator projects. The project is 100% funded by the EU. The London consortia partners are: Greater London Authority, Building Research Establishment (BRE), UKGBC (UK Green Building Council), Imperial College London, Grimshaw Architects and Clear Village.

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

The Circular Economy Policy and Projects Officer is developing a set of projects with the officers from each of the three champion boroughs (Bromley, Camden and Hackney). This includes embedding circular economy in procurement, and a refill mobile street market. The Bromley Champion and the LEDNET Chair (Tower Hamlets) accompanied the CEO to the EMF accelerator workshop in May to increase understanding about the circular economy in practice. Bromley are focusing on developing a procurement tool, Camden are developing a refill market stall and Hackney are setting up a Library of Things.



31/10/19 – 2

Chief Executive Officer's Report

The third session of the LEDNET circular economy group was on 25th September. Each meeting includes a variety of external speakers to share knowledge on current and future circular economy work within London.

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 projects and individual authority support projects. The major projects currently being undertaken are:

- *Flats Project:* (in partnership with Peabody Housing Association and six inner London boroughs) – the live phase of this project is now complete. Officers are now analysing the results. The project findings will be published in late autumn;
- *Contamination Hit Squad:* (in partnership with LEDNET and for London boroughs) - the aim of the pilot is to test the hypothesis that a shared dedicated team of officers (the hit squad) checking contamination in kerbside containers, presents a cost-effective way of managing and reducing contamination.
- *Reduction and Recycling Plans (RRPs):* All wave one and two RRP have been submitted. Resource London are supporting wave three boroughs to develop their RRP to be submitted to the GLA in December.

- **There will be an additional focus on promoting commercial waste recycling (including food).**

Commercial recycling Project: Resource London are supporting a number of boroughs to improve their commercial services and supporting London BIDs to look at the feasibility of introducing waste consolidation schemes.

Audit Committee Activity

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

The Committee met once, on 6 June 2019, since the previous Board meeting and considered the following items.

Finance Reports

Finance reports for Q4 2018/19 (Appendix 2) were approved.

Internal Audit

The internal Auditors (Ankura/TIAA) presented their internal audit reports covering:

- Key Financial Controls
- IT Security & Data Protection
- Risk Management
- Scheme of Delegation

31/10/19 – 2

Chief Executive Officer's Report

Overall, the auditors were pleased with their audits and nothing dramatic had been highlighted. A total of 19 recommendations were made across all the audits, which will be addressed. Of these, all but one was considered to be a routine or operational matter. In each area reviewed, "Reasonable Assurance" was given. The full audit reports may be seen on the LWARB website (Audit Committee meeting papers).

External Audit

External auditors, Grant Thornton, presented their fee letter for 2019/20, which is unchanged from 2018/19.

The letter of representation from the Committee in response to the auditors request for information on how the committee gains assurance on the financial statements was approved.

Risk Register

The Board's Risk Register was reviewed. A number of minor amendments were made. No significant changes to the register were agreed other than an increase in the likelihood of risks arising from Brexit.

Staffing

The Committee noted the outcome of the staff restructure, and the recruitment of a new Head of Programme – Circular Economy.

The Committee noted the implementation of the second year of the two-year pay award agreed in 2017/18.

Funding

The Committee noted that confirmation of EU Horizon 2020 funding had been received (£1m), and noted the uncertainty around the implications of a potential 'no-deal' Brexit on this funding.

Review of Governance Procedures

As part of its remit, the Committee carries out an annual review of the Board's governance procedures and reviewed:

- Standing orders
- Scheme of Delegated Authority
- Committee Terms of Reference & Memberships (Audit Committee, Investment Committee, Resource London Partnership Board).

The Committee approved amendments to the Scheme of Delegated Authority to reflect the recent staff restructure (subsequently approved by the Board).

The Committee approved an increase in the threshold for declaration of gifts and hospitality from £25 to £50 in the Standing Orders Code of Conduct.



31/10/19 – 2

Chief Executive Officer's Report

The Terms of Reference and membership of the committees were approved, and the need to re-consider the necessity/role of the Investment Committee was noted.

Written Resolutions

The Committee approved two papers presented as written resolutions since the previous meeting of the Board.

18/07/2019 LWARB Statement of Accounts 2018-19 and External Audit

This paper presented the External Audit Findings report and draft Audit Opinion and sought Committee approval of the LWARB Statement of Accounts for 2018/19 and the Letter of Assurance from the Committee to the external auditors (management arrangements).

5/9/19 CIRCuiT Staffing

This paper sought approval to establish two new posts (Project Manager and Project Co-ordinator) for the CIRCuiT project.

Supporting papers/appendices

Appendix 1 – Events List

Appendix 2 – Finance Reports Q4 2018/19

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
20/05/2019	Contiki swap with Manchester Uni	Hannah	Swap shop	Textile Waste - holiday clothes	HC, OS	16-24-year-old Londoners	Co-organiser
21/05/2019	New Plastics Economy (EMF)	Beverley	Presentation and networking	London and plastics	BS, AB	NPE members including brands, corporates	Organiser/speaker
23/05/2019	Let's Recycle Live	Let's Recycle	Expo	Wom in Waste	BS	Waste sector	Panelist
23/05/2019	Urban Futures: Circular Business	Oslo	Conference	Circular Businesses	WH	City leaders	Presenter
24/05/2019	Fashion Green Days	Hannah	Expo	Sustainable Fashion	HC	Brands, corporates	Speaker
24/05/2019	Eco Innovation Forum	Hannah	Forum	Innovation	HC	Brands, corporates	Speaker
28/05/2019	Borough comms support workshops (x6) - to 27/06/19	LWARB	Workshops	Communicating with residents; service change and flats communications; London Recycles 101; using digital effectively.	VL / AMo	Borough recycling and comms teams	Trainers / organisers
29/05/2019	CircE - Sofia update	LWARB	Workshop	Programme update	ACr	CIRCE programme participants	Speaker/delegate
30/05/2019	Ealing Broadway swap shop	Ealing Broadway	Swap shop	Sustainable Fashion	None	Public	Sponsor
04/06/2019	Practitioner in Residence	London College of Fashion	121 Consultations	Textiles	JM	Students / Entrepreneurs	Attendee / Consultant
04/06/2019	The Future of Food	Innovation Forum	Conference	Food	JB	SMEs and Corporates	Speaker
05/06/2019	BITC waste to wealth & BE	BITC	Round table / Workshop	Circular economy & BE	PG	Business and industry networks	speaker / contributor
06/06/2019	Circular Fashion workshop	London College of Fashion	Workshop	Circular fashion	ACr	academics	Speaker
10/06/2019	CE Week launch event	LWARB	conference	CE	ACr	Local government, businesses, academics	Speaker
10/06/2019	CEweekLDN launch event	LWARB	Conference	Circular economy	All	business/ SMEs	Speakers / panel hosts
10/06/2019	Housing, communities and Local Government evidence committee	Housing, communities and Local Government evidence committee	Evidence committee	DEFRA consultations	CC	Ministers	Panelist
10/06/2019	CEWeekLDN: Official Launch	LWARB	Conference	Circular Economy in London	All team	Circular Economy Stakeholders	Organiser
11/06/2019	Exploring the Circular Office in Islington	ISEP	conference	Circular office	PG	business/ SMEs	speaker / panelist
11/06/2019	Commonwealth CE roundtable	LWARB & Commonwealth	Presentation event	CE	ACr	national government	Speaker/organiser
12/06/2019	UK Circular Cities Network	LWARB	Round table + networking	circular cities	PG / AB / JC / WH	cities	chair / speaker / facilitator
13/06/2019	CE Week swap and screen	Hannah/Liv	Swap shop and documentary screening	Sustainable Fashion/CE week - swap	HC, OS	16-24-year-old Londoners	Organiser
13/06/2019	Resourcing the future CIWM conference	CIWM	Conference	Commercial waste	AB	Waste sector / CIWM members	Speaker
14/06/2019	CEC circle line tour	CEC	tour	Circular business	PG / NA	SMEs	Host / speaker
14/06/2019	ACR+ conference	ACR+	Presentation event	Trifocal	BS	Cities	speaker / panelist
18/06/2019	CIRCUIT kick off meeting	City of Copenhagen	Workshop	circular construction	PG	cities / business	Speaker
26/06/2019	COLLECTORS Project meeting	COLLECTORS Project	conference	Waste collections	CC	Public, businesses, local government, consultancies	speaker/panelist
28/06/2019	Chef Manifesto June Gathering	Chef Manifesto	Conference/networking	Food	JB	SMEs, Corporates, Investors, Government	Speaker

test

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
02/07/2019	Closing the plastics cycle	institute mechanical engineers	Conference	Plastics and CE	AB & NA	Mechanical engineers	Speakers
03/07/2019	Climate Innovation Conference	Climate Action	Conference	climate change	ACr	Local government, businesses, academics	delegate
03/07/2019	Climate innovation forum	CIF	Conference	CE	AB	Government, businesses	Round table facilitator
03/07/2019	Climate Innovation Forum	London Climate Action Week	Panel/Networking	Circular Economy	JC, IK,	300+ London businesses and policy makers	Panelist
04/07/2019	Circular Economy in Cities and Regions	OECD	Roundtable	Circular Economy	WH	Policy makers	Panel
09/07/2019	BITC Award Dinner	BITC	Dinner	Sustainable Business	JC	Businesses and policy makers	Dinner Guest
10/07/2019	Waste Management smart Class	Smart Class	workshops	Flats	AB	Local Government, businesses	Speaker
11/07/2019	CIRCUIT london partners workshop	LWARB	Workshop	circular construction	PG	cities / business	Speaker
16/07/2019	Depop pop up	Hannah/Liv	Pop up	Sustainable Fashion	HC, OS, AM	16-24 year old Londoners	Organiser / sponsor
18/07/2019	Cleantech London Workshop	GLA	Workshop	London Cleantech Cluster	JC	Potential Collaboration Partners	Participant
19/07/2019	Circular office tour	LWARB	Tour	circular office	PG / NB	business/ SMEs	speaker
25/07/2019	B6/B7 Webinar	Hannah/Liv	Webinar	ECAP projects on textile waste	HC, OS	Brands, corporates	Speaker
01/08/2019	EMF summer school presentation and tour	LWARB	Presentation event	Circular London	ACr, NB	academics	speaker/organiser
03/08/2019	Vegan Days swap shop	Hannah/Liv	Swap shop	Sustainable Fashion	HC, OS	All public	Organiser
10/08/2019	Ealing Broadway swap shop	Ealing Broadway	Swap shop	Sustainable Fashion	None	All public	Sponsor
20/08/2019	Hong Kong study trip delegation	Environment Protection Department (Hong Kong)	District tour and presentation	Food waste collections	CC, SC	Hong Kong Delegates	Tour guide and presenter
20/08/2019	Hosting Hong Kong Government	LWARB	Delegation	Food waste	SC / CC	International Government	Organiser / presenter
06/09/2019	London Heads of Comms network	London Councils	Network meeting	LWARB's behaviour change campaigns	ABu	Heads of Comms	Presenter
09/09/2019	Investec Sustainable Fashion Breakfast Briefing	Hannah	presentation and panel discussion	Sustainable Fashion	HC	Corporates	speaker/panelist
11/09/2019	Investec breakfast briefing	Investec	presentation and panel discussion	Circular fashion	ACr	business	speaker/panelist
11/09/2019	RWM	RWM	Expo/seminars	Equality and diversity in the sector	BS	Waste sector / local government	Chair & panelist
12/09/2019	RWM	RWM	Expo/seminars	Equality and diversity in the sector	BS, EM	Waste sector / local government	Chair / panelist
12/09/2019	LECF meeting	LECF	Presentation event	Circular London and Boroughs	ACr	local government	Speaker
12/09/2019	EXPO 2020 Grand Challenges Series	Sustainable Food Systems	Workshop	Food	JC, JB	Potential Collaboration Partners	Participant
17/09/2019	Hewlett Packard Enterprises Sustainability Forum	HPE	Conference	Circular Economy	JC	Businesses	Panelist
18/09/2019	Collaborative Design Workshop on Away from Home Plastic Waste	Forum for the Future	Workshop	Plastic on the go	BS	Broad range from retailers, packaging, government, Greenpeace etc	Delegate / contributor
20/09/2019	Burberry material futures research symposium	BMFR	symposium	circular textiles	AM, ACr	academics, businesses	delegate

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
22/09/2019	Swap rebellion x PAUSE x Global Fashion Exchange swap	Swap rebellion	Swap shop	Sustainable Fashion	OS	16-35-year-old Londoners	Sponsor
25/09/2019	LEDNET CE group meeting	LWARB	Presentation	CE and Local authorities	ACr	Local government directors	Speaker/organiser
26/09/2019	Circular Economy Working Group	Defra	Workshop	Circular Economu	JC	Business and polciy makers	Panelist
27/09/2019	AJ connect	AJ	Conference	Retrofit	PG	business & industry networks	speaker / panelist
28/09/2019	Investec Sustainability Group	Investec	Workshop	Circular Economy	JC	Business	KEynote Speaker
30/09/2019	CIRCUIT steering committee	city of copenhagen	workshop / roundtable	circular construction	PG / JC	cities / business	Speaker / contributor
30/09/2019	CIRCUIT Steering Committee Meeting	City of Copenhagen	Meeting	Built Environment	JC, PG	Partners	PARTicipant
02/10/2019	India delegation	UK Civil Service College			JC NB		Tour
03/10/2019	LARAC	LARAC	Conference	Waste management in flats	CC	Local Government, consultants	Workshop speaker
08/10/2019	Korea delegation				JC		
08/10/2019	Earth Capital	Earth Capital			JC, NA		
09/10/2019	PLATE Conference on Product Lifetime Extension	TU Delft & Nottingham Trent University	Presentation	Circular Business	NA	academics, businesses	Speaker
09/10/2019	PLATE Conference on Product Lifetime Extension	TU Delft & Nottingham Trent University	Conference	Circular Businesses	NA	Academics, businesses	Speaker
10/10/2019	BUILDING THE CLIMATE NEUTRAL CIRCULAR CITY	Copenhagen	Summit	Circular cities	WH	City leaders	Attendee / Consultant
16/10/2019	Clean City Awards Environmental Best Practice Meeting	City of London	Conference	Commercial waste	SC	Businesses	Speaker
17/10/2019	CIWM meeting	CIWM	presentation event	CE and built environment	ACr	local government	speaker
17/10/2019	Global Challenges, Local Solutions	Circular Life	Conference / workshop	Commercial waste & CE	SC / EM	Businesses	Speaker
23/10/2019	Business Green Leaders' Summit	Business Green	Conference	Circular Businesses	NA	Corporates, SMEs, government	Speaker
03/11/2019	Swap rebellion x Body Shop swap shop	Swap rebellion	Swap shop	Sustainable Fashion	OS	16-35-year-old Londoners	Sponsor

**London Waste & Recycling Board
Finance Report
Q4 2018/19**

LWARB Expenditure summary

Overall LWARB expenditure for the year at £3.9m is £0.8m under plan when you take out the £7m allocated to the VC fund which was not completed in 2017/18. This is predominantly due to Advance London underspend £0.5m, Resource London underspend £0.4m, offset by £0.1m in additional overheads.

The Advance London spend benefits from a time lag in the work for the circular economy accelerator** (£166k), and a lower than expected net investment in the circularity capital growth fund (£291k). The underspend on Business consultancy support of £46k arises due to a 15% overhead allowance from ERDF against an actual recharge of approx. 6%.

Resource London is £399k under plan due to demand-led spending being less than anticipated. Additionally RL has been able to better utilise the WRAP contribution for this year due to changes in WRAP's administration procedures.

The Circular London programme is in-line with planned spend at £22k under budget. Programme professional fees show an underspend of £41k, due to VC investment and accelerator being delayed.

Overheads are £133k over budget. Almost entirely due to much higher than anticipated running costs in the new offices, with included £75k of new IT hardware.

LWARB Expenditure 2018- 2020 (LWARB spend excluding partnership contributions)	2018/19 Q4 Actual	2018/19 Q4 Budget	Variance	%	FY Budget	%
Advance London						
London Green Fund II	-	7,000	- 7,000		- 7,000	
Circular Economy Accelerator**	- 134	- 300	- 166	45%	- 300	45%
Circularity Capital growth fund	- 309	- 600	- 291	52%	- 600	52%
Business Consultancy Support	- 171	- 217	- 46	79%	- 217	79%
Total Advance London	- 614	- 8,117	- 7,503	8%	- 8,117	8%
Resource London	- 1,734	- 2,133	- 399	81%	- 2,133	81%
Circular London	- 278	- 300	- 22	93%	- 300	93%
Programme Professional Fees	- 34	- 75	- 41	45%	- 75	45%
Overheads						
Serviced Accommodation	- 464	- 485	- 21	96%	-485	96%
Staff Costs*	- 580	- 570	10	102%	-570	102%
Professional Fees	- 24	- 20	4	120%	-20	120%
Training	-	- 20	- 20	0%	-20	0%
Other Overheads	- 210	- 50	160	420%	-50	420%
Total Overheads	- 1,278	- 1,145	133	112%	- 1,145	112%
Total spend	- 3,938	- 11,770	- 7,832	33%	- 11,770	33%

* 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
Q4 2018/19**

LWARB Income and expenditure

1. Grant income for the full year is £559k. EU funding under the Advance London ERDF £193k, Trifocal £143k, ECAP £101k, and CirCE £76k programmes as well as net £46k from the C&A foundation.
2. £204k of interest on reserves with the GLA were received in the financial year. Along with £1k from RBS account.
3. £2.7k of loan interest came in from Ecotech Ltd.
4. The £1k other income contains £400 from the Boston Consulting Group for a Waste & Recycling presentation.
5. Resource London programme expenditure is £1,978k which is 17% (£400k) under budget for the year. Included in this figure is staff £478k and overhead of recharges £216k. The underspend is in line with expectations due to demand led spending being less than anticipated, and RL better utilising the WRAP contribution for the year.
6. Advance London programme expenditure at £367k is 16% (£67k) below budget for the year. This principally relates to programme underspend on consultancy and marketing of around £55k.
7. Circular Economy programme expenditure at £354k is 7% (£28k) under budget and follows on from the numbers seen earlier in the year. The reusable buildings spend of £23k is also expected to be fully recovered.
8. Investment programme costs are £91k over budget. This is due to £134k of costs associated with the Accelerator programme that were not in the cost budget. Actual professional fees of £34k compare favourably to the £75k budget.
9. The net effect of the above is overall programme expenditure 12% (£405k) under budget for the year to date.
10. Central staff costs are just over budget showing a 2% (£10k) adverse variance, this does however include £70k of redundancy costs.
11. Serviced accommodation, office move, and rent at £464k in total are under budget by £21k, due to the saving made by moving into the new offices later than expected. The P&L shows a YTD saving in serviced accommodation of £457k, which needs to be offset against the £241k shown in Professional Fees – Office move, and the £195k in Office Rent.
12. Professional fees at £24k are £4k over budget.
13. Other overheads are £128k over budget this includes £94k of IT costs, of which £75k is hardware.
14. Overall admin expenditure is 12% (£133k) over budget for the year at £1,278k.

15. Net expenditure at £4.1m overall is 6% (£272k) under budget for the year.

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 full year additional costs included in the budget for which we expect to incur and then have refunded.

Balance Sheet

16. Equity investments are £3.1m, £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. *A final year-end valuation is still to be done but is expected to be roughly in-line with this number.*

17. 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.

18. The current £88k Debtors balance includes £61k AL grants receivable, £23k existing CirCE, along with £3k of staff loans.

19. The RL grants receivable line is also a debtor of £22k made up of £18k Trifocal and £4k ECAP

20. The £16k prepayments includes Insurance of £3k, .

21. Total Bank – The net £3,524k decrease in cash over the year is reconciled to the net cash outflow figure in the Cash Flow statement.

22. Trade Creditors - The trade creditors balance of £108k relates mainly to the outstanding invoices £77k, additionally there is £20k PAYE and NI related, £6k Pensions, and around £6k of credit card balances.

23. Deferred income –The previous balance related to last year and has been allocated.

24. Provision for committed expenditure – This reflects outstanding contractual funding commitments. The £551k 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 31 March 2019

	Period							YTD						
	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%
Income														
Grant income	240		240		372	(132)	-36%	559	200	359	180%	416	143	34%
LGF1 crystallisation income												18,000	(18,000)	-100%
Loan interest income					63	(63)	-100%	3		3		202	(199)	-99%
Bank interest receivable	112		112		70	42	59%	205		205		123	83	68%
Other income					5	(5)	-92%	1				12	(12)	-95%
Total Income	352		352		510	(158)	-31%	768	200	568	284%	18,753	(17,985)	-96%
Programme Expenditure														
Resource London programme expenditure	826	1,097	(271)	-25%	1,141	(315)	-28%	1,978	2,378	(400)	-17%	2,096	(119)	-6%
Advance London programme expenditure	61	90	(30)	-33%	55	6	11%	365	434	(69)	-16%	265	100	38%
Circular Economy programme expenditure	86	94	(8)	-9%	55	30	55%	331	382	(51)	-13%	250	81	32%
Circular Economy Accelerator programme expenditure	2		2			2		2				61	(59)	-97%
Circular Economy - Reusable Buildings								23		23			23	
Impairment losses					1,348	(1,348)	-100%					11,559	(11,559)	-100%
Investment programme costs	132	19	113	605%	90	42	47%	166	75	91	122%	196	(30)	-15%
Total Programme Expenditure	1,107	1,300	(193)	-15%	2,689	(1,582)	-59%	2,864	3,269	(405)	-12%	14,427	(11,563)	-80%
Administrative Expenditure														
Staff costs	170	143	27	19%	125	45	36%	580	570	10	2%	496	84	17%
Serviced Accommodation	(22)	83	(105)	-127%	24	(46)	-194%	28	485	(457)	-94%	97	(69)	-71%
Professional fees	44	5	39	778%	17	27	160%	24	20	4	20%	29	(5)	-17%
Professional Fees - Office Move	4		4			4		241		241			241	
Office Rent	100		100			100		195		195			195	
Office expenses	5		5			5		12		12			12	
Other overheads	75	18	58	329%	27	48	174%	198	70	128	183%	78	120	155%
Total Administrative Expenditure	375	248	127	51%	193	182	94%	1,278	1,145	133	12%	700	578	83%
Net Income / (Expenditure)	(1,130)	(1,548)	418	27%	(2,372)	1,242	52%	(3,374)	(4,214)	840	20%	3,626	(7,000)	-193%

Balance Sheet (£000s)
London Waste and Recycling Board
As at 31 March 2019

	Movement YTD	Closing Balance
Fixed Assets & Investments		
Cycle	1	1
Equity investments	72	3,072
Current Assets		
Project loans	(235)	1,227
Debtors	36	88
Prepayments	(31)	16
RL grants receivable	22	22
Total Bank	(3,524)	23,747
Total Current Assets	(3,732)	25,100
Current Liabilities		
Accruals	252	287
Deferred income	(58)	
Stamp Duty	(9)	(9)
Trade creditors	(483)	108
Total Current Liabilities	(299)	386
Provision for committed project expenditure	14	551
Net Assets / (Liabilities)	(3,374)	27,237
General Fund	(3,374)	27,237

Cash Flow (£000s)		
London Waste and Recycling Board		
For the 3 months ended 31 March 2019		
	Period	YTD
Net Income / (Expenditure)	(1,130)	(3,374)
(Increase)/decrease in fixed assets		(1)
(Increase)/decrease in project loans		235
(Increase)/decrease in grants receivable	(22)	(22)
(increase)/decrease in equity investments	29	(72)
(increase)/decrease in debtors	(41)	(36)
(increase)/decrease in prepayments	(12)	31
increase/(decrease) in creditors	(75)	(483)
Increase/(decrease) in accruals	273	252
Increase/(decrease) in stamp duty		(9)
Increase/(decrease) in deferred income	(58)	(58)
increase/(decrease) in provision for committed project expenditure	77	14
Net cash inflow (outflow)	(960)	(3,524)
Opening cash	24,708	27,272
Closing cash	23,747	23,747

LWARB fund forecast to 31/03/2020

Fund Forecast 2018- 2020	Forecast	Plan 2018/19	Plan 2019/20
£000			
Income			
Bank interest	205	133	84
Project returns*	235	262	1,100
Total income	440	395	1,184
Advance London			
London Green Fund II	-	7,000	-
Circular Economy Accelerator	- 134	- 300	- 900
Circularity Capital growth fund	- 309	- 600	- 673
Business Consultancy Support	- 171	- 217	- 142
Total Advance London	- 614	- 8,117	- 1,715
Resource London	- 1,734	- 2,133	- 1,833
Circular London	- 278	- 300	- 300
Programme Professional Fees	- 34	- 75	- 75
Overheads			
Serviced Accomodation	- 464	- 485	- 275
Staff Costs	- 580	- 500	- 500
Professional Fees	- 24	- 20	- 20
Training	-	- 20	- 20
Other Overheads	- 210	- 50	- 50
Total Overheads	- 1,278	- 1,075	- 865
Total spend	- 3,938	- 11,700	- 4,788
b/f cash	27,272	26,202	14,897
c/f cash	23,774	14,897	11,293

* 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.