

**04/10/18 – 2****Chief Executive Officer's Report**

Board paper title		Paper 4/10/18 - 2
Chief Executive Officer's Report		
Report by	Wayne Hubbard	
Job Title	Chief Executive Officer	
Date of decision	Board Meeting 4 October 2018	

Summary

This report provides and update on recent activity.

Recommendations

The Board is recommended to:

- Note the updates presented;
- Give retrospective approval for CEO approval of new office IT and fit out contracts

Part A: Non Confidential Information**Risk Management**

Risk	Action to mitigate risk
No significant risks arise from the decision presented in the paper	

Implications**Legal**

None

Financial

None

Equalities

None

Originating Officer	Wayne Hubbard
Contact details	Wayne.hubbard@lwarb.gov.uk



04/10/18 – 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

Sarah Craddock has started in the role of Project Development Manager – Commercial Recycling.

Olivia Shaw – has started a 6 month internship helping develop the Love Not Landfill campaign.

Head of Finance Recruitment – Recruitment consultants Michael Page were appointed to run the recruitment for Head of Finance and Operations (the job description is at Appendix 1). A total of six candidates were interviewed by the CEO, and two were asked back to have a final interview with the Chair of the Audit Committee and the CEO. The successful candidate Edward Confoy who will start on 9 October. Edward Confoy's CV will be circulated to the Board.

Communications and Publicity

Appendix 2 contains a list of events where the LWARB team presented or led workshops.

A news release was issued by the Resource London team in September to launch the Love Not Landfill campaign, supported by extensive social media activity. This has resulted in widespread sharing and reporting of the campaign and its new bring banks, hand-painted by street artist, Bambi.

LWARB communications increasingly take place on social media. We are tending to make less use of mainstream traditional media, and as a consequence are issuing fewer news releases. However, the reality is that much of our content is ad hoc, and we need to be more systematic and integrated internally and with external partners in our use of social media. We are currently reviewing our use of PR and social media and will report back on our findings and recommendations.

Update on Office Move

The lease has been signed and the fit out is underway. A presentation on the fit out will follow.

At the May meeting the Board agreed that, "In order to facilitate the finalisation of the lease on a new office in a flexible manner, the Board is recommended to delegate to the Chief Executive Officer authority to finalise and sign a lease on behalf of the Board. Delegation is provided on the basis that the total cost of the property (including rent, rates, service charge, cleaning, IT support, insurance etc.) does not exceed £350,000 per annum and associated fit out costs do not exceed £210,000, as detailed in the

04/10/18 – 2 Chief Executive Officer's Report

Business Plan.”

On reflection this approval was deficient, in that it did not allow for the CEO to appoint necessary high value services, in particular the IT management company and fit out contractor. In consultation with the Chairs of the Board, Investment Committee and Audit Committee, it was decided that the CEO should appoint these services and seek retrospective approval from the board. Such approval is now sought.

Long Term Strategy Review

Following soundings from the Board, a draft report will be issued before the next Board meeting, with a final report to be adopted at the next Board meeting. This will allow for implementation during 2019.

Progress Against Business Plan Milestones

Advance London

- ***Launch of a collaboration and innovation Hub.***
Approval was granted for a new circular economy accelerator, seeking to help commercialise innovative new startups. The new office will facilitate hosting of around 10 new businesses over a period of 6-months of support. In addition, the new space will allow for the hosting of regular events and collaborative activity. The Circular Economy Accelerator is described in more detail within the Programme Update. It is due to launch in January.
- ***Launch a Venture Capital Fund.***
Launch has been delayed by a couple of months due to one of the funding partners not having all of their approvals in place as originally timetabled. Final approval will now be received in early October. In the meantime, the drafting of legal documentation is running concurrently and LWARB is working with MMC Ventures (selected Fund Manager) to finalise their circular economy framework and introduce dealflow.
- ***Advance London Business Support – work with 30-40 SMEs.***
The team has built an excellent reputation in the market and has already made significant headway against the target by working with 26 businesses in Q1 alone (Apr-Jun). The SME portfolio now contains 103 businesses who have benefited from some form of support from AL.

Circular London

Communications

- ***Work to disseminate circular economy thinking and promote the work of LWARB and London. At a national and international level, the Circular London programme has good working relationships with the Ellen MacArthur Foundation, C40 and UN Environment, and will continue to develop these***

04/10/18 – 2

Chief Executive Officer's Report

relationships to help achieve this objective.

LWARB was invited to submit an application to the P4GAward for Excellence in relation to partnerships delivering circular economy action. The CEO has been invited to present LWARB's partnerships, programmes and achievements to the judges on 19/20 October – winners will be announced at the event, which is being held in Copenhagen.

LWARB continues to be approached to share experience to date on circular economy both from cities and counties in the UK and further afield, and recently the CEO presented LWARB's work to municipalities in Alberta, Canada.

The Circular London team are in regular contact with C40 and the Ellen MacArthur Foundation.

- ***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. We will develop a programme of blogs, podcasts, and thought leadership.***
Circular London held a soft launch of a circular economy community for London on 18 June 2018. There were over 100 attendees and feedback was very positive, including on the range of attendees and content. Panel discussions included individuals from Costa and John Lewis, with Councillor Bassam Mahfouz kindly chairing one session. Other attendees included Crown Estate, JLL, Heathrow, TfL, ASOS, Stella McCartney, IKEA, M&S, PwC and Barclays. A Circular London website was also launched which currently shares case studies, blogs and news stories.
- ***Deliver a programme of events that supports the work of the virtual hub;***
The community will also be formed of a programme of physical events, starting with a networking event for community members at LWARB's new offices in late October. These events will be focussed around different cross cutting themes and sectors relevant to circular economy.
- ***Develop a set of city-wide metrics (KPIs) that capture progress towards a more circular city.***
LWARB is engaged with the EU Urban Agenda Partnership working group on circular economy metrics which is committed to delivering a set of metrics suitable for measuring circular economy at the city level. The Circular Economy Manger attended an Urban Agenda workshop in September and presented the work carried out to date on this topic in London by Cambridge Econometrics focusses on resource productivity, jobs and waste/recycling levels. The report was well received and will inform the work of the group.

04/10/18 – 2

Chief Executive Officer's Report

Policy and procurement

- ***Defining and quantifying the role of circular economy in reducing carbon emissions.***
C40 released new research in March 2018 on 'Consumption based GHG emissions of C40 cities'. The research shows that the carbon emissions associated with consumption in the majority of C40 cities, mainly those in the global north, are much higher than those associated with so called 'in boundary' or scope 1 and 2 emissions (mostly energy and transport from within a city boundary) emissions. LWARB considers this work to be of significant importance and will work with C40, Ellen MacArthur Foundation and the GLA to investigate how it can influence our demonstrator and collaboration activities.
- ***Continue to work with colleagues at the GLA to embed circular economy in appropriate policies and guidance.***
Since the last Board meeting the Circular London team has co-ordinated and submitted comments to: the Government's call for evidence on single use plastics; the London Food strategy; and the Environmental Audit Committee's call for evidence on sustainability of the fashion industry for LWARB. Work is also progressing with guidance for the draft London Plan circular economy statement policy.
- ***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.***
A briefing on how LWARB has influenced the new London Environment Strategy, draft London Plan and other strategies has been provided to CircE partners and the EU joint secretariat. The project has looked at a prioritisation of circular economy opportunities identified by engagement with the London steering group members and through the use of a ranking tool created for the project. These opportunities will now be developed and used to create an action plan that will guide the second phase of the project.

LWARB will be hosting CircE project partners and stakeholders from across Europe in late November to learn about circular economy in the built environment.
- ***Engage London boroughs with the circular economy agenda and benefits through the development of the circular economy champions programme.***
A new Borough Champions offer has been drafted and will shortly be open to Local Authorities for nominations following initial work with Sutton, Merton and Islington. Up to three boroughs will be able to benefit from support to increase borough activity in relation to the circular economy.

**04/10/18 – 2****Chief Executive Officer's Report****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.***

The five current top opportunities are Clarion, ASOS, IKEA, C&A Foundation and Heathrow. The full pipeline can be found at confidential appendix 1.

- ***Capture case studies and data from demonstrators to ensure learning across the city and beyond.***

Case studies are presented as part of the new Circular London website.

More details on all business plan objectives can be found in the 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) – physical interventions are being rolled out from 24 September, these will be in place until June 2019 and are accompanied by a comprehensive evaluation and monitoring plan;
- *London Recycles One Bin is Rubbish campaign:* the second year of the regional behaviour change campaign (but specifically targeting 16 inner London boroughs with higher percentages of the hard to reach audience segments);
- *Small Change, Big Difference and Love Not Landfill:* continuation of the two EU Life funded TRIFOCAL and ECAP campaigns.

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

Commercial recycling Project: appointment of a new officer to support and promote the adoption of better recycling of commercial waste across the capital. The initial phase of work is centred on establishing the current provision of LA commercial waste services, conversations are being held with each Local Authority. In addition conversations are being held with all London Business Improvement Districts (BID) to identify what commercial waste consolidation schemes, if any, are in place. The next phase will be to engage with the private sector.

**04/10/18 – 2****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 has met once (on 22 May 2018) since the last meeting of the Board. A second meeting was scheduled for September, but had to be postponed. The following business was considered by the Committee:

Treasury Management

Following discussions at previous meetings and with various investment management companies, the Committee considered a paper from the Head of Finance concerning future treasury management policies for the Board and agreed not to change the current treasury management arrangements. Namely, the entirety of the Board's cash reserves other than those required to service short term operating expenditure will continue to be held with the GLA, under the terms of the loan agreement with that entity, and with interest earned mirroring the overall yield on funds held in the GLA's Group Investment Syndicate Scheme. The remainder will be held with the Board's bank, RBS, in order to service ongoing operating expenditure. The full policy is attached at Appendix 3 and will be kept under review by the Audit Committee.

Finance Reports

The Committee reviewed and approved the Finance Report for Q4 2017/18, which is included at Appendix 4.

Internal Audits

The Committee received two audit reports from the internal auditors (on core financial systems and human resources procedures). Both of these audits are in areas where new systems have recently been implemented within LWARB. Both audits gave satisfactory assurance over the areas investigated, with just a few Priority 2 (scope for improvement) and Priority 3 (minor issues to be addressed) recommendations.

These were the final reports that would be provided by the then current internal auditors (Mazars) as their contract ended in Summer 2018. Officers will procure new internal auditors in the autumn.

External Audit & Accounts

The programme for the external audit and publication of the annual Statement of Accounts was approved by the Committee. The Committee noted that the change to the statutory deadline for publication (from 30 September to 31 July each year) made the approval process quite challenging.

Subsequent to the meeting, at the end of their Audit, Grant Thornton (LWARB's external auditors) provided an unqualified opinion on the financial statements and an unqualified conclusion on the Board's arrangements for securing economy, efficiency and effectiveness in its use of resources.

**04/10/18 – 2****Chief Executive Officer's Report****Risk Register**

The Committee reviewed the current risk register and requested that the risks around the office move be added (namely, the risks of not securing a suitable space, increasing distance from key stakeholders – GLA & London Councils, the distraction from day-to-day business that the move will generate and the overall risks of transferring LWARB's systems and data to a new location).

Staffing

The Committee approved the establishment of a new, fixed term (to the end of March 2020) position of Commercial Waste Recycling Officer and a permanent position of Community and Office Manager. The Committee also approved an amendment of the Pay Policy such that the Chief Executive's salary is set as a spot salary, to be agreed by the Chair of the Board and the Chair of the Audit Committee.

The Committee noted the upcoming departure of James Lanman, Head of Finance and agreed a vote of thanks for his contribution to LWARB. Details of the recruitment of a replacement are given elsewhere in this paper.

General Data Protection Regulations

The Committee reviewed and noted the preparations that were being made for the introduction of the General Data Protection Regulations.

Supporting papers/appendices

- Appendix 1: Head of Finance & Operations Job Description
- Appendix 2: Events List
- Appendix 3: Treasury Management Policy
- Appendix 4: Finance Report

Title of post: Head of Finance and Operations
Salary/Grading: Grade 10 (£67,393 – £74,435 per annum)
Reports to: Chief Executive Officer

Overview of the position

The Head of Finance and Operations will work closely with the Chief Executive Officer and will oversee all of LWARB's financial and HR functions. The position is one of five which sit on the organisations Senior Management Team (the others being the CEO, Governance Officer and three programme leads).

The finance function ranges from management oversight of the processing of all of the Board's financial transactions, preparation of the monthly management accounts and annual financial statements through to working with the investment team on particular LWARB investments and with the CEO, Board and Committee members on LWARB's mid- and long-term strategies to ensure financial security for the organisation.

In the past couple of years, LWARB has expanded from a small team of only seven or eight to its current complement of 22 members of staff, and HR responsibility is a new addition to the role. The post holder will take the lead in ensuring that LWARB's HR processes and procedures are appropriate and up to date.

Staff management

The post holder will oversee the work of two other team members who contribute to the running of the organisations finance and HR systems as part of their wider roles. Line management of these two staff lies elsewhere but is currently under review.

Key internal & external stakeholders

The post holder will work closely with senior officers of LWARB including the CEO, Head of Investment, and other programme leads, as well as with Board and Committee members - in particular the Chair and members of the Audit Committee.

Externally, the Head of Finance and Investment will work closely with the Boards external and internal auditors, tax and legal advisors, HMRC, bank, GLA treasury, external funders and local authorities.

Key responsibilities:

1. Overall responsibility for LWARB's finance and HR functions.
2. Budgeting, forecasting, treasury management.
3. Working with the CEO to explore new funding opportunities and developing mid- and long-term strategies to ensure financial security for the organisation.
4. Oversight and improvement of financial control environment and financial systems.
5. Preparation of monthly management accounts and presentation to LWARB's audit committee.
6. Preparation of annual statutory accounts and management of external audit.
7. Payroll management.
8. Liaison with HMRC.
9. Oversight of corporation tax affairs, including liaison with external tax advisors.
10. Management of outsourced Internal Audit function.

11. Ad-hoc financial analysis of new opportunities.
12. Oversight and improvement of LWARB's HR function, including training, employee development plans, liaison with external legal advisors on legal matters.
13. Management and improvement of LWARB's HR systems.

Other Duties

1. To maintain professional development to meet the changing demands of the job, and participate in appropriate training activities;
2. To undertake such other duties and training as may be reasonably required, and which are consistent with the general level of responsibility of this job.

Profile

Knowledge, skills and experience	Essential	Desirable
1. Professional accounting qualification (CIPFA, ACA, ACCA, similar).	x	
2. Knowledge of public sector accounting standards		x
3. Experience managing a finance function	x	
4. Experience working with Xero and add-ons		x
5. HR management experience	x	
6. Excellent communication skills, ability to work with range of stakeholders.	x	
7. Competent and experienced in presenting information to senior leadership/board	x	
8. Highly organised, with experience improving processes and systems.	x	
9. Significant interest in waste and recycling, climate change and related renewable and sustainable energy issues.	x	
10. An understanding of equality of opportunity and valuing diversity and the ability to translate this into action.	x	

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
16/05/2018	The Business Show		B2B Trade Show	General Business	NA, JB, SB, AC	Small businesses	Exhibitor
23/05/2018	Make It British Live	Make It British	B2B Trade Show	Textile manufacturing	AC, SB	Textile businesses	Delegate
23/05/2018	BISRA Conference	BISRA	Conference / Seminar	CE in building services	PG	Business	Speaker
25/05/2018	LSDC Green Finance	GLA	Workshop	Circular Economy Finance	NA	GLA, Finance Industry, Central Govt	Participant/ Representative
30/05/2018	ECOR Cicular Workshop	Dutch Embassy	Workshop	CE Construction	SF	Corporates, Startups, Policy Makers	Participant
05/06/2018	Barclays Plastics Seminar	Barclays Bank	Presentation	Plastics & CE Solutions	SF	Barclays Employees	Speaker
07/06/2018	Sustainability Expert in residence	London College of Fashion	Workshop and one to one advice	CE in Fashion	ACR	UAL students	Advisor
13/06/2018	Resourcing the Future	CIWM	Conference	Waste management innovations	NA, JB	Waste Management companies, corporates and public sector	Delegate
14/06/2018	Rushlight Summer Showcase	Rushlight	Exhibition	Clean Tech	EM	Clean Tech	Delegate
18/06/2018	Circular London Collaborative Action Day	Circular London (LWARB)	Conference	Circular Economy London	CO, PG, Acr, N	SMEs, corporates and public sector	Panelist, Delegate
19/06/2018	Future Planet Cleantech Event	Future Planet	Speaking Event	Clean Tech	EM	CE professionals	Delegate
20/06/2018	Compelling Communications: How To Communicate Your Circular Business	Advance London	Workshop	Compelling communications	AL Team	SMEs	Facilitator
20/06/2018	A CIRCULAR FUTURE for the built environment	Biohm	Speaking Event	CE and the built environment	EM	Mixed	Delegate
20/06/2018	Materiom launch	Makerversity	Speaking Event	Launch of Materiom (open source materials platform)	AC		Delegate
20/06/2018	Materiom launch	Makerversity	Launch event / part of CEweekLDN	Launch of Materiom (open source materials platform)	PG	Business / academics / EMF	Delegate

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
21/06/2018	Design for Manufacturing Summit	Design for Manufacturing Forum	Speaking Event	Manufacturing	JB	Manufacturing industry	Speaker
21/06/2018	Bridging the gap between material innovators and waste management	Advance London	Workshop	Waste management of innovative materials	AL Team	SMEs	Facilitator
22/06/2018	Cities and circular economy for food	EMF	Workshop	CE and food	CO	CE professionals	Delegate
22/06/2018	Intro to CE in London	Korean Government	Delegation	CE in London	WH, ACr, CO	Korean government officials	Speaker
25/06/2018	Circular Economy Statement Sounding board	GLA	workshop	CES	ACr	MDAs, GLA, industry	participant
25/06/2018	UCL CPT workshop	UCL / Cranfield / Exeter	Workshop	CE doctrinal school	PG	Business / academics	Participant
28/06/2018	HP Sustainability Summit	HP	Conference	CE and sustainability	PG	Business	Delegate
05/07/2018	Pluumo Product Launch	Aeropowder	Product launch	Launch of Pluumo (packaging material made from chicken feathers)	EM	Mixed	Delegate
12/07/2018	Sutton sustainability strategy workshop	Sutton	workshop	CE	ACr, NA	Council	participant
12/07/2018	Toast's Better Party Launch	Toast Ale	Networking Event	Food waste	JB	Small food businesses	Delegate
12/07/2018	Sustainable City Awards ceremony	London Sustainability Exchange	Awards ceremony	Sustainable innovations	JB,NA	Mixed	Delegate
16/07/2018	Sutton FC Business Club Luncheon	Sutton Business Club	Speaking Event	General Business	AC	Businesses	Speaker
17/07/2018	Sustainable Fashion	FuturePlanet	Speaking Event	Sustainable Fashion	Acr	Mixed	Delegate
18/07/2018	Nespresso recycling factory visit	Nespresso	visit	Recycling & Waste	ACr EM	various	participant
19/07/2018	EPR Seminar	Govt	seminar	EPR in electricals	ACr,JB	policy, corporates	Delegate

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
19/07/2018	Key principles on extending consumer responsibility	All-Party Parliamentary Sustainable Resource Group	Seminar	Electronics and Electrical producer responsibility	JB	Policymakers, SMEs, corporate	Delegate
19/07/2018	UKGBC CE Steering group	UKGBC	Workshop	CE statement in London plan	PG, Acr	Business	Participant
23/07/2018	Urban Food Fortnight	London Food Link	Networking Event	Sustainable food	JB	Small food businesses	Delegate
25/07/2018	CE Construction	Chatham House	Presentation	Alterantive construction materials	SF	Members, Govt, Corporates	Delegate
26/07/2018	Sharing Economy Event	Circular Economy Club	Speaking Event	Sharing economy	EM	CE professionals	Panelist
26/07/2018	Better Bankside Breakfast Event	Better Bankside BID	Speaking Event	CE and logistics	JB	BID businesses	Speaker
27/07/2018	Circular Economy Statement Sounding board	GLA	workshop	CES	ACr	MDAs, GLA, industry	Participant
05/09/2018	Future Planet - Adventures in Zerowaste!	Future Planet	Conference	CE and Zero waste	JB	Mixed	Delegate
06/09/2018	Circular Business Masterclass	Advance London	Workshop	CE for SMEs	AL Team	SMEs	Facilitator
07/09/2018	IDEO Co-Lab	IDEO	Workshop	CE Design	SF	Corporates	Participant/ Representative
07/09/2018	Swedish Learning Group Visit	CircE	Study visit	CE	JB	Swedish delegates	Speaker
11/09/2018	Newable Connect Networking Event	Newable Connect	Networking Event	General Business	JB	Businesses	Delegate
12/09/2018	Packaging Innovations	EASYFAIRS	B2B Trade Show	Packing and alternatives	AC, JB, Acr	Businesses	Delegate
12/09/2018	Can the Circular Economy Save Britain's Food and Farming Industry?	Uni of Exeter	Conference	CE in food and farming	JB	Mixed	Delegate
12/09/2018	EU Urban Partnership CE metrics workshop	EU Urban Partnership	Workshop	CE metrics	CO	EU, city CE professionals	Speaker
12/09/2018	RWM Exhibition	RWM	Trade Exhibition	CE, Recycling, Waste	BS, CC	Industry	Delegate
18/09/2018	Taiwanese government delegation	Taiwanese Government	Delegation	CE in London	ACr, CO	Taiwanese Government officials	Speaker

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
24/09/2018	2nd RECBE meeting	Cambridge University	Workshop	CE in the building sector	PG	Business & academic	Delegate
27/09/2018	RECOUP conference	RECOUP	Conference	Plastics activity in London	CO	Plastics recycling industry, local authorities	Speaker
02/10/2018	Climate Alliance Int Conference	Climate Alliance	Conference	CE in London	CO	Business and city officials	Panellist
11/10/2018	LARAC conference	LARAC	Conference	Recycling & Waste	BS	Industry	Seminar presenter

London Waste and Recycling Board - Treasury Management policy

May 2018

1. Introduction

London Waste and Recycling Board ("the Board") is a statutory body established by the GLA Act 1999 as amended in 2007 to promote and encourage, as far as relating to Greater London: a) the production of less waste, b) an increase in the proportion of waste that is reused or recycled, c) the use of methods of collection, treatment and disposal of waste which are more beneficial to the environment

The Board may do anything that it thinks will facilitate, or is incidental or conducive to, the carrying out of its functions.

The Board's constitutional documents are silent on the management of its finances, other than stipulating that it does not have the power to borrow money.

As at 1st April 2018 the Board holds approximately £26m in cash and cash equivalents to fund its ongoing activities.

The Board is not a recipient of ongoing grant funding, other than specific funding for particular projects (eg EU funding)..

2. Investment Objectives

The Board seeks to produce the best financial return within an acceptable level of risk. As the Board is required to publish a business plan annually, and membership of the Board will necessarily change in 2020 according to the regulations of the order, capital preservation and liquidity are of paramount importance in order not to constrain the strategic choices of current and future Boards.

3. Risk

In view of the Investment Objectives set out above, volatility cannot be tolerated and assets should be invested to minimise risk.

The Board's assets should be held in cash or near cash investments.

The Board's cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund.

4. Liquidity Requirements and Time Horizon

In view of the Investment Objectives set out above, maturities of cash deposits should not constrain the Board's ability to make strategic budgetary decisions on an annual basis.

5. Management, Reporting and Monitoring

The Board will manage its own cash deposits and has an authorised list of signatories, two of which are required to sign instructions to the deposit making institution. The Head of Finance will monitor the cash position and prospective cash flow schedule and report this to the Audit Committee at each scheduled meeting.

6. Ethical Policy

The Board will seek to establish appropriate ethical screens for any investments made on a case by case basis.

7. Current Arrangements

Until such point as alternative arrangements are made under the terms of this policy, or the policy is amended, the entirety of the Board's cash reserves other than those required to service short term operating expenditure will continue to be held with the GLA, under the terms of the loan agreement with that entity, and with interest earned mirroring the overall yield on funds held in the GLA's Group Investment Syndicate Scheme. The remainder will be held with the Board's bank, RBS, in order to service ongoing operating expenditure.

8. Approval and Review

This Treasury Management Policy was prepared by the Head of Finance to provide a framework for the management of its reserves. It will be reviewed on an annual basis to ensure continuing appropriateness

Approved by the Audit Committee 22 May 2018

London Waste & Recycling Board
Finance Report
Q4 2017/18

Income & Expenditure

1. The £372k grant income relates to EU funding under the Advance London ERDF, Trifocal, ECAP and CircE programmes.
2. The £61k income from projects reflects the upward revaluation of administration proceed assets due to LWARB from two invested projects.
3. Resource London programme expenditure is 8% under budget for the year.
4. Advance London programme expenditure is 29% below budget for the year, representing underspend on non-staff costs. The Advance London team is in the process of agreeing a budget re-profiling with the EU programme funding partner which will reallocate expenditure to other lines and defer it to future years.
5. Circular Economy programme expenditure is 30% (£105k) under budget. £30k of this relates to expenditure that slipped into the new financial year, while £55k is being used to develop a website and events programme that took longer than anticipated and will be launched in June 2018. Taking account of these timing differences budget underspend is 6%.
6. The Circular Economy accelerator programme budget is underspent by 86% as a result of a decision not to pursue the original hub development plan.
7. Investment programme costs are over budget by £120k for the year, reflecting additional unbudgeted spend to support the commercial waste project restructure.
8. The net effect of the above is overall I programme expenditure 22% under budget for the year.
9. Serviced accommodation is £32k over budget for the year, representing the costs of increases in desk space agreed with LFEPA due to the expansion of the team.
10. Other overheads are £25k over budget as a result of higher than budgeted IT systems upgrade and training costs related to the expansion of the officer team.
11. Overall admin expenditure is 8% over budget for the year.
12. Impairment costs of £1.6m over the year represent impairments to two commercial loans and the downward revaluation of the LGF1 fund investment as a result of underperformance of portfolio assets.
13. Net income is 9% under budget for the year as a result of impairment charges.

Balance Sheet

14. Equity investments – the £412k decrease reflects the downward revaluation of the LGF1 investment.

15. Project loans – The £431k decrease reflects an impairment on a commercial loan as a result of deteriorating economics on that project.
16. Cash – The net £666k decrease in cash over the month is reconciled to the net expenditure figure of £1,920k in the Cash Flow statement. The movement reflects the net effect of the receipt of EU grant income and interest income on deposits and the payment of programme expenditure items and overheads over the quarter.
17. Trade Creditors - The trade creditors balance of £579k relates to the posting of invoices and drawdown requests against previously committed expenditure
18. Deferred income –The £56k balance relates to the receipt of EU grant funding that hasn't yet been matched to project expenditure.
19. Provision for committed expenditure – This reflects outstanding contractual funding commitments. The £537k 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 2018

	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	372		372		60	312	522%	416		416		53	363	680%
LGF1 crystallisation income								8,579	8,579		0%		8,579	
Income from Projects	61	49	12	24%	186	(125)	-67%	199	206	(7)	-3%	405	(205)	-51%
Bank interest receivable	70		70		45	25	57%	123		123		88	34	39%
Other income	5		5			5		12		12		3	9	249%
Total Income	508	49	459	930%	290	218	75%	9,329	8,785	544	6%	550	8,780	1597%
Programme Expenditure														
Reuse funding												730	(730)	-100%
Commercial waste project					(103)	103	100%					1,300	(1,300)	-100%
Resource London programme expenditure	1,245	1,061	184	17%	173	1,072	622%	2,200	2,403	(203)	-8%	176	2,024	1150%
Year end write backs of prior year grant commitments	(104)		(104)		(382)	278	73%	(104)		(104)		(382)	278	73%
Advance London programme expenditure	55	95	(40)	-42%	32	23	71%	264	374	(110)	-29%		264	
Circular Economy programme expenditure	55	138	(83)	-60%	44	11	26%	241	346	(105)	-30%	55	186	337%
Circular Economy accelerator programme		375	(375)	-100%				61	450	(389)	-86%		61	
Investment programme costs	90	19	71	380%	(18)	108		194	75	119	158%	49	145	296%
Total Programme Expenditure	1,341	1,688	(347)	-21%	(254)	1,595	628%	2,857	3,648	(792)	-22%	1,928	929	48%
Impairment losses	889		889		362	527	146%	1,679		1,679		612	1,067	174%
Administrative Expenditure														
Staff costs	118	120	(2)	-2%	116	2	2%	464	480	(16)	-3%	481	(16)	-3%
Serviced Accomodation	24	16	7	45%	13	11	87%	97	65	32	49%	27	70	264%
Professional fees	17	12	5	43%	14	3	19%	29	20	9	45%	57	(28)	-49%
Other overheads	20	17	3	17%	12	8	65%	95	70	25	36%	28	67	238%
Total Administrative Expenditure	179	166	13	8%	155	24	15%	686	635	51	8%	592	93	16%
Corporation tax expense/(credit)	14		14		60	(46)	-76%	14		14		60	(46)	-76%
Net Income / (Expenditure)	(1,915)	(1,804)	(111)	-6%	(33)	(1,882)	-5647%	4,094	4,501	(408)	-9%	(2,643)	6,736	255%

Balance Sheet (£000s)
London Waste and Recycling Board
As at 31 March 2018

	Movement over quarter	Month end
Fixed Assets & Investments		
Equity Investments	(412)	3,457
Current Assets		
Project loans	(431)	1,462
Debtors	46	52
Tax debtor		
Deferred tax asset	(14)	
Prepayments	6	46
Cash	(656)	27,272
Total Current Assets	(1,050)	28,832
Current Liabilities		
Trade creditors	369	579
Tax creditors		
Accruals	20	36
Deferred Income	(236)	56
Total Current Liabilities	154	670
Provision for Committed Project Expenditure	300	537
Net Assets / (Liabilities)	(1,915)	31,083
General Fund	(1,915)	31,083

Cash Flow (£000s)		
London Waste and Recycling Board		
For the 3 months ended 31 March 2018		
	Period	YTD
Net Income / (Expenditure)	(1,915)	4,094
(Increase)/decrease in project loans	431	1,687
(increase)/decrease in equity investments	412	(3,431)
(increase)/decrease in debtors	(31)	123
(increase)/decrease in prepayments	(6)	(19)
increase/(decrease) in creditors	369	403
Increase/(decrease) in accruals	20	(0)
Increase/(decrease) in deferred income	(236)	(97)
increase/(decrease) in provision for committed project expenditure	300	397
Net cash inflow (outflow)	(656)	3,155
Opening cash	27,928	24,117
Closing cash	27,272	27,272

LWARB fund forecast to 31/03/2020

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