

**10/05/2018 – 2: Chief Executive Officer's Report**

Board paper title		Paper 10/5/2018 - 2
Chief Executive Officer's Report		
Report by	Wayne Hubbard	
Job Title	Chief Executive Officer	
Date of decision	Board Meeting 10 May 2018	

Summary

This report provides and update on recent activity.

Recommendations

The Board is recommended to:

- Note the updates presented;
- Approve the addition of Resource London Communications and Campaigns Officers to the Scheme of Delegated Authority, with a an approval limit of £1,000 for programme expenditure in the Resource London Programme.
- Delegate to the Chief Executive Officer authority to finalise and sign a lease for new offices on behalf of the Board.

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

Risk	Action to mitigate risk
No significant risks arise from the decision presented in part A of this paper.	



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Implications (Part A)**Legal**

The LWARB Order allows the Board to delegate to an employee such of its functions as it may determine. The delegation of spending authority to Resource London Communications and Campaigns Officers is therefore permitted.

Financial

The proposed delegation of authority to Resource London Communications and Campaigns Officers is limited to expenditure of up to £1,000 only, so the financial implications of this decision are limited.

Equalities

N/A – no decisions being made.

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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

The recruitment for Advance London is complete and new staff have started. The new joiners are:

Sarah Beaton – Project Co-ordinator
Jean Billiant – Senior Business Advisor
Andri Constandinou – Business Advisor

Communications and Publicity

There have been no news releases since the last Board meeting in January. Appendix 1 contains a list of events where the LWARB team presented or led workshops.

LWARB is a 'key sponsor' of the Sustainable City Awards.

Update on Office Move

Following discussions with the Investment Committee and board members, a phased approach to the development of a physical collaboration hub, incorporating an accelerator, is being taken, and a smaller space is being sought than originally proposed (4000 sq ft rather than 6000sq ft). Regular updates have been provided to the chairs of the audit committee, investment committee and board, acting as an ad hoc steering group.

Details of progress are included in the confidential part of this report.

Board Evaluation

The Chair has been conducting a review of the Board's effectiveness through a questionnaire and one to one interviews with Board members. The results of the review will be developed into an Action Plan to address key issues identified. The Action Plan will be distributed to all board members over the summer.

Long term strategy review

Following the board away day, a plan will be developed identifying key milestones for the development of the LWARB strategy for 2020 and beyond. A series of away days will be identified so that board members can input into and own the strategy as it

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develops. The first away day is planned for later this month.

Audit Committee Activity

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

The Audit Committee has met once (on 30 January 2018) since the last meeting of the Board, and considered the following business.

Finance Reports

Finance reports for September and Q3 – 2017 were approved and are attached at Appendix 2.

Treasury Management

The Audit Committee and officers continue to explore possibilities for achieving a higher return on LWARB's deposits than those currently received from deposits with RBS and the GLA, which while they yield low returns, are essentially at zero risk to LWARB.

The Committee received a presentation from Cazanove Capital on investment services they could offer.

The Committee raised concerns about the level of risk investments would be exposed to and the degree to which investments could be restricted to 'ethical' investments only. Some members of the Committee were cautious about moving into market investments in prior to the completion of Brexit.

At the time of the meeting, the 2018-2020 business plan had not yet been approved so the exact amounts that could be invested and the timescale on which they would need to be withdrawn was not yet known.

It was noted that LWARB needs to define carefully its risk appetite, and will need to be prepared to put capital at greater risk than it currently is in order to achieve greater returns. This is particularly pertinent given there is no current funding from government and the fact that returns on deposits are currently lower than inflation.

A paper will be considered by the next meeting of the Committee with concrete proposals for treasury management which will subsequently be brought to the Board for approval.

Internal Audits

The Committee received an internal audit report from Mazars on the Advance London programme. The report gave overall satisfactory assurance with only four low and medium priority suggestions for improvement (covering induction training for new committee members, the frequency of meetings, investment performance monitoring and evaluating the effectiveness of the committee).

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Risk Register

The Committee reviewed the revised risk register - which is the outcome of the Board level risk management workshop held at the end of 2017. The current Risk Register is attached at Appendix 3. This is to be considered and ‘live’ document which is kept under continual review by officers and the Audit Committee. Any new, high-level, risks identified will be reported to the Board.

Scheme of Delegated Authority

Under the Current Scheme of Delegated Authority (Appendix 4) the following approval limits are set for the Resource London programme:

Resource London Partnership Board:	> £100,000
Chief Executive	£100,000
Head of Finance	£100,000
Head of Programme	£50,000
Local Authority Support Manager	£10,000

There are two Communications and Campaigns Support Officers in the team who currently do not have any delegated authority to approve expenditure and must therefore rely on the Local Authority Support Manager (Communications and Behaviour Change) to approve all expenditure on their projects. This is proving to be very inefficient as a the expenditure is largely small scale spend (for example small consultancy projects, website management and frequently on social media advertising) which is taking a disproportionate amount of time to approve.

The Committee approved a proposal that the Communications and Campaigns Support Officers are given delegated authority to approve expenditure within the Resource London Programme up to a limit of £1,000. Any expenditure above £1,000 would have to be approved by the Local Authority Support Manager as is currently the case.

As changes to the Scheme of Delegated Authority require approval of the Board, this proposal is now put to the Board for a decision.

Supporting papers/appendices

- Appendix 1: Events and Social Media Activity
- Appendix 2: Finance Reports
- Appendix 3: Risk Register
- Appendix 4: Scheme of Delegated Authority

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role	More Info:
30/01/2018	London Built Environment's New Year's 2018 Networking Reception	London Built Environment	Networking Event	BE	EM and NA	BE professionals	Delegate	
31/01/2018	Using business as a force for good	B Corp Social	Networking Event	Sustainability	EM	Sustainability professionals	Delegate	
08/02/2018	Hounslow Business Festival	Hounslow Chamber of Commerce	B2B Trade Show	Business	NA and NB	Businesses	Exhibitor	
09/02/2018	Internal GLA Planners seminar	GLA and LWARB	Seminar	Circular Economy and planning	ACr	GLA Planners	speaker	
23/02/2018	Smart Sustainable Cities event	Foreign and Commonwealth Office	Conference	Smart Cities	EM and ACr	UK and European cities	Speaker and panellist	
08/03/2018	MRFs and Markets	Environment Media	Conference	Tackling contamination in London	BS	waste professionals	Speaker	
09/03/2018	Breakthrough Cities Workshop - Business Model Innovation for Urban Challenges	Innovate UK	Workshop	Cities	EM and NA	SMEs, corporates and public sector	Delegate/Facilitator	
15/03/2018	Startup Investor Workshop	Imperial / Climate KIC	Workshop		SF	entrepreneurs	Speaker	
19/03/2018	Circular Economy Statement Sounding board	LWARB and GLA	Sounding board	CE statement in London plan	ACr	industry, Mayor Design Advocates	Speaker	
19/03/2018	London Textiles Forum	LSx	Sector Foun	Circular Fibres	ACr & HC	Textile Recyclers	Speaker	
20/03/2018	Reindustrialisation and Sustainability	Industrial Pact - Barcelona	Conference	Circular Economy in London	WH	Indsutry, government,	Speaker	
27/03/2018	Food to Go – Exciting Innovations and Well Packaged Inspiration	Food & Drink Innovation Network	Speaking Event	Food packaging	Natalia Agatho	Food industry	Speaker	
27/03/2018	China Waste Restrictions Liaison Group	Environment Agency	Industry Forum	Tackling contamination in London	BS	Industry, government waste professional	Speaker	
06/04/2018	Startup weekend	Cranfield University	workshop		SF	entrepreneurs	Speaker	

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role	More Info:
10/04/2018	CircE seminar and project meeting	CircE	workshop and networking	circular economy in Europe	ACr, BS	cities and regions, and corporates	speakers and delegates	
18/04/2018	CE100 Acceleration Workshop	EMF	Conference	Circular London	PG, CO	corporates, cities and governments	speaker	
06/03/2018	EcoBuild	EcoBuild	Exhibition	Buildings as materials banks	CO	corporates and SMEs	panel member	
20/03/2018	CIWM new members event	CIWM	Networking event	Careers in circular economy	CO	New CIWM members	speaker	
26/03/2018	C40 webinar	C40	Webinar	Circular economy in London	CO	Cities	speaker	
06/04/2018	Eurocities Environment Forum	Eurocities	Networking event	Circular economy metrics	CO	Cities	roundtable leader	
06/04/2018	Eurocities Environment Forum	Eurocities	Networking event	Circular economy metrics	LG	City Mayors and deputy Mayors, senior officials	panel member	
23/04/2018	CoLab circular fashion Sprint	CoLab circular fashion Sprint	CoLab circular fashion Sprint	CoLab circular fashion Sprint	ACr	CoLab circular fashion Sprint	CoLab circular fashion Sprint	
25/04/2018	Mayor Design Advocates Event	GLA	Workshop	CE in the London Plan	ACr	Mayor Design Advocates	hosting roundtable discussion	
27/04/2018	Circular Fashion Workshop	University of Arts London - London College of Fashion	presentation and workshop	circular fashion	ACr	UAL students	Speaker	

London Waste & Recycling Board
Finance Report
Sept 2017

Income & Expenditure

1. Resource London programme expenditure is 28% over budget for the YTD, but anticipated to move in line with budget by the end of the year.
2. Advance London programme expenditure is 26% below budget for the YTD, representing underspend on non staff costs. The Advance London team is in the process of agreeing a budget profiling with the EU programme funding partner which will reallocate expenditure to other lines and defer it to future years.
3. Serviced accommodation is £18k over budget for the YTD, representing the costs of increases in desk space agreed with LFEPA due to the expansion of the team.
4. Impairment losses of £720k represent write down of loan balances against the commercial waste project.

Balance Sheet

5. Project loans – The £713k decrease represents the net effect of the £720k impairment, loan repayments and interest accrued over the month. .
6. Deferred tax asset – The balance of £14k represents deferred tax to be offset against future profits.
7. Cash – The net £127k decrease in cash over the month is reconciled to the net expenditure figure of £976k in the Cash Flow statement. The movement reflects the net effect of the drawdown of £80k against loan agreements, the payment of programme expenditure items and overheads during the month and the receipt of £84k in loan repayments.
8. Trade Creditors - The trade creditors balance of £61k relates to the posting of invoices and drawdown requests against previously committed expenditure
9. Deferred income –The £283k balance relates to the receipt of EU grant funding from the projects that hasn't yet been matched to project expenditure. .
10. Provision for committed expenditure – This reflects outstanding contractual funding commitments. The £332k relates to funding agreements with Local Authorities made under the Resource London programme.

Income & Expenditure (£000s)
London Waste and Recycling Board
For the month ended 30 September 2017

	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	(1)		(1)			(1)		8		8			8	
LGF1 crystallisation income								8,579	8,579		0%		8,579	
Income from Projects	12	17	(5)	-30%	14	(2)	-17%	93	106	(12)	-12%	89	4	5%
Bank interest receivable					16	(16)	-100%	28		28		33		-17%
Other income	4		4			4		4		4		2	2	102%
Total Income	15	17	(2)	-10%	31	(15)	-50%	8,712	8,684	27	0%	124	8,587	6918%
Programme Expenditure														
Reuse funding												730	(730)	-100%
Commercial waste project												139	(139)	-100%
Resource London programme expenditure	155	82	72	88%	95	60	63%	626	490	136	28%	621		1%
Advance London programme expenditure	22	31	(9)	-29%		22		138	186	(48)	-26%		138	
Circular Economy programme expenditure	21	17	4	22%	19	2	12%	134	127	7	5%	79	56	71%
Investment programme costs	1	6	(5)	-84%	(3)	4	134%	1	38	(36)	-97%	98	(97)	-99%
Total Programme Expenditure	199	137	62	45%	111	88	79%	899	841	58	7%	1,667	(768)	-46%
Impairment losses	720		720			720		720		720		250	470	188%
Administrative Expenditure														
Staff costs	57	58	(2)	-3%	54		5%	233	240	(7)	-3%	249		-6%
Serviced Accomodation	7	5	2	37%				51	33	18	57%	8		512%
Professional fees	(1)	1	(2)	-218%	5	(6)	-123%	6	5	1	1%	28	(23)	-81%
Other overheads	9	6	4	62%		9	2698%	51	35	16	45%	11	39	354%
Total Administrative Expenditure	72	71	2	3%	59	3	23%	340	313	27	9%	297	17	15%
Net Income / (Expenditure)	(976)	(190)	(785)	-412%	(139)	(837)	-601%	6,753	7,531	(778)	-10%	(2,090)	8,843	423%

Balance Sheet (£000s)
London Waste and Recycling Board
As at 30 September 2017

	Movement over month	Month end
Fixed Assets & Investments		
Equity Investments		6,659
Current Assets		
Project loans	(713)	1,848
Debtors	(27)	20
Tax debtor		3
Deferred tax asset		14
Prepayments	(14)	(28)
Cash	(127)	25,988
Total Current Assets	(881)	27,845
Current Liabilities		
Trade creditors	61	131
Tax creditors		
Accruals	(3)	15
Deferred Income		283
Total Current Liabilities	58	429
Provision for Committed Project Expenditure	37	332
Net Assets / (Liabilities)	(976)	33,742
General Fund	(976)	33,742

Cash Flow (£000s)		
London Waste and Recycling Board		
For the month ended 30 September 2017		
	Period	YTD
Net Income / (Expenditure)	(976)	6,753
(Increase)/decrease in project loans	713	1,301
(increase)/decrease in equity investments		(6,633)
(increase)/decrease in debtors	27	133
(increase)/decrease in prepayments	14	55
increase/(decrease) in creditors	61	(45)
Increase/(decrease) in accruals	(3)	(21)
Increase/(decrease) in deferred income		130
increase/(decrease) in provision for committed project expenditure	37	192
Net cash inflow (outflow)	(127)	1,867
Opening cash	26,115	24,117
Closing cash	25,988	25,984

London Waste & Recycling Board
Finance Report
Q3 2017/18

Income & Expenditure

1. The £45k grant income relates to EU funding received under the Advance London programme.
2. Resource London programme expenditure is 21% under budget for the YTD, but anticipated to move in line with budget by the year end.
3. Advance London programme expenditure is 25% below budget for the YTD, representing underspend on non staff costs. The Advance London team is in the process of agreeing a budget profiling with the EU programme funding partner which will reallocate expenditure to other lines and defer it to future years.
4. Serviced accommodation is £25k over budget for the YTD, representing the costs of increases in desk space agreed with LFEPA due to the expansion of the team.

Balance Sheet

5. Equity investments – the £2,789k decrease reflects the return of funds from LGF1 after the sale of a portfolio business.
6. Project loans – The £45k increase reflects the accrual of interest over the quarter.
7. Prepayments – The £40k balance represents prepaid accommodation fees for Q4.
8. Cash – The net £1,940k increase in cash over the month is reconciled to the net expenditure figure of £845k in the Cash Flow statement. The movement reflects the net effect of the receipt of £2,789k from LGF1, £45k in EU grant income and interest income on deposits and the payment of programme expenditure items and overheads over the quarter.
9. Trade Creditors - The trade creditors balance of £202k relates to the posting of invoices and drawdown requests against previously committed expenditure
10. Deferred income –The £283k balance relates to the receipt of EU grant funding that hasn't yet been matched to project expenditure. .
11. Provision for committed expenditure – This reflects outstanding contractual funding commitments. The £355k 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 December 2017

	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	45		45			45	11902%	53		53			53	14044%		
LGF1 crystallisation income								8,579	8,579		0%		8,579			
Income from Projects	45	51	(6)	-12%	44	2	3%	138	157	(18)	-12%	133	6	4%		
Bank interest receivable	25		25		9	15	162%	52		52		43	10	23%		
Other income	3		3		1	2	148%	7		7		3	4	111%		
Total Income	118	51	67	131%	55	63	116%	8,830	8,736	94	1%	179	8,651	4833%		
Programme Expenditure																
Reuse funding					70	(70)	-100%					730	(730)	-100%		
Commercial waste project												209	(209)	-100%		
Resource London programme expenditure	438	853	(415)	-49%	342	95	28%	1,064	1,343	(279)	-21%	1,001	62	6%		
Advance London programme expenditure	72	93	(21)	-23%		72		210	279	(69)	-25%		210			
Circular Economy programme expenditure	51	80	(29)	-37%	50	1	2%	185	208	(22)	-11%	128	57	44%		
Circular Economy accelerator programme	61	75	(14)	-19%		61		61	75	(14)	-19%		61			
Investment programme costs	103	19	84	447%		103		104	56	47	84%	98	5	5%		
Total Programme Expenditure	724	1,120	(396)	-35%	463	262	57%	1,623	1,960	(337)	-17%	2,167	(544)	-25%		
Impairment losses	70		70			70		790		790		250	540	216%		
Administrative Expenditure																
Staff costs	113	120	(7)	-6%	111	2	2%	346	360	(14)	-4%	375	(29)	-8%		
Serviced Accomodation	22	16	6	37%	8	14	183%	73	49	25	50%	24	49	204%		
Professional fees	7	3	4	142%	14	(8)	-54%	12	8	4	48%	43	(30)	-72%		
Other overheads	27	17	9	54%	4	23	523%	78	52	25	48%	18	59	327%		
Total Administrative Expenditure	169	156	13	8%	137	32	23%	509	469	40	8%	460	50	11%		
Net Income / (Expenditure)	(845)	(1,225)	380	31%	(545)	(300)	-55%	5,907	6,306	(398)	-6%	(2,698)	8,605	319%		

Balance Sheet (£000s)
London Waste and Recycling Board
As at 31 December 2017

	Movement over quarter	Quarter end
Fixed Assets & Investments		
Equity Investments	(2,789)	3,870
Current Assets		
Project loans	45	1,893
Debtors	(13)	7
Tax debtor	(3)	
Deferred tax asset		14
Prepayments	68	40
Cash	1,940	27,928
Total Current Assets	2,037	29,882
Current Liabilities		
Trade creditors	71	202
Tax creditors		
Accruals		15
Deferred Income		283
Total Current Liabilities	71	500
Provision for Committed Project Expenditure	22	355
Net Assets / (Liabilities)	(845)	32,896
General Fund	(845)	32,896

Cash Flow (£000s)		
London Waste and Recycling Board		
For the 3 months ended 31 December 2017		
	Period	YTD
Net Income / (Expenditure)	(845)	5,907
(Increase)/decrease in project loans	(45)	1,256
(increase)/decrease in equity investments	2,789	(3,844)
(increase)/decrease in debtors	16	150
(increase)/decrease in prepayments	(68)	(13)
increase/(decrease) in creditors	71	26
Increase/(decrease) in accruals		(21)
Increase/(decrease) in deferred income		130
increase/(decrease) in provision for committed project expenditure	22	215
Net cash inflow (outflow)	1,940	3,807
Opening cash	25,988	24,117
Closing cash	27,928	27,924

LWARB fund forecast to 31/03/2020

At 31/12/2017

Fund forecast 2017- 2020	2017/18	2018/19	2019/20
£000			
<u>INVESTMENT INFLOWS</u>			
Loans + bank interest*	957	1,627	80
London Green Fund 1**	5,216	459	-
Total investment inflows	6,173	2,086	80
<u>INVESTMENT OUTFLOWS***</u>			
London Green Fund II	-	7,000	-
Circular Economy Accelerator	- 361	- 700	- 439
Circularity Capital growth fund	- 181	- 500	- 500
LBWR	- 330	-	-
Total investment outflows	- 872	- 8,200	- 939
<u>PROGRAMME EXPENDITURE</u>			
Advance London	- 197	- 210	- 220
Resource London	- 2,233	- 2,033	- 1,833
Circular London	- 300	- 300	- 300
Programme Professional Fees	- 75	- 75	- 75
Total programme expenditure	- 2,805	- 2,618	- 2,428
<u>OVERHEADS</u>			
Serviced Accomodation	- 65	- 65	- 65
Staff Costs*	- 480	- 480	- 480
Professional Fees	- 20	- 20	- 20
Other Overheads	- 70	- 70	- 70
Total Overheads	- 635	- 635	- 635
b/fwd uncommitted funds	23,950	25,811	16,444
c/fwd uncommitted funds	25,811	16,444	12,521

* Anticipated Loan and FEF 1 returns based on secured investments

**Potential upside from LGF 1 of £2.3m if currently performing unsecured investments continue to perform as projected by fund manager with return likely early in next business plan period

*** Returns from accelerator, capital growth fund and London Green Fund 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

No.	Risk	Type	Causes Of Risk	Impact	Existing Controls / Mitigation	Proposed Controls	Likelihood Score (1-5)	Impact Score (1-5)	Risk Score	Risk Owner	Risk Owner Actions/Comments
1	Insufficient resources to deliver the post-2020 business plan/strategic goals:	Financial	Reduced local authority finances; Failure to attract private capital for co-investment. Failure to attract further funding from DEFRA.Limited access to EU funding. Linked with restricted investment, threat to sustainability. Over-reliance on investment activity to the detriment of other income streams.	Objectives would not be fulfilled. Focus of LWARB's mission might need to change; its effectiveness will be affected.	Demonstrate the value of LWARB's programmes to attract funding. Manage resources efficiently. Lobby government for additional funds; Nurture current projects and monitor investments; Careful selection of investment projects to secure a financial return to LWARB; Begin to build up reserves from returns on investment over and above the 2015-20 budget.	Better treasury management. Explore new funding options/business opportunities that generate income. Consider engaging a fundraiser to support some of LWARB's activity.	4	4	16	WH/JL	
2	Reputational risk through not achieving London's recycling targets:	Strategic	Limited influence over LA's / local politics / Long-term borough contracts / Failure of boroughs to engage in RL support offerings Insufficient funding to achieve Mayors recycling targets / Reductions to local authority funding WRAP budget cut by DEFRA impacting on its contribution to Resource London Impact of global market conditions. Household recycling stagnates despite Resource London's programme activities; London demographics Resource London fails to deliver its expected benefits	LWARB held accountable for failure to achieve target. Reputational risk to LWARB; . LWARB loses support of LA's.	- £1m of extra money to support flats recycling due to the increased target. - Compare London with other big UK and world cities - Specific programme of activity with Local Authorities providing tailored and bespoke communications and service support as well as London-wide programmes. - Regional and local communication and behaviour change activity to promote recycling among residents.	Rigorous evaluation of everything done - to have strong evidence LWARB is doing everything in its power. Raising the profile of the projects.	5	3.5	17.5	AB	
3	Failure to influence key stakeholders in delivering the circular economy:	Strategic	Limited influence over businesses Need to balance views of multiple stakeholders Programmes fails to deliver tangible benefits	LWARB objectives not met; reputational damage; failure to secure funding.	LWARB is part of different global networks which brings them into contact with large business stakeholders. Establishing collaboration to engage with stakeholders. Leading the debate on the circular economy Influencing big policy changers. Board members to use their influence more	Influence enough businesses of scale: fundraisers, access to ministers. Identifying which Prioritise LWABs CE partnerships to those which can be most effective	3.5	4	14	CO	
4	Lack of skills / experience to deliver LWARB objectives / vision:	Operational	. Over-reliance on personal relationships with key stakeholders . Potential loss of key staff . Lack of appropriate in-house skills . Lack of succession planning and development pathways	Insufficient skills to deliver LWARB objectives	New HR system has been put in place which will help to monitor skills and competencies within the team. Required skills are specified in job descriptions for positions to be filled; Whenever possible a handover period between incoming and outgoing staff is sought; External consultants are engaged if required; Operational procedures are recored in an operations manual to aid continuity.	Re-map HR system - move towards a competency-based system. Identify and analyse what skills are needed to deliver the business plan -> identify any gaps in skills and fill them. Have a succession plan - identifying key people and have a plan if those key people leave. Bringing in new skills and expertise. Sharing knowledge - in case someone leaves.	4	3	12	WH/AL	
5	Failure to deliver externally funded programmes:	Strategic	Projects do not deliver the expected benefits	Reputational damage among key stakeholders Could result in penalties.	Robust governance, good skills and practice, good project methodology.		3	3.5	10.5	WH/(AB, SF, CO)	

6	Serious risk to delivery as a result of local political environment:	Political-External	<ul style="list-style-type: none"> . GLA elections. . Local elections . Reliance on key stakeholders, e.g. mayor, GLA. 	LWARB loses its capability to influence, thereby threatening the achievement of its objectives.	Demonstrate performance and show record of success. • Regularly meet with government, councils and stakeholders to communicate this. • Make sure government recognise the success of the LWARB model. • Maintain relations with London Councils. Open channel of communication (communication strategy). Survey stakeholders to understand their view of LWARB	Maintain open channels of communication with Local Councils and influence them to work with LWARB.	4	3	12	WH	
7	LWARB becomes irrelevant because of the changes in the macro-political environment.	Political-External	Brexit; Attitudes to LWARB in light of national policy changes.	LWARB loses its capability to influence, thereby threatening the achievement of its objectives.	Some or all of the above.	Scenario planning.	3	5	15	WH	
8	LWARB is unable to demonstrate measurable impact:	Strategic	<ul style="list-style-type: none"> . Poor data, muddled drivers, etc. . Profile - people who need to, know may not know LWARB are . LWARB not seen as relevant, i.e. to LA's, mayor, GLA, etc. . Communication risk - if something is going well people don't know about it. 	LWARB loses its capability to influence, thereby threatening the achievement of its objectives.	Measure outputs and contribution from the programme.	Use of annual impact reports.	3	4	12	WH	
9	Investments fail to deliver sufficient returns to fulfil LWARB's Mission Statement:	Strategic	<ul style="list-style-type: none"> . Small scale of investments means LWARB has insufficient leverage with fund managers / investments. . Lack of alternative fund managers. . Financial failure of projects. . Investments underperform. . Increased focus on start-ups in investment and consultancy support programmes brings increased risk of failure. . Failure to have a significant scale impact. 	Projects do not return LWARB's invested capital nor interest. • Board objectives not achieved. • Reduced funds available for future investment.	Change in investment approach and governance procedures. Re-constituted Investment committee (with new external and board member expertise) appointed to oversee investment approach. • Performance of key projects reported directly to the Board. • External consultants appointed to review projects if required. • Unsuitable projects are sifted out prior to presentation to the IC. • Extensive due diligence carried out before commencement of project (by external consultants if necessary). • Responsibility to monitor against these initial due diligence checks.	Fund raiser being engaged to secure external funds and reduce reliance on existing investment returns	3	4	12	SF	

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 3 August 2017 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	Local Authority Support Managers	Advance London Project Coordinator	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			

Circular Economy 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	Circular Economy Manager	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Programme Costs		>100,000					100,000	100,000			25,000			

Advance London (Circular Economy SME Support)														
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	Business Development Officers	Advance London Project Coordinator	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Operational Costs (Including Marketing)		>100,000	100,000				50,000	50,000	25,000	25,000	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							

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 JL 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	JL	BDO	AL
Signatory Group	A	A	B	B	B	C	C
BM - Board Member							
WH - Wayne Hubbard							
JL - James Lanman							
AB - Antony Buchan							
BDO - Business Development Officer/Waste Authority Support Manager/Circular Economy Manager							
AL - Adam Leibowitz							