



**01/10/20**  
**Chief Executive Officer's Report**

<b>Board paper title</b>		Paper 01/10/20- 2
Chief Executive Officer's Report		
<b>Report by</b>	Wayne Hubbard	
<b>Job Title</b>	Chief Executive Officer	
<b>Date of decision</b>	Board Meeting 1 October 2020	

<b>Summary</b>
This report provides an update on recent activity.

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

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

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

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

01/10/20

## 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

#### COVID-19

Staff are continuing to work largely from home. Our IT infrastructure has been robust and the switch we made to cloud based IT has enabled us to make a seamless switch.

The office was made COVID-19 secure in August, with an initial capacity of 18 to allow for 2-metre social distancing without the need for additional protective measures other than the provision of hand sanitisers. On further review following initial operation the office capacity has been reduced further to 11 to allow for adequate social distancing around the kitchen and toilet areas and corridors. External guests are prohibited. The landlord has also introduced COVID-19 security measures for the building to allow for safe entry and exit.

A set of safe use of the office procedures has been issued to staff.

From 5th October I have asked all staff to consider using the office at least on day per week as part of a phased return to work. This is being kept under constant review and we are liaising with colleagues in GLA and borough councils where appropriate.

#### Finance/Funding

The budget is being monitored to reduce programme spend by c.£300,000 per year. This is a prudent measure designed to avoid any significant adverse impact in later budget periods as a mitigant against adverse COVID-19 impacts on LWARB investments and commercial income projections.

LWARB has active applications in for funding from WRAP and the GLA. WRAP funding is for food reduction measures and is for c.£100,000. GLA funding support is to deliver support to circular economy SMEs through Advance London as part of the green recovery effort. The amount is to be determined but is likely to be a significant amount.

#### Staffing

##### *Leavers*

Jessica Brodrick (Business Development Officer) left the organisation in July and Anna Szeler (Business Advisor) left at the end of September.

01/10/20

## Chief Executive Officer's Report

### *Joiners*

The following staff have joined since the last Board meeting: Doug Simpson (Senior Advisor, Circular Economy), Lamia Sbiti (Advance London Senior Business Advisor), Maija Maanavilja (Senior Advisor, Circular Economy), Rachel Shairp (Advisor, Circular Economy and Ryan Clark (Advance London Business Engagement Lead). Isobel Chester has joined as a temporary Finance and Operations Manager).

Two interns are being taken on for four month placements this autumn to help with research work on food and plastics (Alexander von Joest plus one to be confirmed).

### *Recruitment.*

At the time of preparation of this report, interviews were underway to fill the vacant position of Commercial Manager. An update will be provided at the meeting.

## **Harmonisation**

The organic growth LWARB over 12 years has created some issues around grading and pay structure. LWARB appointed Michael Page to carry out a benchmarking exercise and job description review of all LWARB roles. We have received a final report and are reviewing this in advance of making any recommendations to the Audit Committee.

## **Communications and publicity**

### *Press releases:*

Four releases have been distributed since the last Board meeting:

- 19<sup>th</sup> May 2020 – Love Not Landfill's **#LockDownDressUp** – announcing a new social media campaign in collaboration with six charities, challenging people to wear their (currently unworn) party clothes while doing everyday activities and donate sums to charity of their choice. The campaign reached 24k people through our channels, with almost 10k engagements and many more via the charities' channels and onwards.
- 27<sup>th</sup> May 2020 – **Circular Economy Week 2020** – highlighting the role that CE and cities can play in 'building back better' and showcasing the range of events and partners involved in the week. Coverage for the week was achieved in 5 titles – LetsRecycle, Ecologist, Circular Online, The London Economic and Resource magazine – with total opportunities to see of over 1.7 million.
- 15<sup>th</sup> June 2020 – **Circular Restaurant Guide** – launching Advance London's 'Food that doesn't cost the earth' guide, in collaboration with the Sustainable Restaurant Association. Coverage was achieved in The Caterer, Circular Online, Resource and greenbiz.com; and over 225 people registered for the webinar that accompanied the launch.
- 14<sup>th</sup> September 2020 – **LWARB's new Board members** – introducing our new Board members and thanking the outgoing members. Coverage at time of writing: Resource Magazine (online).

**01/10/20**

## **Chief Executive Officer's Report**

An additional news release will be finalised and distributed before the Board meeting, launching Resource London's most recent research into recycling in holiday properties in London (exact date to be confirmed).

### *Events:*

Events hosting and attendance took a hit early in lockdown but digital events – both those run by others and those run by LWARB – have ramped up since May. The first casualty was our food waste event in support of the UN Sustainable Development Goal 12.3, due to take place on 12<sup>th</sup> March, which was cancelled a matter of days beforehand as the early impact of COVID-19 was being felt. This is now being revisited with the event partners, the Danish Embassy and Winnow, with the hope of running a 'reboot' of the event online on 3<sup>rd</sup> December. The event will be reframed in the context of COVID-19's impact on food waste in businesses.

Circular Economy Week took place in June, with 40 events running throughout the week which this year was completely online. The week was very well-received, reaching wider audiences than ever before – both in the UK and globally – and the team created an impressive online events platform in a very short amount of time which enabled us to deliver it to an extremely high level of professionalism. More details on content, impact and coverage of the week is contained in the Circular London programme update.

Our next round of corporate/B2B events are in planning currently, and an electricals event showcasing takeback and refurbishment schemes, the circular procurement toolkit and some of London's innovative SMEs in the electricals sector is planned for Friday 16<sup>th</sup> October as part of London Repair Week. The event is targeted at procurement, IT and facilities officers in local authorities, with the aim of encouraging more councils to consider a circular approach to procuring IT and electrical items for council use. A built environment event is also planned for January 2021; and a fashion event for February.

More detail on LWARB's active presence at events – as speakers, panellists, hosts or exhibitors – since the last Board meeting is contained in the appendix.

### *Podcast:*

No podcast episodes have been recorded since lockdown, but we have recently contracted a freelance producer to help us plan, record, edit and promote the podcast. The first episode will take place during London Repair Week in October and will focus on the idea of 'repair as a revolutionary act'. By the time of the Board meeting all interviews will have been recorded in time for a release date of 16<sup>th</sup> October.

### *Branding:*

The new branding has continued to be developed, with the name being developed creatively into a logo and a 'look and feel' across a range of marketing materials for testing purposes. Testing has taken place with 12 external stakeholders drawn from

01/10/20

## Chief Executive Officer's Report

business, government, the finance sector and NGOs and feedback has been enthusiastic and engaged. A presentation will be brought to the Board meeting to feed back in more detail on the external response to the new brand, along with timelines and options for implementation.

### Office

The office lease has a break clause in September 2021, with 6 months' notice required if we intend to exercise it. Officers are looking at reviewing the costs and benefits of exercising the break and will report back.

### Progress Against Business Plan Milestones (2020/21)

Detailed updates on programmes are included in paper 4.

#### Commercialisation

Our objective is to develop LWARB's commercialisation approach to create financial sustainability at the end of the 2020-25 Business Plan.

Consistent with our strategy, we are focusing on specific propositions relating to the development of a directory, the creation of a circular economy training academy and support on the implementation of the draft London Plan policy requirement on developers to produce a circular economy statement for strategic planning applications referred to the Mayor. In addition, we have generated a small amount of revenue from specific assignment for a significant food retailer and distribution business.

#### Circular Economy Directory

We have initiated our work on the circular economy directory and we are commissioning research on the current provision and the need for a directory. We will link the directory to the circular economy procurement toolkit that is being piloted by Bromley council.

#### Training Academy

We are in the process of assessing the need for a training academy to build capacity around waste management and recycling and the circular economy for London Boroughs.

#### Reduction and Recycling Plans (RRP)

The London Environment Strategy (LES) includes a requirement for all boroughs to develop RRP, the first of which will cover the four-year period from 2018 - 2022. All RRP have now been submitted and signed off.

Working with GLA colleagues the Officers have reviewed all the plans and put each identified action (c.500 individual actions across the 33 RRP covering household and commercial waste services) into a database. Actions have then been categorised and

**01/10/20**

## **Chief Executive Officer's Report**

grouped in 50 key topics (crossed referenced against the Mayor's priorities). Based on borough priorities and in agreement with GLA in this year support will be on four key areas:

- Restricted residual (size and frequency) – including three weekly collections;
- Introduction of commercial food collections;
- Improving kerbside and introducing flats food waste services; and
- Improving flats recycling services.

### COVID-19 Response

When the pandemic hit, the Resource London team acted quickly to support its boroughs and frontline services. Our interventions spanned from frontline waste and recycling services support and public information campaigns, to engaging with government on policy interventions. We created practical collaboration tools, offered expert guidance and provided targeted communications resources. The team is continuing to deliver COVID19 related project that focus on recovery.

### London Repair Week

12- 17 October

This is the first London Repair Week and is a really exciting opportunity to promote repair and reuse. The week is being delivered in partnership with commercial and public partners (including Dixons Carphone, London Designer Outlet, Westfield London and HP Enterprises (HPE)). The campaign is predominantly focused at consumers and will include online and instore events (including bike repair, electricals repair and clothing upcycling workshops, panel discussions and fireside chats), but also includes two borough focused events: one for boroughs to understand repair opportunities for their internal operations, being delivered in partnership with HPE and LB Enfield; and one being delivered in partnership with LEDNet to showcase best practice of promoting repair and reuse to residents.

### **Audit Committee Activity**

The Committee met once, on 11 June 2020, since the previous Board meeting and considered the following items.

#### **COVID-19**

The Committee noted the updates given on how LWARB has been impacted by COVID-19. The team are all working remotely, and the office is being made COVID-19 secure in preparation for an eventual return. Staff are being consulted on plans. Most activity has continued, but some has had to be postponed or cancelled (e.g. food waste in hospitality sector).

**01/10/20**

## **Chief Executive Officer's Report**

The likely negative impact on finances was noted (reduced investment and commercial income likely), and a review of the budget will be required. LWARB is in dialogue with GLA and other stakeholders about green recovery plans and the possibility of accessing any funds being made available.

### **Staffing**

Noted the appointment of new staff in Circular London (Doug Simpson, Maija Maanavilja Rachel Shairp, Ryan Clark and Lamia Sbiti).

The harmonisation project is now underway with external consultants assisting in a review of LWARB's job descriptions and grading to ensure consistency across the organisation and benchmarking externally.

### **Finance Report (Initial Draft Year End 2019/20)**

The Committee noted that LWARB was now to be audited as a "smaller authority" with a less thorough set of accounts (the Annual Governance and Accountability Return - AGAR) and external audit are required. PKF Littlejohn are confirmed as external auditors. The external auditors will no longer attend committee meetings and greater reliance will be placed on the internal audit.

The timeline for the publication of the 2019/20 accounts has been amended due to COVID-19 with a draft required to be published by 1<sup>st</sup> September, and the final audited accounts published by 30 November.

An early draft of the 2019/20 year-end accounts was reviewed (see Appendix 2).

Subsequent to the meeting, the Committee approved by a written resolution the Annual Governance Statement and the Financial Statements required for the AGAR, (Appendix 3).

### **External Audit**

As above, noted that PKF Littlejohn are now appointed as external auditors, but are not expected to attend committee meetings and will rely more on the internal audit.

### **Internal Audit**

The Committee noted the Assurance Review of Financial Controls presented by the internal auditors, TIAA Ltd. The report gave an overall assessment of Substantial Assurance and made no recommendations. Noted also that some further internal audit input will be required for Annual Governance and Accountability Return.

### **Risk Register**

The committee reviewed the revised Risk Register, and noted in particular the increased risk of business interruption resulting from COVID-19, which had not been apparent at the time of the previous review.

### **Supporting papers/appendices**

Appendix 1 – Events List



**01/10/20**

**Chief Executive Officer's Report**

Appendix 2 – Finance Report Q4 2019/20/Year End

Appendix 3 – Annual Governance and Accountability Return 2019/20

Appendix 1: Events List

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
19/05/2020	Commercial waste services - adapting to Covid	Resource London	Webinar	Waste services during Covid	Sarah Craddock	LAs	Organiser/Facilitator
20/05/2020	HMO presentation	WRAP	Webinar	The HMO report	Cathy Cook	LAs	Speaker
21/05/2020	MI-ROG & SICEF Spring 2020 Session	Aecom	Roundtable discussion	Circular economy delivery across the UK infrastructure sector	Natalia Agathou	Built environment	Participant
22/05/2020	Surface plastics webinar with SUEZ	SOENECS	Roundtable discussion	Invisible Pollutants & Mining the Anthropocene	James Close	Circular economy advocates	Participant
28/05/2020	Creating a Circular Workplace	Circular Glasgow / Zero Waste Scotland	Webinar	Circular office fit out	Jessica Brodrick	SMEs	Speaker
28/05/2020	The Forum workshop on circular economy	Imperial College	Online workshop	Aligning Decision Making with Circular Outcomes: Moving beyond Reactionary to Strategic Decision Making	James Close	Circular economy advocates	Speaker
01/06/2020	#CEweekLDN 2020 - launch event	LWARB	Online event	Cities vs climate change	Wayne Hubbard, James Close	Circular economy advocates	Organiser/Facilitator
02/06/2020	#CEweekLDN 2020 - CIRCUIT built environment event	LWARB	Online event	Circular construction	Andrea Charlson	Built environment	Organiser/Facilitator
03/06/2020	#CEweekLDN 2020 - Behaviour change event	LWARB	Online event	Motivation, recycling, climate & behaviour change	Ali Moore	Behaviour change	Organiser/Facilitator
03/06/2020	Swap Rebellion x #LoveNotLandfill	Swap Rebellion	Online event	Power to the people	Hannah Carter	Public interested in sustainable brands	Speaker
04/06/2020	#CEweekLDN 2020 - City's circular strategies	LWARB	Online event	Insights into Amsterdam's Circular Strategy	Andrea Crump	Circular economy advocates	Organiser/Facilitator
05/06/2020	#CEweekLDN2020 - Finance	LWARB	Online event	Financing the transition: how London's finance sector can help accelerate circular economy	James Close	Finance	Organiser/Facilitator
08/06/2020	APPCCG roundtable climate change event	Policy connect	Roundtable discussion	Achieving Net Zero on the Ground	Antony Buchan	Policy actors	Participant
12/06/2020	Slow fashion conversation	islowly	Instagram Live	Slow fashion	Hannah Carter	Public interested in sustainable fashion	Speaker
15/06/2020	EMF food initiative - Highlights from the first year of mobilisation	EMF	Online event	Circular economy in the food sector	Jean Billant	Actors in the food sector	Speaker
17/06/2020	Circular Restaurant Guide Launch	Advance London	Webinar	How circular economy can help your food business tackle climate change	Jean Billant, Natalia Agathou	Food businesses	Organiser/Facilitator
25/06/2020	CE-Hub Roundtable Series	Exeter University	Roundtable discussion	Circular economy	James Close	Circular economy advocates	Speaker
25/06/2020	International webinar on waste management in multifamily buildings	São João da Madeira municipality (Portugal)	Webinar	Recycling in flats	Gemma Scott	Municipal waste actors	Speaker
29/06/2020	Circular Food Business Masterclass	Advance London	Workshop	How to become a circular food business	Jean Billant	SMEs	Organiser/Facilitator
30/06/2020	Circular Economy workshop	LWARB	Online workshop	CE projects for LAs	Cathy Cook, Beverley Simonson	LAs	Speakers
02/07/2020	Behaviour Change and Recycling Contamination	Be wise to waste	Webinar	Common contaminants in recycling collections	Gemma Scott	Waste management actors	Speaker
20/07/2020	Sustainable Fashion Collective	Offset Marketplace / Sustainable Fashion Collective	Online panel discussion	Textile recycling and #LoveNotLandfill	Hannah Carter	Sustainable Fashion Collective members - designers, small brands, sustainable fashion fans	Panelist
27/07/2020	Journey 2020 Session Plan - Networking Session: Supporting Sustainable Innovation in 2020	Climate KIC	Workshop	Supporting Sustainable Innovation	Lamia Sbiti	SMEs	Speaker
29/07/2020	Circular food masterclass	Advance London	Workshop	Circular economy for food businesses	Jean Billant	Food businesses	Organiser/Facilitator
30/07/2020	West London 'Talk at Ten': Rebuilding West London as a Green Economy	West London Business	Webinar	Rebuilding West London as a Green Economy	James Close	London businesses	Speaker
30/07/2020	What does Circular Economy Mean in Practice?	Institute of corporate responsibility and sustainability	Webinar	What LWARB is doing to drive circular thinking and practice in the London region	Natalia Agathou	London businesses	Speaker
31/07/2020	Covid19 Resilience & Recovery - planning for the future	CIWM	Webinar	Lessons learned from COVID-19 and how these lessons can inform and shape a sustained green recovery	Ali Moore	Waste management actors	Speaker
06/08/2020	Lone Design Club IG Live and	Lone Design Club	Roundtable discussion	LDC's Roundtable Discussion: Can Fashion Manifest a Positive Future?	Hannah Carter	Public interested in sustainable brands	Panelist
19/08/2020	Diversity and Inclusion #jointheconversation	CIWM	Webinar	Diversity and Inclusion in the industry	Beverley Simonson	CIWM members - wide ranging backgrounds	Speaker, panelist
21/08/2020	Lecture at Istituto Marangoni	Istituto Marangoni	Lecture	#LoveNotLandfill campaign	Hannah Carter	Fashion buying students	Speaker
10/09/2020	Circular Food Business Masterclass with Young Foodies	Advance London	Workshop	How to become a circular food business	Anna Szeler, Jean Billant	SMEs	Organiser/Facilitator
10/09/2020	Ellen MacArthur Foundation 2020 Summit - Higher Education Session briefing session	EMF	Webinar	Harnessing the Power of Higher Education to Accelerate London's Circular Economy Transition	James Close	Education sector	Speaker
11/09/2020	University Arts London Entrepreneurs Sprint	UAL	Sprint	Bridging the gap between science and action on sustainability	Andrea Crump	University	panelist/judge
15/09/2020	Sustainable Packaging Unwrapped	Advance London	Workshop	Circular and sustainable packaging for food manufacturers	Anna Szeler, Natalia Agathou	SMEs	Organiser/Facilitator
23/09/2020	Virtual Roundtable - Sustainability in Fashion	OrganiserThe British Embassy, Tel Aviv	Webinar	Sustainability in Fashion	Natalia Agathou	Fashion sector	Speaker
23/09/2020	Bexley Eco Festival	Bexley Council	Virtual event	How to motivate 18- 34-year-olds to recycle	Violetta Lynch	Bexley residents	Pre-recorded presentation

## London Waste & Recycling Board – DRAFT – Early Version

### Finance Report Q4 2019/20

#### Profit & Loss Summary

LWARB performance for the final quarter of the financial year was £301k adverse to forecast (mainly due to LGF impairment loss £517k), reducing the YTD favourable position at Q4 to £481k.

Advanced London overspend £168k, Resource London underspend £150k, Circular London under budget by £172k.

#### LWARB P&L summary to 31/03/2020

P&L	2019/20 Q4 Actual	Budget Q4 2019/20	Variance	%	FY Budget 2019/20	%
<b>£000</b>						
<b>Income</b>						
Bank Interest and other income	199	84	115	137%	84	237%
Funding	423	283	140	49%	283	149%
Asset sale/revaluation	(45)		(45)			
<b>Total income</b>	<b>577</b>	<b>367</b>	<b>209</b>	<b>186%</b>	<b>367</b>	<b>386%</b>
<b>Advance London</b>	<b>(451)</b>	<b>(283)</b>	<b>(168)</b>	<b>59%</b>	<b>(283)</b>	<b>159%</b>
<b>Resource London</b>	<b>(1,788)</b>	<b>(1,938)</b>	<b>150</b>	<b>-8%</b>	<b>(1,938)</b>	<b>92%</b>
<b>Circular London</b>	<b>(590)</b>	<b>(762)</b>	<b>172</b>	<b>-23%</b>	<b>(762)</b>	<b>77%</b>
<b>Total Programme spend</b>	<b>(2,829)</b>	<b>(2,983)</b>	<b>154</b>	<b>-5%</b>	<b>(2,983)</b>	<b>95%</b>
<b>Overheads</b>						
Rent & rates	(242)	(275)	33	-12%	(275)	88%
Staff Costs*	(605)	(680)	75	-11%	(680)	89%
Other Overheads	(216)	(225)	9	-4%	(225)	96%
<b>Total Overheads</b>	<b>(1,063)</b>	<b>(1,180)</b>	<b>117</b>	<b>-10%</b>	<b>(1,180)</b>	<b>90%</b>
<b>Profit/Loss</b>	<b>(3,315)</b>	<b>(3,796)</b>	<b>481</b>	<b>-13%</b>	<b>(3,796)</b>	<b>87%</b>

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

#### Expenditure Summary

LWARB's year-end cash position was also favourable to budget as a result of the improved P&L, despite a higher than expected investment in funds (£3.6m compared to an expected £2.8m in the budget), mainly due to accelerated investment in the GLIF, offset by lower than expected drawdowns from GLIF management fees and Circularity Capital.

LWARB expenditure summary to 31/03/2020	Q4 Actual	Q4 Budget	Var.	%	FY Budget	%
Opening cash	23,748	23,748			23,748	
Net Income / (Expenditure)	(3,315)	(3,796)	481	-13%	(3,796)	87%
(Increase)/decrease in project loans	1,013	1,100	(87)	-8%	1,100	92%
(increase)/decrease in equity investments	(3,062)	(2,773)	(289)	10%	(2,773)	110%
Other	154		154	0%		0%
Net Income / (Expenditure)	(5,211)	(5,469)	259	-5%	(5,469)	95%
Closing cash	18,537	18,279	259	1%	18,279	101%

LWARB Income and Expenditure detail

<b>Income &amp; Expenditure (£000s)</b>														
London Waste and Recycling Board														
For the 3 months ended 31 March 2020														
	Period							YTD						
	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%
<b>Income</b>														
Bank interest receivable	91	21	70	334%	112	(21)	-18.36%	199	84	115	137%	205	(7)	-3%
C&A Foundation	5		5		31	(26)	-84.48%	89		89		46	43	93%
Grant income	121	35	86	243%	209	(88)	-41.95%	307	283	24	8%	513	(206)	-40%
Loan interest income					164	(164)	-100.00%					167	(167)	-100%
Other income	13		13			12	3087.50%	27				1	26	4503%
<b>Total Income</b>	<b>230</b>	<b>56</b>	<b>174</b>	<b>308%</b>	<b>516</b>	<b>(286)</b>	<b>-55.43%</b>	<b>622</b>	<b>367</b>	<b>255</b>	<b>69%</b>	<b>933</b>	<b>(311)</b>	<b>-33%</b>
<b>Programme Expenditure</b>														
Advance London programme expenditure	98		98		61	37	61.49%	451	283	168	59%	365	86	24%
C&A Foundation costs	37		37			37		122		122			122	
Circular Economy - Reusable Buildings												23	(23)	-98%
Circular Economy Accelerator programme	37	88	(51)	-58%	5	31	610.10%	219	350	(131)	-37%	5	214	4158%
Circular Economy programme expenditure	62	84	(22)	-26%	86	(24)	-27.57%	240	337	(97)	-29%	331	(91)	-27%
Investment programme costs		19	(19)	-100%	132	(132)	-100.00%	8	75	(67)	-89%	166	(158)	-95%
Impairment losses	437		437		59	377	635.17%	45		45		59	(14)	-24%
Resource London programme expenditure	494	485	9	2%	827	(334)	-40.32%	1,788	1,938	(150)	-8%	1,979	(190)	-10%
<b>Total Programme Expenditure</b>	<b>1,164</b>	<b>675</b>	<b>489</b>	<b>73%</b>	<b>1,171</b>	<b>(6)</b>	<b>-0.53%</b>	<b>2,874</b>	<b>2,983</b>	<b>(109)</b>	<b>-4%</b>	<b>2,928</b>	<b>(54)</b>	<b>-2%</b>
<b>Administrative Expenditure</b>														
Staff costs	157	189	(32)	-17%	170	(13)	-7.84%	605	680	(75)	-11%	580	25	4%
Serviced Accomodation					(22)	22	100.00%					28	(28)	-100%
Professional fees	8	5	3	69%	59	(50)	-85.61%	17	20	(3)	-16%	39	(22)	-57%
Professional Fees - Office Move					4	(4)	-100.00%	13		13		241	(228)	-94%
Office Rent	61	69	(8)	-11%	100	(39)	-38.69%	242	275	(33)	-12%	195	47	24%
Office expenses	8		8		5	3	62.83%	29		29		12	18	149%
Other overheads	65	51	14	27%	73	(8)	-10.73%	156	205	(49)	-24%	196	(40)	-20%
<b>Total Administrative Expenditure</b>	<b>299</b>	<b>314</b>	<b>(15)</b>	<b>-5%</b>	<b>388</b>	<b>(89)</b>	<b>-22.94%</b>	<b>1,063</b>	<b>1,180</b>	<b>(117)</b>	<b>-10%</b>	<b>1,291</b>	<b>(228)</b>	<b>-18%</b>
<b>Net Income / (Expenditure)</b>	<b>(1,233)</b>	<b>(932)</b>	<b>(301)</b>	<b>-32%</b>	<b>(1,042)</b>	<b>(191)</b>	<b>-18.33%</b>	<b>(3,315)</b>	<b>(3,796)</b>	<b>481</b>	<b>13%</b>	<b>(3,287)</b>	<b>(28)</b>	<b>-1%</b>

## LWARB Income and expenditure commentary

1. Grant income for the year to December is £307k. Made up of EU funding under the Advance London ERDF programme of £238k (recovery 53% of expenditure), a Circular London payment of £29k from Climate-KIC, and a Circe income of £40k. There is also £89k of income from C&A Foundation offset against current expenditure.
2. £198k of interest on reserves with the GLA were received in the year (the fourth quarter payment of £43k was received in March).
3. Resource London programme expenditure is £1,788k which is 8% (150k) under budget for the full year. Included in this figure is staff £573k, overhead recharges £253k, and discretionary expenditure of £962k (incl. RL projects £779k, and EU Life projects: Trifocal £143k and ECAP £39k). The underspend is in line with expectations due to demand led spending.
4. Advance London programme expenditure at £451k is 59% (£168k) over budget for the year (the budget was set on the assumption that new funding would not be agreed). The expenditure (and recovery above) is in-line with the schedule agreed in August 2019 with ERDF when the new funding was confirmed.
5. Circular London programme expenditure at £590k is 23% (£172k) under plan including the Investment programme costs. This include £131k underspend on the accelerator programme which closed the 1<sup>st</sup> cohort in September, and a shortfall against budget of £97k for programme spend. These have been offset by £122k of C&A Foundation costs which were not included in the budget (offset by C&A income £89k). The Investment programme costs of £8k are £67k under budget and include £5k for analysis of the business plan.
6. The impairment losses of £45k are made of a substantial write-down to December on the LGF of £518k, which was offset significantly (£473k) by the increased sale value of the ELBL facility. Note March revaluation not yet received
7. The net effect of the above is overall programme expenditure 5% (£154k) under budget for the year to March 2020.
8. Central staff costs at £605k are on £75k below budget mainly due to the Commercial Manager not starting in October (£50k), savings also made on the Board (£12k) due to resignations and the investment committee ceasing, and higher than expected recharges to the programmes (£16k).
9. Professional fees at £30k are £10k above budget due to £13k office move report and retention payment charge relating to previous year.
10. Office rent is £33k under budget at £242k due to higher than expected contributions from programmes overhead recharges.
11. Other overheads and office expenses are £185k which is £20k under budget.
12. Overall admin expenditure is 10% (£117k) under budget for the year at £1,063k
13. Expenditure at £3.9m overall is 5% (£216k) under budget for the year.

## LWARB Balance Sheet detail and commentary

<b>Balance Sheet (£000s)</b> London Waste and Recycling Board As at 31 March 2020		
	<b>Movement YTD</b>	<b>Closing Balance</b>
<b>Fixed Assets &amp; Investments</b>		
Cycle		1
Equity investments	3,062	6,275
<b>Current Assets</b>		
Project Loans	(1,013)	
Debtors	(130)	136
C A Foundation		
Prepayments	(9)	7
RL grants receivable		22
Total Bank	(5,211)	18,537
<b>Total Current Assets</b>	<b>(6,363)</b>	<b>18,702</b>
<b>Current Liabilities</b>		
Accruals	(268)	24
Deferred income	528	528
Virtual Card	1	1
Stamp Duty		(9)
Trade creditors	34	155
<b>Total Current Liabilities</b>	<b>296</b>	<b>699</b>
Provision for committed project expenditure	(281)	269
<b>Net Assets / (Liabilities)</b>	<b>(3,315)</b>	<b>24,010</b>
<b>Total Equity</b>	<b>(3,315)</b>	<b>24,010</b>

1. Equity investments increased by £3.1m in the year to date (£3.2m GLIF, and £414k Circularity Capital offset by a write down of £518k for LGF).
2. Project Loan movements of £1m reflect the sale of ELBL which was on the books at £1m and final settlement from PlasRecycle £13k. We no longer have any loans on our books.
3. Debtors stand at £136k, of which £121k is outstanding claims with ERDF
4. The £7k prepayments are mainly Insurance.
5. The RL grants receivable line is a debtor of £22k made up of £18k Trifocal and £4k ECAP
6. Total Bank – net £5.2m decrease in cash over the year is reconciled to the net cash outflow figure in the Cash Flow statement.
7. Trade Creditors - balance of £155k relates mainly to outstanding invoices of £109k the majority of which will be cleared in the following month, additionally there was £32k PAYE and NI related.
8. Provision for committed expenditure reflects outstanding contractual funding commitments. The £269k relates to funding agreements with Local Authorities made under the Resource London programme.

## LWARB Cashflow analysis and commentary

<b>Cash Flow (£000s)</b>		
<b>London Waste and Recycling Board</b>		
<b>For the 3 months ended 31 March 2020</b>		
	<b>Period</b>	<b>YTD</b>
<b>Net Income / (Expenditure)</b>	<b>(1,233)</b>	<b>(3,315)</b>
(Increase)/decrease in fixed assets		
(Increase)/decrease in project loans		1,013
(Increase)/decrease in grants receivable	41	
(increase)/decrease in equity investments	(1,529)	(3,062)
(increase)/decrease in debtors	(126)	130
(increase)/decrease in prepayments	(2)	9
increase/(decrease) in creditors	(41)	35
Increase/(decrease) in accruals	6	(268)
Increase/(decrease) in deferred income	528	528
Increase/(decrease) in stamp duty		
increase/(decrease) in provision for committed project expenditure	(29)	(281)
<b>Net cash inflow (outflow)</b>	<b>(2,386)</b>	<b>(5,211)</b>
<b>Opening cash</b>	<b>20,923</b>	<b>23,748</b>
<b>Closing cash</b>	<b>18,537</b>	<b>18,537</b>

1. Net income/expenditure is as per the Income and Expenditure detail above
2. The full year decrease in project loans as per the B/S above reflects the sale of ELBL which was on the books at £1m and final settlement from PlasRecycle £13k
3. The cash outflow for equity investments in the period are £1.6m GLIF, and £328k Circularity Capital. The full year position is as per the B/S above (£3.2m GLIF, and £414k Circularity Capital offset by a write down of £518k for LGF (also included in the income and expenditure).
4. Debtors increased by £126k mainly due to outstanding ERDF claim. The year to date decrease in balance reflects the £179k HMRC tax claim which was paid in 2019.
5. Creditors decreased by £41k in the quarter to March 2020, although they are £35k higher than at last year-end.
6. £528 of deferred income was added for the Circuit funding received
7. £29k of committed spend was paid out in the period.

**Proposed example of: LWARB Revenue programme and commentary**

Income stream	Actual Q1 2020/21	Budget Q1 2020/21	Variance	%	Budget FY 2020/21	%
<b>£000</b>						
Resource London	0.1	5.0	-4.9	-98%	25.0	0%
Accreditation service	0.1	0.0			25.0	0%
Training	0.1	0.0			5.0	2%
Workspace	0.1	2.0	-1.9	-95%	10.0	1%
Fundraising	0.1	0.0	0.1		0.0	
<b>Total</b>	<b>0.5</b>	<b>7.0</b>	<b>-6.7</b>	<b>-96%</b>	<b>65.0</b>	<b>1%</b>

1. Resource London commentary on income stream
2. Accreditation service commentary on income stream
3. Training commentary on income stream
4. Workspace commentary on income stream
5. Fundraising commentary on income stream

Any other comments or relevant details.....

Appendix – Discussion document for future cashflow forecast

LWARB Cashflow forecast to 31/03/2020

Cashflow Forecast 2019/2020	May'19 Plan 2019/20	Dec'19 F'cast 2019/20	Act to Mar'20 2019/20
<b>£000</b>			
<b>Income</b>			
Bank Interest	84	150	199
Project returns	1,100	1,335	1,513
<b>Total income</b>	<b>1,184</b>	<b>1,485</b>	<b>1,711</b>
<b>Investments</b>			
London Green Fund II	(2,100)	(1,848)	(3,165)
Circular Economy growth fund (CC)	(673)	(120)	(414)
<b>Total investments</b>	<b>(2,773)</b>	<b>1,485</b>	<b>(3,580)</b>
<b>Programme costs</b>			
CE Programme	<b>(300)</b>	<b>(258)</b>	<b>(233)</b>
CE Circuit			528
CE Accelerator	(350)	(289)	(219)
CE Reusable Buildings			29
Programme Professional Fees	(75)	(36)	(8)
Advanced London	(142)	(233)	(213)
<b>Total Advance London</b>	<b>(6,413)</b>	<b>(2,490)</b>	<b>(117)</b>
<b>Resource London</b>	<b>(1,833)</b>	<b>(1,853)</b>	<b>(2,069)</b>
<b>Central overheads</b>			
Rent & rates	(275)	(258)	(242)
Staff Costs***	(680)	(674)	(605)
Professional Fees	(20)	(22)	(30)
Advertising & Marketing	(60)	(30)	(50)
Training	(20)	(10)	(3)
Other Overheads	(125)	(143)	(132)
<b>Total Overheads</b>	<b>(1,180)</b>	<b>(1,137)</b>	<b>(1,063)</b>
<b>Debtors and creditors</b>			<b>166</b>
<b>Accruals and prepayments</b>			<b>(259)</b>
<b>b/f cash</b>	<b>23,748</b>	<b>23,748</b>	<b>23,748</b>
<b>c/f cash</b>	<b>15,506</b>	<b>19,459</b>	<b>18,537</b>

Draft Comments
Higher return on interest as later payment of LGF instalments Additional £470k received above book value for sale of ELBL
Forecast 1 installment plus full mgmt fees, actual 2 installments plus part management fees Large drawdowns Jan to Mar £328k
In-line with expectations - see I&E summary New Circuit finding not forecast due to Brexit uncertainty Initially forecast running two cohorts revised to one. Income received from previous year project Lower than expected feed for accelerator and other projects Initial forecast on programme running to Dec 2019, extended to 2022
£280k relates to release of previously committed spend (to be reconciled)
In-line with expectations - see I&E summary In-line with expectations - see I&E summary In-line with expectations - see I&E summary In-line with expectations Revisited training plan in Q1 to align better with requirements In-line with expectations - see I&E summary
Received £179k in relation to claim with HMRC on previous investment Accruals for 2019/20 still to be completed

## Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

### London Waste and Recycling Board Audit Committee

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed			
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>	
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

06/08/2020

and recorded as minute reference:

WR AC 31/07/2020

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

**Other information required by the Transparency Codes** (not part of Annual Governance Statement)

Authority web address

www.lwarb.gov.uk

AUTHORITY WEBSITE ADDRESS

## Section 2 – Accounting Statements 2019/20 for

### London Waste and Recycling Board

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	22,992,188	26,162,893	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	0	0	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	2,592,484	1,047,767	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	-1,733,615	-1,622,715	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	-5,670,006	-2,595,756	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	18,181,051	22,992,188	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	18,536,953	23,747,597	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b></i>
9. Total fixed assets plus long term investments and assets	5,776,645	4,226,781	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*J. Batty*

Date

31/07/20

I confirm that these Accounting Statements were approved by this authority on this date:

06/08/2020

as recorded in minute reference:

WR 31/07/2020

Signed by Chairman of the meeting where the Accounting Statements were approved

*Elizabeth Goodwin*