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Administration & Governance

Board paper title		Paper 25/02/21 - 1
Administration & Governance		
Report by	Wayne Hubbard	
Job Title	Chief Executive Officer	
Date of decision	Board meeting: 25 February 2021	

Summary
This paper seeks approval for amendments to the Board's Scheme of Delegated Authority as recommended by the Audit Committee and to approve proposals to terminate LWARB's current lease and move to smaller, fully serviced accommodation. Approval of one written resolution since the previous meeting is also noted.

Recommendations
The Board is recommended to: <ul style="list-style-type: none"> • Note the approval of written resolution WR 8/10/20; • Approve the revised Scheme of Delegated Authority included at Appendix 2; • Approve the recommendation to terminate the LWARB office lease at its break point on 5th September 2021.

Risk Management	
Risk	Action to mitigate risk
Office move	
If LWARB does not move it will be tied in to a further two year lease of an expensive office which cannot fully utilised.	Trigger break clause by 6 th March 2021 and relocate to smaller, serviced offices.
Trigger break clause but do not have secured office space by September.	Staff can continue to work remotely until an office space is secured. Short term storage space will be needed.
Being unable to deal with office dilapidation, furniture/equipment disposal in a sustainable way.	Short term resource will be engaged to manage the dilapidation process.
Move will divert resources from LWARB's core business.	This should cause limited disruption to most staff as they are currently working from home. Short term resource will be engaged to assist in the process.

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<p>Implications</p> <p>Legal</p> <p>SODA The LWARB Order allows the Board to delegate authority as it sees fit.</p> <p>Office lease The current office lease includes a break clause allowing LWARB to terminate the lease in September 2021 without penalty provided that at least six months' notice is given to the landlords.</p>
<p>Financial</p> <p>Office lease Terminating the current lease and re-locating to smaller serviced offices is anticipated to result in a saving of up to £175,000-£200,000 per annum after the first year in the new office.</p>
<p>Equalities</p> <p>Office lease Accessibility will be a key consideration in selecting new office space to lease.</p>

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<p>Why the paper is being presented</p> <p>The paper is presented to report on any decisions made between meetings via the written resolution procedure; seek approval for amendments to the Board's scheme of delegated authority and to approve a proposal to terminate LWARB's current lease and move to smaller, fully serviced accommodation.</p>

<p>Written resolutions</p> <p>One confidential paper was approved under the written resolution procedure since the previous Board meeting:</p> <p><i>08/10/20 Rebranding confirmation and timeline</i> This paper sought formal approval from the Board to rebrand LWARB with the goal of launching as the rebranded organisation in March 2021.</p>

<p>Scheme of Delegated Authority</p> <p>The current version of the SODA is attached at Appendix 1. This requires updating in order to reflect changes to LWARB's staff structure and the disbanding of the Resource London Partnership Board. The scheme of delegation was first developed</p>

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when LWARB was a much smaller organisation and it tried to include staff at all levels within the organisation. As the staff numbers have grown, the SODA has become unwieldy and time consuming to keep up to date.

It is therefore proposed that the revised SODA only includes delegation of authority from the Board down to the level of the Senior Management Team (Chief Executive, Heads of Programme, Head of Finance, Head of Communication and Behaviour change, Governance & Secretariat Officer) and that those staff may then delegate authority further without the need for approval by the Board. An internal record of any such delegations will be maintained.

The proposed revised SODA is shown at Appendix 2. Authority for approval of the SODA lies with the Board.

The Audit Committee reviewed the proposed revised SODA at its meeting on 15 December 2020 and recommended that it be approved by the Board.

LWARB Offices

Background

LWARB's current office lease is 5 years (Sep 2018-Sep 2023) with a break clause at 3 years (Sep 2021). To trigger the break clause LWARB must provide formal notice six months before the end of the third year. This requires LWARB to send a letter to the landlord by 6th March 2021.

Home working has made us reassess our requirements and consider whether to exercise the break clause.

Rationale for moving office

Due to the pandemic LWARB staff have been working from home since March 2020. This has proved to be largely successful, causing limited disruption to LWARB activities.

We are Circular (18 desks available to circular economy SMEs) had to close as it was inoperable in the pandemic and it is unlikely to be viable for the foreseeable future. It brought in only limited income and the space has not proved large enough to really generate a 'community' and attract SMEs.

LWARB's current offices are therefore much larger than we need, and significant savings could be made by moving to a smaller, serviced office.

Proposal:

We propose that we trigger the break clause in the lease on 6th March 2021, leaving the current office in September 2021 and moving to a smaller serviced office.

We have done an initial search for a serviced office with approximately 15 desks. This would be an enclosed, private space within a larger co-working office space. The

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shared space would be accessible for overspill if more than 15 people need to use the office on a certain day.

The space will have access to meeting rooms and ideally space to host events but that can be sourced elsewhere if needed.

Reducing the number of desks will require increased home/remote working for staff compared to the situation pre pandemic, and continued use of online conferencing technology.

The location of the serviced office is to be determined. Our initial search was around our current office but we will consider any location between Old Street/Liverpool Street and Southwark/Union Street areas.

An agent provided us with provisional costs for various serviced offices. Based on these we performed a cost comparison with our current office costs. Downsizing and moving to a serviced office will result in savings of up to £175,000-£200,000 per annum. The main savings will come from lower rent, no business rates (included in the serviced office rent) and reduced running costs (electricity and cleaning are included in the serviced office rent). See table on page 5 for the summary of this cost comparison.

There will be one-off costs involved with moving office. We will need to arrange for the dilapidation of our current office, as specified in the lease (i.e. returning the space to an empty shell). We will aim to do this keeping our circular economy principles and as sustainably as possible. We expect we can sell some of the assets, such as furniture, so estimate that our net costs for dilapidation will be approx. £40,000 (based on RICS figures for average settlement cost per sq ft). We also propose to get project management support to oversee the move (approx. £15,000).

These one-off costs for the first year will mean that the savings will be less in the first year (between £55-75,000) but increasing up to £175,000-£200,000 in the years after.

We will use the vacating of the current office as an opportunity create an example of a circular economy principled move and will aim to produce a case study.

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Table showing cost comparison for estimated annual savings

Estimated annual savings	Current office	Serviced office
Rent + service charge 2021/22	264,048.00	175,000-200,000
Business rates 2021/22	96,824.00	-
Running costs (not inc IT)	37,000.00	23,000.00
Annual total	397,872.00	198,000-223,000
Annual savings		£175,000-£200,000

One-off costs	Current office	Serviced office
Moving costs	-	58,000.00
Total	-	58,000.00

Notes:

The serviced office costs are based on the mid range provisional quotes provided by an agent for serviced offices.

Running costs are totals for items that will differ (e.g. cleaning, electricity etc. which are included in the serviced offices). It does not include costs for IT which will remain the same.

One-off moving costs include: net dilapidation, project management resource and moving costs.

It may be necessary to have an overlap of rent between the two offices. Depending on if and when we have the overlap, the annual saving in the first year is estimated to be between £55-75,000. This is after all costs associated with the move are deducted.

Further information

- Appendix 1 – Current Scheme of Delegated Authority
- Appendix 2 – Proposed 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 31 October 2019 and supersedes all previous versions.

Policy

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

Staffing and Remuneration

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

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

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 London Programme

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

Investments

Ongoing monitoring of LWARB investments will be carried out by LWARB officers and any decisions required will be made in consultation with the Board chair and former Investment Committee Chair (Melville Haggard), and with the approval of the full Board for investments or amendments to investments with a value greater than £200,000.

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	Resource London Partnership Board	CEO	Head of Finance & Operations	Head of Programme - Resource London	Head of Programme – Circular London	Business Development Officers Local Authority Support Managers	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	
	<p>Note:</p> <ul style="list-style-type: none"> All expenses claims must be approved by the claimant's line manager or the Head of Finance & Operations, 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. <p>*The Board Chair's expenses must be approved by the Audit Committee Chair.</p>												

Circular London Programme													
Activity	Note	Board	Board Chair	Audit Committee/ Chair of Audit Committee	Resource London Partnership Board	CEO	Head of Finance & Operations	Head of Programme - Resource London	Head of Programme – Circular London	Business Development Officers	Advance London Project Manager	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
CE Programme Costs (Ex Investment & Advance London)		>100,000				100,000	100,000		50,000	10,000			
Advance London SME Support Programme Costs.		>100,000				100,000	100,000		50,000		5,000	25,000	
New Investment Proposals		>200,000				200,000 or Approval on behalf of the Board if greater*	Signature on behalf of the CEO or Head of Programme – Circular London		Approval on behalf of the Board*				
Amendment to existing investments		>200,000				200,000 or Approval on behalf of the Board if greater*	Signature on behalf of the CEO or Head of Programme – Circular London		Approval on behalf of the Board*				

Investment Development , Evaluation and Monitoring Costs					>50,000		50,000	50,000		25,000	10,000		
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Note: Investment Programme

NB:The Board shall approve any new investment proposals, or amendments to existing ones, with a value greater than £200,000, based on recommendations from officers,. Unless specifically decided otherwise, the detailed negotiations and contracting are delegated by the Board to the Head of Programme – Circular London 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 Programme – Circular London, and the CEO the authority to negotiate and sign contracts on its behalf subject to the qualification above. Other investment proposals or amendments to existing ones with a value less than £200,000 will be approved by the Chief Executive in consultation the Head of Programme – Circular London and also with the Chair of the Board and former chair of the Investment Committee if greater of greater value than £100,000.

*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	Resource London Partnership Board	CEO	Head of Finance & Operations	Head of Programme - Resource London	Head of Programme – Circular London	Head of Communications/Local Authority Support Managers/ Project Development Manager – Commercial/Recycling	Communications and Campaigns Officer	Advance London Business Advice Manager	Governance Officer
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Project Funding Agreements					>50,000	50,000		25,000					
Project Development , Evaluation and Monitoring Costs					>50,000	50,000		25,000					
Programme Costs					>100,000	100,000	100,000	50,000		10,000	1,000		

General/Central/Admin Costs															
Activity	Note	Board	Board Chair	Audit Committee	Investment Committee	CEO	Head of Finance & Operations	Head of Programme (Resource London)	Head of Programme – Circular London	Head of Communications	Corporate Communications Officer	Business Development Officers	Advance London Project Coordinator	Advance London Business Advice Manager	Governance & Secretariat Officer/Community & Office Manager
		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Operational Costs		>100,000	100,000			50,000	50,000	25,000	25,000	50,000	1,000	1,000			1,000
Other expenditure/tenders/contracts	Expenditure in accordance with contracts already approved at an appropriate level may be approved by the CEO or the Head of Finance & Operations.	>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 EC only					
BACs Run	Up to £1,000,000 any two signatories one of which must be Group A or Group B; above £1,000,000 any two signatories one of which must be group A (individual items to be initialled in line with Cheque Payments)					
CHAPs	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A					
Changes to mandate	Two Group A signatories					
Signatory	BM	WH	AB	JC	EC	AL
Signatory Group	A	A	B	B	B	C
BM - Board Member						
WH - Wayne Hubbard						
EC – Eddie Confoy						
AB - Antony Buchan						
JC- James Close						
AL - Adam Leibowitz						

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 specific decision of the Board.

This Scheme of Delegated Authority was adopted by the Board on 25 February 2021 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 permanent establishment, pay and pay policy is delegated by the Board to the Audit Committee. Appointment of temporary staff (< two-year appointments), whether contractors or employees, is delegated to the CEO.

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).

Budgets

Overall budgets for LWARB's programmes and operations are agreed by the Board through its business plan. Subsequent decisions on how budgets are deployed are delegated to the Chief Executive and the Senior Management Team, subject to the approval limits set out 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 variations 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 variations between approved Business Plan budget lines over £100,000 shall require the approval of the Board.

Funding Agreements

The following criteria for entering into inward funding agreements are to be applied:

- If the project for which funding is sought is within the scope and time horizon of the current business plan, and the cost to LWARB of any funding (i.e. match funding) is within the Chief Executive's delegated authority, the decision to make an application should be for the Chief Executive to make.
- If the project is within the scope of the current business plan, but reaches beyond its time horizon, approval should be sought from the Board Chair.
- If the project is outside scope of the business plan or significantly outside of the time horizon (eg more than three years beyond the business plan period), approval should be sought from 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.

Further Delegations

Those to whom spending authority has been delegated may further delegate authority others within their teams. Such onward delegation is not included in this SODA but is included below for information.

HR and Staffing

Activity	Note	Board	Board Chair	Audit Cttee	Audit Cttee Chair	CEO	Head of Programme (Resource/Circular London)	Head of Communications and Behaviour Change	Head of Finance and Operations	Governance & Secretariat Officer
External Permanent Appointments	Standard contracts within pay policy only.					All				
Fixed term appointments, secondment or agency staff.	Appointments less than two years in duration only.					All				
Pay increments	Within pay policy only.				CEO's	All (except CEO's)				
Annual Cost of Living Pay Award	Within pay policy only.			All (including CEO's)						
<i>Ex gratia</i> payments and Performance Related Pay				>10,000	10,000	5,000				
Staff Loans	Loans other than transport season ticket loans may not be approved other than with the explicit approval of the Board Chair.			>10,000		10,000				
Expenses Claims		>10,000	10,000		1000	1,000	500	500	1000	500
		<p>Notes</p> <ul style="list-style-type: none"> All staff expenses claims must be approved by the claimant's line manager or the Head of Finance & Operations, 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 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 The Chair's expenses must be approved by the Audit committee Chair. All expenses must be in accordance with the Board's expenses policy. 								

Programme activities

Activity	Note	Board	Board Chair	Audit Cttee	Audit Cttee Chair	CEO	Head of Programme (Resource London/Circular London)	Head of Communications and Behaviour Change	Head of Finance and Operations	Governance & Secretariat Officer
Programme Costs (Circular Economy and Resource London)		>100,000				100,000	50,000	10,000	50,000	
Investments – amendment to existing investments		>200,000				200,000 or Approval on behalf of the Board if greater*	Approval on behalf of the Board*		Signature on behalf of the CEO or Head of Programme – Circular London	
New Investments.		>200,000				200,000 or Approval on behalf of the Board if greater*	Approval on behalf of the Board*		Signature on behalf of the CEO or Head of Programme – Circular London	
Investment Development, Evaluation and Monitoring Costs						100,000	50,000			
		<p>Note: Investment Programme The Board shall approve any new investment proposals, or amendments to existing ones, with a value greater than £200,000, based on recommendations from officers,. Unless specifically decided otherwise, the detailed negotiations and contracting are delegated by the Board to the Head of Programme – Circular London 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 Programme – Circular London, and the CEO the authority to negotiate and sign contracts on its behalf subject to the qualification above. Other investment proposals or amendments to existing ones with a value less than £200,000 will be approved by the Chief Executive in consultation the Head of Programme – Circular London and also with the Chair of the Board if of greater value than £200,000.</p> <p>*Where a commitment has previously been made by the Board</p>								

Central costs

Activity	Note	Board	Board Chair	Audit Cttee	Audit Cttee Chair	CEO	Head of Programme (Resource London/Circular London)	Head of Communications and Behaviour Change	Head of Finance and Operations	Governance & Secretariat Officer
Operational expenditure	Expenditure in accordance with contracts already approved at an appropriate level may be approved by the CEO or the Head of Finance & Operations	>150,000	150,000			100,000	25000	50000	100,000	5000
Settlement of legal proceedings		>30,000	30,000			20,000				

Further delegations (as agreed internally)

From	To	Limit	Note
Head of Programme (Resource London)	Senior Advisors	10,000	Programme costs
Head of Programme (Resource London)/Head of Communications & Behaviour Change	Communications and Campaign Leads	1,000	Programme or corporate costs
Head of Programme (Circular Economy)	Senior Advisors	10,000	Programme costs
Head of Programme (Circular Economy)	Advance London Business Advice Manager	25,000	Advance London Programme costs
Head of Programme (Circular Economy)	Advance London Project Manager	5,000	Programme costs
Head of Programme (Circular Economy)	Project Manager – Built Environment	10,000	Programme costs
Governance & Secretariat Officer	Community and Office Manager	1,000	Central, overheads only.

Bank Mandates

Approvals required by signatories

Cheque Payments	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Standing Orders and Direct Debits	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Electronic banking (internal transfers)	WH or EC only						
BACs Run	Up to £1,000,000 any two signatories one of which must be Group A or Group B;						
	above £1,000,000 any two signatories one of which must be group A (individual items to be initialled in line with Cheque Payments)						
CHAPs	Up to £5000 two signatories one of which must be Group A or B; > £5000 two signatories one of which must be Group A						
Changes to mandate	Two Group A signatories						
Signatory	BM	WH	EC	AB	PM	AM	AL
Signatory Group	A	A	A	B	B	B	C
BM - Board Member							
WH - Wayne Hubbard							
EC – Eddie Confoy							
AB - Antony Buchan							
PM- Pauline Metivier (from 31/3/21)							
AL - Adam Leibowitz							