

**Meeting Note**

12.00pm, 15 December 2020

Via Zoom

*Approved at the LWARB Audit Committee  
Meeting on 11 February 2021*

*Signature: .....  
Cllr Guy Senior, Committee Chair*

**Committee Members Present**

Cllr Guy Senior (Chair)  
Cllr Krupa Sheth  
Joe Murphy

**Also Present**

Liz Goodwin, LWARB Chair  
Wayne Hubbard, LWARB  
Adam Leibowitz, LWARB  
Eddie Confoy, LWARB  
Chris Harris, TIAA/Ankura

**1. Introductions and apologies for absence**

Apologies were received from Chantelle Nicholson and Cllr Claire Holland.

**2. Declarations of interest**

No declarations were made over and above those already noted in the Board's register of interests.

**3. Minutes of the previous meeting (11 June 2020)**

GS noted that he was the only current member present at the previous meeting but confirmed that the minutes reflect the meeting. The minutes were agreed.

**4. Written Resolutions passed since previous meeting**

Approval of written resolution *AC WR 31/07/2020 Annual Governance and Accountability Return 2019/20* was noted.

**5. Finance**

EG gave a brief introduction to LWARB finance and the finance tea and invited any comments or suggestions on how processes could be improved.

***2019/20 Annual Governance & Accountability Return & External Audit Report***

EC updated on new members of the Committee that the Board had been determined to be a 'smaller authority' for audit purposes in May and that this was the first Annual Governance and Accountability Return (AGAR) that had been prepared by LWARB. The AGAR represents the Board's annual accounts and was published in November following a very light touch audit which focuses more on process than reviewing the accounts *per se*. The auditors raised only some issues around process which will be taken into account for subsequent years.

*2019/20 Accounts in comparable format to previous years.*

EC explained that the required AGAR is not particularly helpful in understanding LWARB's financial position at year end so a set of accounts have been produced in a comparable format to a full set of accounts for information.

#### *Finance Report – Q2 2020/21*

EC introduced the Q2 management accounts.

JM queried why income was £160k above budget. EC explained that this was because Advance London funding had been extended by the ERDF.

Q2 management accounts were approved by the Committee.

#### *Funding update*

WH reported the following grants were recently secured for LWARB

- Foodwave: 340,000 euro food waste project funded by the EU (LWARB has taken over from the GLA as the London partner to this project).
- Flats recycling: £146,000 from Ecosurity to deliver an extension off the flats recycling project.
- Student halls food waste project: £100,000 from WRAP (pending formal agreement as to viability of project).
- GLA Green New Deal: £900,000 grant from the GLA to support circular economy SMEs.

#### *2021/22 Budget*

WH noted that LWARB is required to publish a business plan by the end of March each year. The current 2020-25 business plan will be reviewed in light of COVID and will include a revised budget.

## **6. HR**

EC gave a brief background to the HR team (EC, AL, WH, with admin support from one admin officer)

#### *Harmonisation review & future plans*

EC gave an update on the recent harmonisation exercise. External consultants (Page) contracted to undertake a review of all positions within the organisation and their grading to ensure internal consistency and alignment with the prevailing market. External benchmarking showed that LWARB pay was generally in the middle of the market range. One role (one position) was found to be under-graded and one (three positions) was found to be over-graded. A regrading of these positions has been undertaken and no issues have arisen among the staff.

A full review of LWARB terms of employment, staff structure, annual pay settlements, career progression and incentives will be undertaken.

GS asked about pension arrangements which EC confirmed to be the statutory total 8% contribution to personal pension scheme, of which 4% is from LWARB and 4% from the employee.

#### *Cost of living increment*

EC reported that a cost of living increment equal to the settlement agreed by the National Joint Council for Local Government Services (2.75%) had been applied in November, backdated to April.

### *Staff updates & recruitment activity*

WH noted that recruitment of temporary/short term positions or recruitment into already established positions is carried out without specific referral to the Audit Committee. The Committee however is required to approve changes to the full time establishment. The changes in staffing reported in the update paper AC 15/12/20 – 6(iii) were noted.

Proposals are being drawn up to amend the establishment by deleting one vacant Grade 9 position (Business Development Manager) and establishing two lower grade positions. A paper will come to the Audit Committee to approve this in due course.

The staffing update was noted by the Committee.

## **7. Internal Audit Plan**

CH presented the internal audit plan which was approved by the Committee.

EC noted that under the audit arrangements for a smaller authority, external audit is a much lighter touch so greater reliance must be placed on the internal audit, including by the external auditors.

## **8. Risk Management**

AL introduced briefly the corporate level risk register which is focused only on strategic risks and is reviewed at each Audit Committee meeting. Any new or amended risks with an overall high risk rating are reported to the Board for information.

The Committee reviewed the risks. No amendments were made.

### *Risk 2: Reputational risk through not achieving London's recycling targets*

The committee noted that the risk of the recycling rate going down cannot be avoided, but that LWARB has only limited influence on actual rates.

### *Risk 6: Serious risk to delivery as a result of change in political environment.*

While this is a theoretical possibility, it does not appear that any of the Mayoral candidates have any intentions to change the role of LWARB.

### *Risk 10: Disruption arising from the UK leaving the European Union at the end of the current transition period.*

LWARB is a participant in a number of EU programmes that require participants to be from EU member states. Other partners to the programmes have agreed that LWARB may remain, and government has stated it would match funding if necessary. Other risks remain uncertain (eg long term changes to environmental regulations and recruitment and retention of staff).

### *Risk 11: LWARB unable to deliver its programmes due to the COVID-19 pandemic.*

Noted that in most areas LWARB has been able to continue relatively well despite COVID, and is contributing to the post-COVID recovery. LWARB's current funding is unaffected by the pandemic and all staff have been retained. A review of the Business Plan will be needed to include the affect of the pandemic.

## **9. Scheme of Delegated Authority**

AL introduced the paper recommending amendments to the current Scheme of Delegated Authority to simplify it and align it with the current staff structure. The proposed revised

SODA includes a section on agreeing on LWARB application for external funding. This is unchanged from previous policy but it was not previously incorporated into the SODA.

The Committee agreed that the proposed changes be recommended to the Board for approval.

**10. Any other business**

EC reported that work is underway to establish an LWARB subsidiary to handle commercial work and thereby limit risk to the Board and gain tax advantages. This will be established in the New Year.

**11. Dates of future meetings**

11 February 2021; 12 May 2021; 9 September 2021; 11 November 2021