

London Waste and Recycling Board Strategic Resources Committee Meeting

12-2pm Thursday 6 March
Boardroom, Sustainable Workspaces, County Hall, Belvedere Road,
London SE1 7PB.



Agenda

| No. | Item | Pg no | Action required | Relevant appendices |
|-----|---|-------|-----------------|------------------------------------|
| | Public business | | | |
| 1 | Welcome and apologies | - | - | |
| 2 | Declarations of interest | - | - | |
| 3 | Minutes of the previous meeting (29 November) | 2 | For approval | |
| 4 | Written resolutions passed since previous meeting (none) | - | - | |
| 5 | Finance & staffing report <ul style="list-style-type: none"> • Q3 Management accounts • Secured income • Balance sheet • Treasury management • Staffing update | 5 | For info | AI: 2024/25 Q3 management accounts |
| | Confidential business | - | - | |
| 6 | Five year financial plan update <ul style="list-style-type: none"> • Budget • Income pipeline | 10 | For approval | |
| 7 | COL approval | 13 | For approval | |
| 8 | AOB | | | |

Note: Members of the public may attend to observe non-confidential sections of the meeting by contacting jo.rogers@relondon.gov.uk at least 24 hours in advance of the meeting.

3. Minutes of the previous meeting: for approval

1.00 – 3.00pm Tuesday 29 November 2024

Boardroom, Sustainable Workspaces, County Hall, SE1 7PB

And via Zoom

Committee Members present

Joe Murphy (Chair)
Cllr Krupa Sheth
Cllr Nicholas Bennett
Chantelle Nicholson
Ayo Abbas
Dimitra Christakou

Approved at the ReLondon Audit Committee Meeting on 6 March 2025

*Signature:
Joe Murphy, Committee Chair*

Apologies: Cllr Jo Blackman

Also present

Jemilah Bailey, GLA
Jo Rogers, ReLondon
Wayne Hubbard, ReLondon
Ineta Galdikiene, ReLondon
Katie, Rowberry, ReLondon

Part I: Regular business

1. Welcome and apologies for absence

An apology was received from Jo Blackman.

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

Minutes of the meeting held on 17 September 2024 were agreed and approved.

4. Written Resolutions passed since previous meeting

The Committee noted the approval of the written resolution dated 27/09/24 for Research Advisor Recruitment via the written resolution procedure.

5. Finance and staffing report

Jo Rogers noted that ReLondon's Q2 2024/25 income is in general on track and forecasted to be over the budget by £80k. In addition to that, expenditure is under the budget, and savings of £40k are forecasted for the full year. This will have a positive impact on overall net programme expenditure by £120k. The cash position is also forecasted to be better than the original projection.

Out of £2.6M of budgeted income for this FY, £2.4M (92%) is already secured. Only £214k is left to achieve income target this FY, out of which £135k will be achieved via bank interest. Jo Rogers announced to the Committee that a new Laudes Foundation grant agreement has been signed in the morning before the Committee meeting and this puts ReLondon in a position when the main focus is to deliver the programmes and work in securing income for 2025/26.

The Committee agreed that there should be no change to the Treasury management policy, with ReLondon's funds remaining on loan to the GLA. ReLondon is getting the best possible rate.

During the staffing update, Jo Rogers reported that there were no unplanned starters or leavers since the last meeting and attrition rate for the year to date is 0%, and 9.7% (2 out of 3 due to re-organisation) for the last 12 months. This shows that the team is stable. In addition to that, Jo Rogers mentioned, that as much as it's a great idea to have an independent staff survey facilitator, there are some challenges in finding the right one.

As mentioned earlier, the new grant agreement has been signed on the date of the committee meeting, which requires a key expert in the built environmental field contract to be changed from temporary to a permanent employment contract. The committee members approved the staffing change.

6. Five-year financial plan

Discussion focussed around the best approach to assessing investment or capacity needs in order to achieve future income targets. The committee members had a fruitful discussion about it, advising to start with the warm pipeline leads, future opportunities and be strategic on which sectors ReLondon can develop the most. They also advised not to rush with the decisions and take time to think through them.

7. Unaudited accounts and annual report.

ReLondon's annual report and unaudited statement of accounts has been prepared for the financial year ended 31 March 2024. This will be circulated to the Mayor office and London Councils. Committee members had no questions and approve the unaudited accounts and annual report.

8. Any other business

New chair appointment as yet unconfirmed. Strategic advisor for Built Environment contract change to permanent approved.

Part 2: Confidential business

9. Pipeline

Jo Rogers mentioned that the income secured at the final sign off stage totals £208k, of which £53k will be accounted for this financial year and the rest - the next financial year. Katie Rowberry went through the pipeline details, flagging up that ReLondon is building good relationships with Decathlon, Laudes Foundation and other partners. The relationship with Decathlon as a potential strategic partner was discussed and the committee were advised that this may result in a 'Go/No go' moment soon. In addition to that the government announced that the UKSPF funding will be extended for another year, but at a 40% reduction. We are as yet unclear how the 40% will be implemented.

Jo Murphy summarised the pipeline overview, saying that ReLondon is in a much better place now than ever before and that the opportunities are great.

10. SMT salary framework

The SMT salary benchmarking has been completed by consultants and the recommendation of salary range changes proposed for an approval. The committee approved proposed SMT pay band range.

Minutes prepared by Ineta Galdikiene,
Financial Controller

4. Written resolutions passed

None

5 Finance Report: for information

Headlines

Year to date actuals

- Invoiced (actual) income is £1.9m year to date (5% or £109k) behind budget expectation of £2m.
- Programme expenditure is £2.9m (7% or £209k) below budget.
- Net programme expenditure is £982k (9% or £100k) below budget.

Reforecast year end

- Income expectation has reduced to £2.57m (2% or £55k below budget).
- Expenditure expectation is reduced £4.08m (4% or £148k below original budget).
- Projected net programme expenditure is £1.5m (4% or £93k below original budget)
- Projected cash at year end £7.27m (£93k up on original budget)

| | Q3 YTD Budget | Q3 YTD Actual | Variance | % Var | 2024/25 Budget | 9M reforecast |
|---|-------------------|-------------------|--------------------|-----------------|-------------------|-------------------|
| Income | | | | | | |
| Waste and recycling consultancy & training | £151,479 | £88,424 | -£63,055 | (41.6%) | £231,780 | £196,716 |
| Circular economy consultancy & training | £55,000 | £41,251 | -£13,749 | (25.0%) | £86,000 | £67,951 |
| Sponsorship | £60,000 | £10,000 | -£50,000 | (83.3%) | £70,000 | £99,747 |
| Campaigns | £210,000 | £212,559 | £2,559 | 1.2% | £210,000 | £212,559 |
| Grants and fundraising | £1,222,950 | £1,261,823 | £38,873 | 3.2% | £1,732,600 | £1,602,764 |
| Other income | £324,499 | £301,154 | -£23,345 | (7.2%) | £300,000 | £395,420 |
| Investment income | £0 | £0 | £0 | | £0 | £0 |
| Total income | £2,023,928 | £1,915,211 | -£108,717 | (5.4%) | £2,630,380 | £2,575,157 |
| Core programme activity expenditure | | | | | | |
| Local Authority Support | £555,864 | £502,994 | £52,870 | 9.5% | £773,560 | £713,638 |
| Core business sector support and transformation | £328,171 | £266,520 | £61,651 | 18.8% | £438,509 | £392,509 |
| Business sector support restricted grants projects* | £904,324 | £919,781 | -£15,457 | (1.7%) | £1,141,699 | £1,158,867 |
| Communications | £518,970 | £513,446 | £5,524 | 1.1% | £694,610 | £693,300 |
| Central costs | £798,568 | £694,547 | £104,021 | 13.0% | £1,181,912 | £1,123,748 |
| Total programme expenditure | £3,105,897 | £2,897,289 | £208,608 | 6.7% | £4,230,289 | £4,082,062 |
| Net programme expenditure | £1,081,969 | £982,078 | £99,891 | 9.2% | £1,599,909 | £1,506,905 |
| Investment Impairment (GLIF) | £0 | £1,394,898 | -£1,394,898 | #DIV/0! | £0 | £1,394,898 |
| Net ReLondon expenditure (incl. Investment Imp.) | £1,081,969 | £2,376,976 | -£1,295,007 | (119.7%) | £1,599,909 | £2,901,803 |
| Investments expenditure | £42,000 | £42,745 | -£745 | | £84,000 | £84,000 |
| RELONDON NET SPEND | £1,123,969 | £2,419,721 | -£1,295,752 | (115.3%) | £1,683,909 | £2,985,803 |

Reminder: the investment impairment from exiting the Greater London Investment Fund must be shown on the P&L but this does not affect the cash position.

Q3 Narrative Oct - Dec 2024

Income

Overall total received income is slightly behind budget at end of Q3 mainly due to invoicing and payment schedules as income secured for the year is at 95% of budget. See breakdown on next page.

Income expectation for year is £55k lower than original budget.

Expenditure

Broadly teams are underspent against budget and predict there to be savings across travel, meeting rooms and design and print at year end along with minimal requirement for legal and professional support in the year.

The Business Sector Support grants projects are slightly higher than budget due to staffing costs including three maternity leaves in the year.

As a result of these savings expenditure for year is expected to be £148k lower than original budget.

Prior to the investment impairment the year end deficit (or spend from reserves) is expected to be £93k lower than budget, improving the projected cash balance.

Year-end cash balance

The reforecast for year-end cash balance has shifted positively to exceed initial budget and we expect to close the year with cash in excess of the £7.2m target in the five year financial plan*

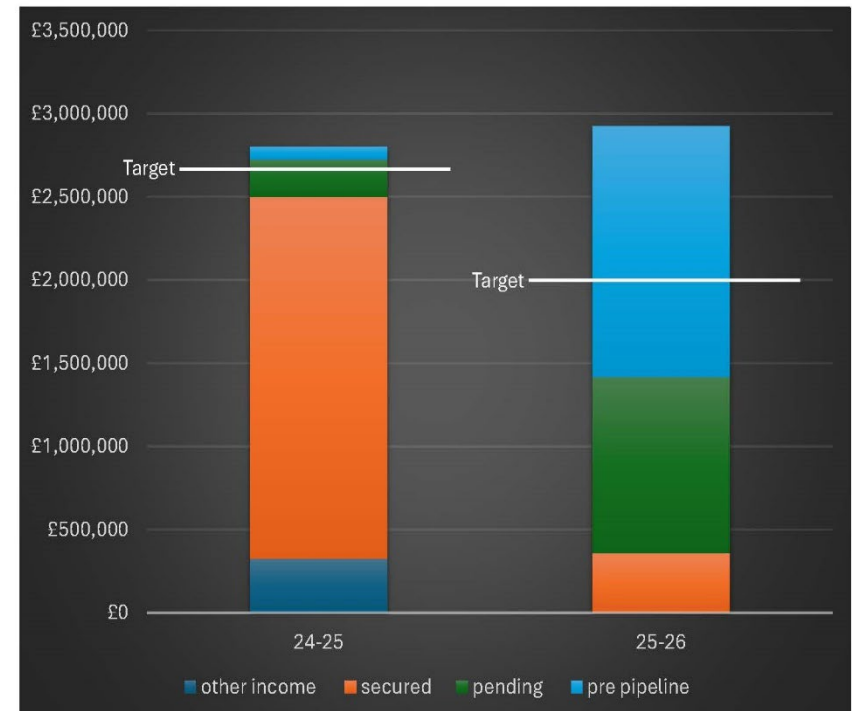
| | Approved budget | Reforecast | Variance (reforecast to budget) |
|-------------------|-----------------|-------------|------------------------------------|
| Opening balance | £3,268,070 | £3,268,070 | - |
| Movement of funds | +£3,916,091 | +£4,009,095 | +£93,004 |
| Closing balance | £7,184,161 | £7,277,165 | +£93,004 |

*Five year cash position plan

| | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 |
|------------------------------------|--------|--------|--------|-------|--------|--------|
| Opening balance at 1 April | £8.8m | £7.2m | £5.4m | £4m | £3m | £2.3 |
| Draw on reserves (net expenditure) | -£1.6m | -£1.8m | -£1.4m | -£1m | -£0.7m | -£0.3m |
| Closing balance at 31 March | £7.2m | £5.4m | £4m | £3m | £2.3m | £2m |

Secured (invoiced or contracted) income at 1 Feb 2025 (Month 10 of FY)

| | FY Budget | Secured to end Jan | % of budget |
|--|-------------------|--------------------|-------------|
| Waste and recycling consultancy & training | £231,780 | £196,716* | 85% |
| Circular economy consultancy & training | £86,000 | £67,951* | 79% |
| Sponsorship | £70,000 | £99,747 | 142% |
| Campaigns | £210,000 | £212,559 | 101% |
| Grants for projects | £1,732,600 | £1,602,764 | 93% |
| Investments income /interest/ other | £300,000 | £325,000 | 108% |
| Total | £2,630,380 | £2,504,737 | 95% |



At the last meeting 92% of income target had been secured. Despite increasing the total secured income value, some previously reported income lines have reduced. This is due to either reduction in direct costs that therefore will not be claimed from the funder or activity shifting into next financial year. No funds expected to cover ReLondon costs have been lost. This is specific to both the consultancy and training lines (marked with *).

The sponsorship line includes paid consultancy work for the behaviour change team (for want of an appropriate home), plus new income for Repair Week sponsorship.

The reforecasted income total is £2.57m (98% of original budget) – the remaining £70k is expected from bank interest only. Focus is on income generation for 2025/26, to be discussed later in this paper.

Balance Sheet

London Waste and Recycling Board
As at 31 December 2024

| <u>Account</u> | <u>31 Dec 2024</u> |
|---|--------------------|
| Fixed Assets | |
| Tangible Assets | |
| Investment: Seeders/ Project equity Sustainable accel | 300,001 |
| Investment: Circularity European Growth Fund I LLP | 2,295,253 |
| Total Tangible Assets | 2,595,254 |
| | |
| Current Assets | |
| Total Cash at bank and in hand | 7,331,246 |
| Debtors and prepayments | 672,568 |
| Total Current Assets | 8,003,814 |
| | |
| Total Creditors: amounts falling due within one year | 328,438 |
| | |
| Net Current Assets (Liabilities) | 7,675,376 |
| | |
| Total Assets less Current Liabilities | 10,270,630 |
| | |
| Total Creditors: amounts falling due after more than | 0 |
| | |
| Net Assets | 10,270,630 |
| | |
| Capital and Reserves | |
| Current Year Earnings | (2,376,976) |
| Profit and Loss Account | 10,932,559 |
| Unusable reserves - Capital adjustment fund | 2,000,000 |
| Unusable reserves - Accumulated absences account | (36,267) |
| Usable reserves - General fund | (248,686) |
| Total Capital and Reserves | 10,270,630 |

Treasury management

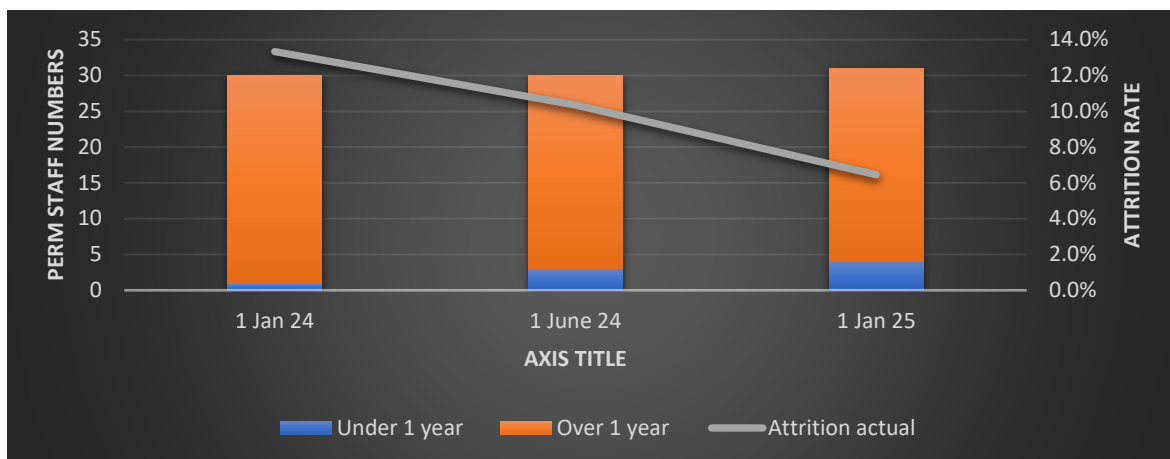
| Bank | Account type | Interest rate | Note |
|----------------------|------------------------|-----------------|--|
| GLA Treasury Account | Instant access | 4.45% at 12 Feb | Security of funds, reasonable interest |
| Monument bank | Instant access | 4.2% | Lower rate |
| Allica Bank | 180 day notice account | 4.45% | Same rate |
| Hampshire Trust Bank | Fixed 12 months | 4.36% | Lower rate |

Each option is the highest rate found from a selection each account type. Recommendation is to leave funds on loan to GLA.

Staffing Update

No unplanned starters or leavers since the last meeting.

Attrition rate for the last 12 months has dropped again from 9.7% to 6.5%, the only leavers in the last 12 months were redundancies due to the restructure of the central team. Average attrition benchmark is 15%.



Minimal progress on staff survey and organisational development plans. A verbal update will be provided at the meeting.

Jo Rogers
 Director of Operations and Governance
 Feb 2025