



**14/05/2020 – 2**  
**Chief Executive Officer's Report**

<b>Board paper title</b>		Paper 14/05/20 - 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 14 May 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></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

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**Why the paper is being presented**

The paper is presented in order to provide an update on activities since the last meeting of the Board.

**Report**

**COVID-19**

Staffing and operations

In the leadup to the lockdown, the management team made preparations for extended homeworking. The IT systems were checked and information on homeworking and the use of Teams was distributed to staff. We were also in close contact with the GLA to ensure our preparations were adequate and appropriate. In addition, decisions were also taken to plan for extended working at home and social distancing restrictions so that, for example, we switched circular economy week early on to become a virtual event. Our paid for shared desk space users were kept up to date with progress and the office is secured and safe.

We have issued advice for homeworking and all line managers are holding daily Teams check-ins with staff. We are also holding twice weekly whole team sessions where we share updates on progress and make team announcements.

Staff are well and are all working on their objectives although there has been a varying degree of direct response to the current situation, with the Resource London and Advance London team being more directly affected. The situation appears to be stabilising for the Resource London team and they are now beginning to turn towards programme delivery.

**Delivery Plan**

The Delivery Plan has been completed and comments have been received from board members. I intend to keep the Delivery Plan up to date to reflect current circumstances and so it will become a “loose leaf” document to be used by the management team to track delivery of the Business Plan. I do not intend therefore to bring it back to the Board as “finished” for sign off but to update on progress with programme delivery in the normal way through programme update reports.

The focus of delivery will need to shift in response to the COVID-19 crisis. We will respond in the following way. Resource London will focus on supporting boroughs through the crisis and then maintaining capacity to deliver Reduction and Recycling Plans and supporting upskilling and training. Circular London will look to support SME circular economy businesses and develop a plan for support in the post COVID-19 period. We will also look to prioritise commercial opportunities where they can best support London’s recycling and minimisation efforts whilst at the same time supporting London’s circular businesses or local authorities. For example we will look to develop a circular economy directory for businesses and residents as a priority.

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### **Staffing**

#### *New Starters*

Rohit Badhwar (Fundraising Lead) and Andrea Charlson (Project Manager – Built Environment) joined in March.

#### *Leavers*

Emma Mckenna (Advance London Business Advisor) left in April. Jessica Bradley (Business Development Officer) will be leaving in July.

#### *Recruitment*

In line with the Business Plan, we are completing the recruitment of five positions, two for Advance London which are under offer, and three for Circular London for which we have completed interviews and will make offers shortly.

### **Communications and publicity**

Most outward-facing activity has slowed down or been postponed in response to COVID-19, with the exception of public messaging around recycling and waste services during lockdown; and CE Week 2020, which is moving online.

#### *News releases and launches:*

- 13th February 2020 – Circular Glasgow and LWARB partnership to accelerate circular economy in cities (press release and social media)
- 27<sup>th</sup> February 2020 – publication of Electricals Sector report (social media only)
- 23<sup>rd</sup> March 2020 – publication of LWARB's new 5-year Business Plan (online and social media only)

#### *Events:*

Since the last Board meeting we have hosted a successful event on circular economy business models in the fashion sector, featuring panellists from Adidas, Farfetch, Full Stack Supply Company, LM Barry and Edinburgh University as well as a #LoveNotLandfill clothes swap. The event was chaired by the Editor of Drapers and showcased LWARB's C&A (now Laudes) Foundation-funded project, Circular Fashion Fast Forward. More than 60 people attended and most participated in the swap.

The 'London vs. food waste' event in support of UN Sustainable Development Goal 12.3 to reduce food waste and loss was planned for 12<sup>th</sup> March but was postponed three days before, due to speaker drop-out in the early stages of the COVID-19 outbreak. All partners (Winnow Solutions and Embassy of Denmark) and speakers are keen to run the event at a later date and 3<sup>rd</sup> December has been proposed.

CE Week is going ahead during the first week of June but will now be online. We are no longer seeking commercial sponsorship for the week as the team has had to move quickly to re-format and organise the events and have no capacity to seek sponsorship (which would likely be difficult to secure currently). Cornerstone events run by LWARB during the week will be:

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- **Launch event** – Monday 1<sup>st</sup> June – pre-recorded video package on cities, circular economy and climate change. This will feature interviews, panel discussions and a keynote from Per Klevnas of Material Economics
- **Built environment** – Tuesday 2<sup>nd</sup> June – conference style morning event and a hackathon in the afternoon as part of the CIRCulT project
- **Behaviour change** – Wednesday 3<sup>rd</sup> June – two webinars on the theory and practice of changing sustainability behaviours
- **Finance** – Friday 4<sup>th</sup> June – a live conference-style event online on the role of financial institutions and instruments in accelerating a low carbon circular future and green recovery

The team is promoting the week widely and hoping to build a schedule of partner events throughout the week to supplement LWARB content.

### *Podcast:*

The fifth full-length episode of 'The Circular Economy Playbook' podcast was released in early April, featuring Dr Liz Goodwin and Carolyn Steel talking about global and urban food systems. A follow-up episode on food has been part-recorded but put on hold due to lockdown, as further interviews are currently difficult to obtain. Listener numbers remain strong at over 10,000 at the latest count. The podcast will be reviewed this year to consider plans for a second series.

### *Behaviour change campaigns:*

#LoveNotLandfill has run a social media campaign over the past month called the #BigTryOn, encouraging people to make the most of the £30 billion worth of clothing sat unworn in the back of wardrobes rather than buying new clothes online during the lockdown. They have also been working with charity retailers to find ways of supporting them while their shops are shut; and communicating via social media about avoiding wardrobe clear-outs, not using bring banks or leaving bags of clothes outside charity shops. Prospect development for fundraising continues and insights research has recently been commissioned to support the planning and partnerships work for this year.

London Recycles has played a vital role in supporting boroughs and the waste sector during the current crisis. In late March the team responded swiftly to the need for London-wide messaging to citizens by developing a digital advertising campaign and messaging to ensure that householders have the information they need to manage their recycling and waste during lockdown. £25k has been allocated to pushing those messages out to as wide an audience as possible, with a target reach of 6 million Londoners. The messaging and campaign content has been welcomed by waste authorities and private waste contractors and shared widely.

### *Branding:*

The LWARB 'brand voice', including a new brand vision and mission, positioning, personality and attributes, has been developed after a comprehensive process involving wide stakeholder engagement. It has concluded that the organisation should operate under a single, unifying brand and that LWARB is not the right brand to help

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us deliver the new business plan. Naming options have been developed and discussed in detail with the Board, both at an informal meeting in April and in one-to-one calls. A formal recommendation will be made at the Board meeting.

**Progress Against Business Plan Milestones (2019/20)**

**Circular London**

- ***Advance London Business Support***

The Advance London business support programme continues to provide support services to London's SMEs. The portfolio now consists of over 200 SMEs which have each received business advice and support from LWARB's specialist team.

Since the COVID-19 outbreak the team has provided additional support to the businesses and has undertaken a survey. More details are in the programme update.

- ***Continue to work with other European cities and regions to share good practice on circular economy policy and evidence base through the EU CircE project.***

The action plan for LWARB (created as an outcome of the project) has now been approved by the EU. Phase 2 of the project (delivery of the action plan) is now underway.

- ***Engage London boroughs with the circular economy agenda and benefits through the development of the circular economy champions programme.***

Bromley and LWARB have been working on the development of a procurement tool to help boroughs include circular economy in procurements. A draft version of the tool is now being tested and refined. LWARB staff delivered a workshop to Bromley officers on 10<sup>th</sup> February to provide training on circular economy in procurement. LWARB is exploring how the tool can be shared with other boroughs.

**Resource London**

- ***Resource London will continue to have a primary focus on supporting London's waste authorities to drive up household recycling rates.***

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Resource London is delivering a number of regional, sub-regional projects and individual authority support projects. The major projects currently being undertaken are:

- *Reduction and Recycling Plans (RRPs)*: reviewing and consolidating actions across the 33 RRP’s to plan and schedule support offerings as part of the post COVID-19 green recovery.
- *Plastics project and CE training academy* – commencement of two new projects detailed in the new LWARB business plan, and outline in the 2020-21 delivery plan.
- *Contamination Hit Squad*: (in partnership with LEDNET) – closedown and write up of the CHS project to prepare results and findings for launch and dissemination to boroughs to support RRP actions.
- *Behavioural insights research* – two pieces of behavioural insights research have been commissioned: Recycling motivations in 18-34 yr olds; and connecting fashion behaviours with climate change in 16-24 yr olds.
- ***There will be an additional focus on promoting commercial waste recycling (including food).***

Commercial recycling Project: Resource London is supporting a number of boroughs to improve their commercial services and supporting London BIDs to look at the feasibility of introducing waste consolidation schemes.

**Audit Committee Activity**

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

The Committee met once, on 5<sup>th</sup> March 2020, since the previous Board meeting and considered the following items.

**Committee Membership**

The Committee noted that there was a vacancy in its membership following the departure of Feryal Clark from the Board but agreed that it would not seek to have this filled until new members have been appointed to the Board in the summer.

**Staffing**

The Committee noted the following:

- Leavers: Emma McKenna (Advance London Business Advisor) would be leaving in mid-April.
- Starters: Andrea Charlson (Project Manager – Built Environment): 9 March.  
Rohit Badhwar (Fundraising Lead): 9 March

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Recruitment: Recruitment underway for Emma McKenna's replacement, an advance London Business Engagement Lead plus three Circular Economy Advisors.

### **HR - Harmonisation**

As LWARB has expanded it has become clear that there are some inconsistencies in the grading of different posts which need to be addressed. The Committee noted the intention to engage consultants to undertake a full review of LWARB staff gradings and benchmark against similar organisations.

### **Commercialisation**

The Committee noted ongoing work to develop a commercialisation strategy and establish a commercial entity. Noted also the small number of commercial offers being investigated or are underway. These are just a start and have been achieved without LWARB actively marketing its services.

### **Finance Reports (Q3 2019/20)**

The Committee approved the Q3 2019/20 finance report (Appendix 2).

### **External Audit**

#### *Letter of Representation*

The Committee approved a letter of representation in response to external auditor's (Grant Thornton) enquires into the management processes in place to prevent and detect fraud and to ensure compliance with law and regulation.

#### *2019/21 External Audit*

Grant Thornton informed the Committee that they had reviewed LWARB's previous audit and concluded that as the level of income and expenditure was below £6.5m, LWARB would now come under the auditing regime for small authorities, and thus not require a full audit. They have referred the matter to the Public Sector Audit Appointments (PSAA) (who appoint LWARB's auditor and set the fee). At the time of the meeting the PSAA had not reached a conclusion on the matter. Grant Thornton had not therefore produced an audit plan and would not do so until the matter was resolved. If it is determined that LWARB should be considered a smaller authority the Smaller Authority Appointments (SAAA) will appoint an auditor. The Committee noted that LWARB may still choose to publish a full set of accounts.

### **Internal Audit Plan**

The Committee agreed an internal audit plan for 2019/20, which covered core financial systems and facilitation of a risk management workshop only.

### **Risk Register**

The Committee approved a revised format for the corporate risk register which was developed following the risk management workshop, which incorporates an assessment of the organisation's risk appetite.



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<b>Supporting papers/appendices</b>
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Appendix 1 – Events List
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Appendix 2 – Finance Reports Q3 2019/20
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**Appendix 1: Events List**

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
13/02/2020	Behaviour Change Network - local authorities event at London Councils	Council Advertising Network	Mini-conference & workshop	Changing sustainability behaviours through communications and campaigns	AM	Local government	Speaker
13/02/2020	Eurocities	Eurocities	Conference	Circular economy and cities	JC	EU city leaders	Speaker
20/02/2020	Managing waste and recycling in flats	Imperial College	Seminar	Waste and recycling in flats; the flats project	BS	Students (environmental & economists)	Speaker & facilitator
20/02/2020	Flats webinar	WRAP	Webinar	Flats recycling project	GS	Waste and recycling sector	Speaker
20/02/2020	Circular Fashion Fast Forward	LWARB	Panel event	Progress and learnings from CFFF project, featuring panellists from Adidas, Farfetch, Full Stack Supply Co., LM Barry and Lynn Wilson (sustainable fashion academic). Also featuring #LoveNotLandfill clothes swap.	ACr and other LWARB	Fashion businesses, academics and influencers/media	Host; speakers
26/02/2020	Circular Cultures Conference (Athens) - 3 days	British Council / UAL	Conference & workshops	#LoveNotLandfill campaign; changing behaviours amongst young Londoners	HC	International fashion stakeholders	Speaker & workshop facilitator
26/02/2020	Flats webinar	WRAP	Webinar	Flats recycling project	GS	Waste and recycling sector	Speaker
26/02/2020	Sustainable Packaging Systems Collaboration Event	IGD	Conference	Sustainable packaging	AS	Corporates	Speaker
28/02/2020	North London Waste Prevention Exchange	North London Waste Authority	Conference	#LoveNotLandfill campaign; changing behaviours amongst young Londoners	AM	Waste prevention and CE practitioners and local authorities (London)	Speaker
04/03/2020	FutureBuild	Futurebuild / panel curated by Duncan Baker-Brown	Panel event	LWARB's work in the built environment; circular economy in practice	EMcK	Construction sector	Panellist
10/03/2020	How can a small business implement the circular economy?	Ellen McArthur Foundation	Webinar	SMEs and CE	NA	SMEs, Corporates, Individuals from around the world	Speaker
10/03/2020	LROG Flats Workshop	LWARB with LROG	Workshop	Showcase the Flats Project and talk boroughs through the toolkit for rolling out the Flats Recycling Package	GS, BS, CC	Local government	Facilitator and speaker
11/03/2020	Drapers Sustainable Fashion Conference	Drapers	Conference & panels	Partnering with NGOs to further your sustainable fashion goals	AM	Fashion businesses, academics and influencers/media	Panellist
11/03/2020	Drapers Sustainable Fashion Conference	Drapers	Clothes swap	#LoveNotLandfill clothes swap for delegates, speakers etc.	HC/OS	Fashion businesses, academics and influencers/media	Hosts
24/03/2020	Transform 2020	Green Buildings Council of Australia	Conference	Green Buildings	JC	Built Environment Leaders	Panellist
31/03/2020	Defra workshop on resource efficiency	Defra	Workshop	Resource Efficiency metrics	JC	Academics and policy makers	Perticipant
01/04/2020	Chatham House Circular Economy Conference	Chatham House	Conference	Plastics	JC	Circular Economy Leaders	Panellist
08/04/2020	Let's Recycle Covid webinar	Let's Recycle	Webinar	Covid contingency in the waste sector	AB	UK waste sector - public and private	Panellist
17/04/2020	UAL panel discussion	UAL	Panel event	Leading change towards a circular economy with other panellists including head of sustainability at Coca Cola	ACr	MBA audience	Panellist
12/05/2020	Drapers Sustainable Fashion Awards	Drapers	Judging panel	Private panel discussion and award judging - selecting the best initiatives of 2019	HC	Sustainable fashion industry reps	Judge

## London Waste & Recycling Board

### Finance Report Q3 2019/20

#### Profit & Loss Summary

LWARB performance for the third quarter of the financial year was £79k favourable to forecast, resulting in a YTD position at Q3 of £768k favourable.

Advanced London overspend £65k, Resource London underspend £183k, Circular London under budget by £117k.

#### LWARB P&L summary to 31/12/2019

P&L	2019/20 Q3 Actual	Budget Q3 2019/20	Variance	%	FY Budget 2019/20	%
<b>£000</b>						
<b>Income</b>						
Bank Interest and other income	108	63	45	71%	84	128%
Funding	280	248	32	13%	283	99%
Asset sale/revaluation	392		392			
<b>Total income</b>	<b>779</b>	<b>311</b>	<b>468</b>	<b>84%</b>	<b>367</b>	<b>227%</b>
<b>Advance London</b>	<b>(349)</b>	<b>(283)</b>	<b>(65)</b>	<b>23%</b>	<b>(283)</b>	<b>123%</b>
<b>Resource London</b>	<b>(1,271)</b>	<b>(1,454)</b>	<b>183</b>	<b>-13%</b>	<b>(1,938)</b>	<b>66%</b>
<b>Circular London</b>	<b>(454)</b>	<b>(571)</b>	<b>117</b>	<b>-20%</b>	<b>(762)</b>	<b>60%</b>
<b>Total Programme spend</b>	<b>(2,073)</b>	<b>(2,308)</b>	<b>235</b>	<b>-10%</b>	<b>(2,983)</b>	<b>70%</b>
<b>Overheads</b>						
Rent & rates	(181)	(206)	25	-12%	(275)	66%
Staff Costs*	(491)	(492)		0%	(680)	72%
Other Overheads	(129)	(169)	39	-23%	(225)	57%
<b>Total Overheads</b>	<b>(801)</b>	<b>(867)</b>	<b>65</b>	<b>-8%</b>	<b>(1,180)</b>	<b>68%</b>
<b>Profit/Loss</b>	<b>(2,096)</b>	<b>(2,864)</b>	<b>768</b>	<b>-27%</b>	<b>(3,796)</b>	<b>55%</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 cash position was also favourable to budget benefitting from the improved P&L, as well as lower than expected investment in funds (£1.7m compared to an expected £2.4m in the budget), as a result of lower than expected drawdowns from GLIF for management fees and Circularity Capital.

LWARB expenditure summary to 31/12/2019	Q3 Actual	Q3 Budget	Var.	%	FY Budget	%
Opening cash	23,748	23,748			23,748	
Net Income / (Expenditure)	(2,096)	(2,864)	768	-27%	(3,796)	55%
(Increase)/decrease in project loans	1,013	1,100	(87)	-8%	1,100	92%
(increase)/decrease in equity investments	(1,533)	(2,430)	897	-37%	(2,773)	55%
Other	(212)		(212)	0%		0%
<b>Net Income / (Expenditure)</b>	<b>(2,828)</b>	<b>(4,194)</b>	<b>1,366</b>	<b>-33%</b>	<b>(5,469)</b>	<b>52%</b>
Closing cash	20,920	19,554	1,366	7%	18,279	114%

LWARB Income and Expenditure detail

<b>Income &amp; Expenditure (£000s)</b>														
London Waste and Recycling Board														
For the 3 months ended 31 December 2019														
	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	53	21	32	150%	50	3	6.07%	108	63	45	71%	94	14	15%
C&A Foundation	(1)		(1)		(28)	28	97.33%	84		84		15	69	446%
Grant income	109	84	26	31%		109		185	248	(62)	-25%	304	(119)	-39%
Loan interest income								473		473		3	470	17235%
Other income	10		10			10	48807.81%	10					10	5149%
<b>Total Income</b>	<b>171</b>	<b>105</b>	<b>66</b>	<b>63%</b>	<b>21</b>	<b>150</b>	<b>705.55%</b>	<b>860</b>	<b>311</b>	<b>549</b>	<b>177%</b>	<b>416</b>	<b>443</b>	<b>107%</b>
<b>Programme Expenditure</b>														
Advance London programme expenditure	117	97	20	21%	88	29	33.57%	349	283	65	23%	304	44	15%
C&A Foundation costs								85		85			85	
Circular Economy - Reusable Buildings	12		12		20	(8)	-41.01%	12		12		23	(11)	-48%
Circular Economy Accelerator programme	36	88	(52)	-59%		36		183	263	(80)	-30%		183	
Circular Economy programme expenditure	28	84	(56)	-66%	81	(53)	-65.01%	166	252	(86)	-34%	245	(79)	-32%
Investment programme costs		19	(19)	-100%	29	(29)	-100.00%	8	56	(48)	-86%	34	(26)	-76%
Impairment losses								81		81			81	
Resource London programme expenditure	588	485	104	21%	392	197	50.18%	1,271	1,454	(183)	-13%	1,151	120	10%
<b>Total Programme Expenditure</b>	<b>781</b>	<b>772</b>	<b>9</b>	<b>1%</b>	<b>609</b>	<b>172</b>	<b>28.17%</b>	<b>2,154</b>	<b>2,308</b>	<b>(154)</b>	<b>-7%</b>	<b>1,758</b>	<b>397</b>	<b>23%</b>
<b>Administrative Expenditure</b>														
Staff costs	176	189	(12)	-7%	135	42	31.15%	491	491		0%	410	81	20%
Serviced Accomodation					(15)	15	100.00%					50	(50)	-100%
Professional fees	1	5	(4)	-83%	(25)	26	103.39%	8	15	(7)	-44%	(20)	28	142%
Professional Fees - Office Move	7		7		78	(71)	-90.56%	13		13		237	(224)	-94%
Office Rent	61	69	(8)	-12%	77	(17)	-21.49%	181	206	(25)	-12%	95	86	90%
Office expenses	6		6		7	(1)	-17.41%	21		21		7	14	202%
Other overheads	41	51	(11)	-21%	76	(35)	-46.48%	87	154	(67)	-44%	123	(37)	-30%
<b>Total Administrative Expenditure</b>	<b>292</b>	<b>314</b>	<b>(22)</b>	<b>-7%</b>	<b>334</b>	<b>(42)</b>	<b>-12.61%</b>	<b>801</b>	<b>866</b>	<b>(65)</b>	<b>-7%</b>	<b>903</b>	<b>(102)</b>	<b>-11%</b>
<b>Net Income / (Expenditure)</b>	<b>(902)</b>	<b>(981)</b>	<b>79</b>	<b>8%</b>	<b>(922)</b>	<b>20</b>	<b>2.19%</b>	<b>(2,096)</b>	<b>(2,864)</b>	<b>768</b>	<b>27%</b>	<b>(2,244)</b>	<b>148</b>	<b>7%</b>

## LWARB Income and expenditure commentary

1. Grant income for the year to December is £185k. Made up of EU funding under the Advance London ERDF programme of £116k, a Circular London payment of £29k from Climate-KIC, and a Circe income of £40k. There is also £85k of income from C&A Foundation of (£40k accrued) offset against current expenditure.
2. £107k of interest on reserves with the GLA were received prior to the end of December (the third quarter payment of £49k was received in January).
3. Resource London programme expenditure is £1,271k which is 13% (183k) under budget for the December year to date. Included in this figure is staff £441kk, overhead recharges £157k, and discretionary expenditure of £673k (incl. RL projects £493k, and EU Life projects: Trifocal £138k and ECAP £39k). The underspend is in line with expectations due to demand led spending. Significant contractual and grant agreements have been made which will bring the total in the full year close to budget. However, certain projects are still forecasting an underspend, most notably the flats project.
4. Advance London programme expenditure at £349k is 23% (£65k) over budget for the year to December (the budget was set on the assumption that new funding would not be agreed). The outturn is in-line with the schedule agreed in August with ERDF when the new funding was confirmed.
5. Circular London programme expenditure at £454k is 20% (£117k) under plan including the Investment programme costs. These figures include a £80k underspend on the accelerator programme which closed the 1<sup>st</sup> cohort in September (much of which will be spent in activity after the closure of the programme), and a shortfall against budget of £86k for programme spend. These have been offset by £85k of C&A Foundation funded costs which were not included in the budget. The Investment programme costs of £8k are £48k under budget and include £5k for analysis of the business plan.
6. The net effect of the above is overall programme expenditure 10% (£235k) under budget for the year to date for December (NB For presentation purposes the impairment loss of £81k relating to the LGF is shown in the "Asset sale/revaluation" income line in the summary table on page 1).
7. Central staff costs at £491k are on budget.
8. Professional fees at £22k are £7k above budget due to £7k office fitout unexpected charge relating to previous year.
9. Office rent is £25k under budget at £181k due to higher than expected contributions from programmes overhead recharges.
10. Other overheads and office expenses are £107k which is £46k under budget. Included in this is Marketing spend which is £28k under budget due to timings.
11. Overall admin expenditure is 8% (£65k) under budget for the year at £801k
12. Expenditure at £3m overall is 7% (£219k) under budget for the year.

NB: The income and expenditure report includes £283k of full year additional costs in the budget which we expect to incur and then have refunded.

## LWARB Balance Sheet detail and commentary

<b>Balance Sheet (£000s)</b> London Waste and Recycling Board As at 31 December 2019		
	<b>Movement YTD</b>	<b>Closing Balance</b>
<b>Fixed Assets &amp; Investments</b>		
Cycle		1
Equity investments	1,533	4,746
<b>Current Assets</b>		
Project Loans	(1,013)	
Debtors	(256)	11
C A Foundation	41	41
Prepayments	(11)	5
RL grants receivable		22
Total Bank	(2,828)	20,920
<b>Total Current Assets</b>	<b>(4,067)</b>	<b>20,998</b>
<b>Current Liabilities</b>		
Accruals	(274)	18
Virtual Card	1	1
Stamp Duty		(9)
Trade creditors	87	207
<b>Total Current Liabilities</b>	<b>(186)</b>	<b>217</b>
Provision for committed project expenditure	(252)	299
<b>Net Assets / (Liabilities)</b>	<b>(2,096)</b>	<b>25,229</b>
<b>Total Equity</b>	<b>(2,096)</b>	<b>25,229</b>

- Equity investments increased by £1.5m in the year to date (£1.5m GLIF, and £70k Circularity Capital which was offset by a write down of £81k for LGF).
- 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.
- Debtors stand at £11k
- There is £41k of accrued funding from the C&A Foundation to cover work done with QSA
- The £5k prepayments are mainly Insurance.
- The RL grants receivable line is a debtor of £22k made up of £18k Trifocal and £4k ECAP
- Total Bank – net £2.8m decrease in cash over the year is reconciled to the net cash outflow figure in the Cash Flow statement.
- Trade Creditors - balance of £207k relates mainly to outstanding invoices of £167k the majority of which will be cleared in the following month, additionally there was £45k PAYE and NI related, and around £5k of credit card balances.
- Provision for committed expenditure reflects outstanding contractual funding commitments. The £299k 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 December 2019</b>		
	<b>Period</b>	<b>YTD</b>
<b>Net Income / (Expenditure)</b>	<b>(902)</b>	<b>(2,096)</b>
(Increase)/decrease in fixed assets		
(Increase)/decrease in project loans		1,013
(Increase)/decrease in grants receivable		(41)
(increase)/decrease in equity investments	(16)	(1,533)
(increase)/decrease in debtors	(12)	256
(increase)/decrease in prepayments		11
increase/(decrease) in creditors	(35)	88
Increase/(decrease) in accruals		(274)
Increase/(decrease) in stamp duty		
increase/(decrease) in provision for committed project expenditure	(104)	(252)
<b>Net cash inflow (outflow)</b>	<b>(1,068)</b>	<b>(2,828)</b>
<b>Opening cash</b>	<b>21,987</b>	<b>23,748</b>
<b>Closing cash</b>	<b>20,920</b>	<b>20,920</b>

1. Year-to-date net income/expenditure is as per the Income and Expenditure detail above
2. The cash outflow for equity investments relates to £16k Circularity Capital drawdown.
3. Creditors decreased by £35k in the quarter to December
4. £104k of committed spend was paid in the period.

Appendix – Discussion document for future cashflow forecast

LWARB Cashflow forecast to 31/03/2020

Expenditure Forecast 2018 to 2020	May'19 Plan 2019/20	Act to Dec'19 2019/20	Act Oct'19 2019/20	Act Nov'19 2019/20	Act Dec'19 2019/20	F'cast Jan'19 2019/20	F'cast Feb'19 2019/20	F'cast Mar'19 2019/20	FY Forecast 2019/20
<b>£000</b>									
<b>Income</b>									
Bank Interest	84	108						42	150
Project returns	1,100	1,335							1,335
<b>Total income</b>	<b>1,184</b>	<b>1,443</b>						<b>42</b>	<b>1,485</b>
<b>Advance London</b>									
London Green Fund II	(2,100)	(1,597)						(251)	(1,848)
Circular Economy Accelerator	(350)	(183)				(35)	(35)	(36)	(289)
Circular Economy growth fund	(673)					(40)	(40)	(40)	(120)
Business consultancy support	(142)	(232)				27	(44)	17	(233)
<b>Total Advance London</b>	<b>(3,265)</b>	<b>(2,012)</b>				<b>(48)</b>	<b>(119)</b>	<b>(310)</b>	<b>(2,490)</b>
<b>Resource London</b>	<b>(1,833)</b>	<b>(1,271)</b>				<b>(190)</b>	<b>(190)</b>	<b>(202)</b>	<b>(1,853)</b>
<b>Circular London</b>	<b>(300)</b>	<b>(178)</b>				<b>(26)</b>	<b>(26)</b>	<b>(28)</b>	<b>(258)</b>
Programme Professional Fees	(75)	(8)				(9)	(9)	(10)	(36)
<b>Overheads</b>									
Rent & rates	(275)	(181)				(26)	(26)	(25)	(258)
Staff Costs***	(680)	(491)				(61)	(61)	(61)	(674)
Professional Fees	(20)	(22)							(22)
Advertising & Marketing	(60)					(10)	(10)	(10)	(30)
Training	(20)					(3)	(3)	(4)	(10)
Other Overheads	(125)	(108)				(10)	(10)	(15)	(143)
<b>Total Overheads</b>	<b>(1,180)</b>	<b>(802)</b>				<b>(110)</b>	<b>(110)</b>	<b>(115)</b>	<b>(1,137)</b>
<b>b/f cash</b>	<b>23,748</b>	<b>23,748</b>	<b>20,920</b>	<b>20,920</b>	<b>20,920</b>	<b>20,920</b>	<b>20,537</b>	<b>20,083</b>	<b>23,748</b>
<b>c/f cash</b>	<b>18,279</b>	<b>20,920</b>	<b>20,920</b>	<b>20,920</b>	<b>20,920</b>	<b>20,537</b>	<b>20,083</b>	<b>19,459</b>	<b>19,459</b>