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Chief Executive Officer's Report

Board paper title		Paper 15/12/2022 - 2
Chief Executive Officer's Report		
Report by	Wayne Hubbard	
Job Title	Chief Executive Officer	
Date of decision	Board Meeting 15 December 2022	

Summary
This report provides an update on recent activity.

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

Risk Management	
Risk	Action to mitigate risk
No specific risks are identified in relation to this report as no decisions are being made.	

Implications
Legal None
Financial None
Equalities None

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Why the paper is being presented

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

Report

Top issues

Financial sustainability: we are continuing to work on plans to increase income streams through fundraising and commercial activity, however the back drop of domestic economic instability (Brexit, cost of living crisis, financial markets) is making this more complex and challenging.

We have started discussions with partners and will continue this process in the new year with a view to developing a new business plan for the start of the new year 2022/24.

We will also develop a case for more central government funding in order to put ReLondon on a more financially sustainable pathway.

Staffing

Since the last meeting of the Board (12 October 2022) the following staff changes have taken place.

Leavers

- Senior Business Advisor, Business Transformation Team, Business & Sector Support (November)

Starters

- Campaign lead (food), communications and behaviour change (November)

Recruitment

Recruitment for a Senior Business Advisor (food lead) in the Business Transformation Team is underway.

Communications and publicity

Press releases:

Only one set of press releases has been distributed since the last Board meeting:

- **The Mindful Shopper** – 1st December 2022 – various Christmas blogs released about sustainable gifting and reducing waste (including food waste) around the festive period.

Jean Billant, food lead and senior business advisor (who has now left ReLondon), was featured in an Edie article showcasing his award for 'sustainability rising star' in

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October; and an opinion piece from Wayne Hubbard on how refill providers can reposition themselves to reach a broader market was published in Grocery Trader in November.

Media coverage achieved since the last Board meeting relating to these and other events, projects and partnerships is at Appendix 2.

Events:

Events at which ReLondon has been represented since the last Board meeting include:

- **C40 Cities World Mayors' Summit** – 19th October 2022 – Wayne Hubbard attended and spoke as a panellist about insights and innovations to address the climate crisis.
- **UKRI Circular Economy research hub** – 20th October 2022 – Pauline Metivier presented at this webinar on planning and adopting circular economy practices.
- **The London Conference** – 1st November 2022 – ReLondon co-sponsored and attended as an exhibitor.
- **London Build** – 16th November 2022 – the CIRCulT team ran an exhibition stand over the two days of this major construction industry event at Olympia and hosted a panel on 'Future-proofing London: applying the circular economy through flexible design'.
- **Festival of Circular Economy (CIWM)** – 28th – 30th November – Wayne Hubbard, Antony Buchan, Andrea Charlson, Lamia Sbiti and Ali Moore will be presenting or participating as panellists on various topics over the course of the event.

Full detail of all other events since the last Board is in Appendix 3.

Awards:

ReLondon won the following category at the National Recycling Awards on 6th December:

- **Partnership Excellence (public/private sector)** – for the flats recycling project

London also won the Milan Pact Award for its city-wide food waste reduction initiatives; this was collected in-person on behalf of the Mayor by Wayne Hubbard in Buenos Aires on 17th October.

Project Dashboard Commentary

Detailed updates on programmes are included in paper 3. The project dashboard is attached at Appendix 1. Commentary below details project changes highlighted on the dashboard.

The rating for the Circular Economy Outcome Fund has changed from green to red. It has been a year in which we have been trying to secure anchor funding with local authorities and philanthropic organisations to progress this project without success. In

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parallel, we have seen a growing interest in traditional grant schemes to support circular economy innovators. We are therefore proposing to stop actively looking for such anchor funding for a Circular Economy Outcome Fund but keep all the technical knowledge we have built so far on this financing mechanism to be able to reuse it if we see a rising interest from potential funders in the future.

The assessment of 'Commercial marketing' has changed from amber to green, as plans and activities are now in place to start generating leads. However the commercial strategy is currently undergoing some changes, so as a result the marketing communications plan is very tactical and short-term, designed to 'test and learn'. The corporate communications team is now working closely with the commercial manager to build a longer term plan for 2023-24.

The rating for the podcast has changed from green to amber as we are currently only on target to produce 5 episodes before the end of the financial year. This is due to the time it took to recruit a new producer; and a lack of response from potential interviewees. More research and outreach is now needed to get us back on track and deliver more regular episodes.

The assessment for Repair Week 2023 has changed from grey to green as work has started on delivery for March 2023.

The Love Not Landfill (core) rating has changed from green to amber as reductions in internal resources mean that it is effectively deprioritised; however a new pop-up shop is targeted for January, and resourcing will need to be moved from other campaigns to provide the support needed to deliver it well.

'Commercial Waste Data' – the assessment for this project has changed from red to grey. As previously reported, this project was dependant on match funding being secured which we have been unable to secure. Defra confirmed that it will not be considering commercial waste data as part of its current data project. The assessment for this project has therefore been changed from red to grey as it will not be progressed this financial year.

The Flats Above Shops (FLASH) project has been added to the dashboard to reflect the work that is being delivered by the Local Authority Support Team. Details are included in the Programme Updates report.

Audit Committee Activity

The Committee has not met formally since the last full Board meeting on 12 October. A meeting had been scheduled for 1 December, but was unable to take place as there were insufficient members present to form a quorum.

The Committee had been due to consider the following items:

Finance Report

The 2022/23 Q2 finance report is attached at Appendix 4.

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HR Update

As presented above.

Review of Governance Procedures

The Committee approved, via the Written Resolution Procedure, amendments to the Board's governance documents. These are presented in the Governance and Administration item on this meeting's agenda for approval by the Board.

Risk Register

No amendments to the corporate risk register were proposed.

Supporting papers/appendices

- Appendix 1 Project dashboard
- Appendix 2 Media coverage
- Appendix 3 Events list
- Appendix 4 2022/23 Q2 Finance report

ReLondon - Project dashboard (2022/23)

December 2022

Local Authority Support	Business and Sector Support	Communications and Behaviour Change	Research	Food	Plastics	Textiles	Built Environment	Electricals	Corporate Projects
Flats planning guidance development	Business Transformation (Green New Deal)	Borough comms materials update	Commercial waste data ●	Food flagship initiative	Low plastics zone network development	Love Not Landfill (core) ●	CIRCuIT	See London Repair Week under Comms and Behaviour Change.	Change strategy and delivery - employee value proposition
Waste composition analysis protocol testing	Business Transformation (ERDF)	Commercial marketing ●	Jobs and Skills in a London circular economy	Circular food waste reduction project		#Love Not Landfill partnership events			2030 Sustainability Routemap
Service communication support	Circular economy Training Academy	CE Week 2022	Materials flow analyses	Food Wave					Fundraising Strategy - ongoing development
Reduction & Recycling Plans development support	Circular Economy Matchmaker ●	London Recycles (core)	Methodology for evaluating outcomes and impact	Food Waste Reduction Pilot					Commercial Development
RWS impact support	The Mindful Shopper ●	London-wide recycling campaign	Data/Insights on market opportunities for businesses ●	Pan-London food campaign (new)					
Flats Above Shops	Islington Council CE Grants Scheme	Podcast ●	Commercial waste pricing research report						
	Circular Economy Outcome Fund ●	Repair Week 2023 ●	Flats above commercial premises						
		Corporate marketing/comms							
		Recycle Week 2022 ●							
Local Authority service advice & support									
Ultra Low Waste Neighbourhood (Heston Village Project)									
One World Living									

Key

On track	Issue - being managed	Significant issue preventing delivery	No activity (not started or completed)	● ● ● ● Status in previous period
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Suspended Projects

Short term lets	Three weekly residual waste collectoins
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Media coverage

Appendix 2

October - November 2022

Date of publication	Story	Publication/website	Headline	Circulation	URL (if applicable)
30th November	Mention/Jean quote	Ellen MacArthur Foundation	Six lessons from transforming city food systems		https://ellenmacarthurfoundation.org/cities-and-a-circular-economy-for-food/cities-article
28th November	Mention re: Festival of Circular Economy	Resource	CIWM hosts first day of Festival of Circular Economy		https://resource.co/article/ciwm-hosts-first-day-festival-circular-economy-2022
24th November	Mention re: Festival of Circular Economy	Dragon Ink House	5 More things we're looking forward to		https://dragoninkhouse.com/5-more-things-were-looking-forward-to/
20th November	Refill insight note	Grocery Trader	Packaging problems – Package-free supermarkets need to consider more than just sustainability to attract a mainstream crowd		https://grocerytrader.co.uk/packaging-problems-package-free-supermarkets-need-to-consider-more-than-just-sustainability-to-attract-a-mainstream-crowd/
18th November	The Mindful Shopper	Sussex Chamber of Commerce	How 'mindful shopping' is good news for specialist businesses		https://www.sussexchamberofcommerce.co.uk/article/how-mindful-shopping-is-good-news-for-specialist-businesses
11th November	Mention	Greenbiz	9 ways the circular economy can avert the climate crisis		https://www.greenbiz.com/article/9-ways-circular-economy-can-help-avert-climate-crisis
7th November	Food Wave mention	Europa.eu	DEAR Exchange Hub on Migrations, Climate Change and Youth Engagement, Tallinn (September 2022)		https://europa.eu/capacity4dev/dear/photo-albums/dear-exchange-hub-migrations-climate-change-and-youth-engagement-tallinn-september-2022
1st November	Guest	Funny Old World podcast	Episode 3: Talking rubbish		https://www.funnyoldworld.com/podcast/talking-rubbish/
31st Oct	London Recycles mention	C40 Cities Knowledge Hub	How to grow your city's reuse and repair economy		https://www.c40knowledgehub.org/s/article/How-to-grow-your-city-s-reuse-and-repair-economy?language=en_US
24th October	Mention	Medium	Modern Fashion: Anya Cheng and Phoebe Tan of Taelor On The Five Things You Need To Lead a Successful Fashion Brand		https://medium.com/authority-magazine/modern-fashion-anya-cheng-and-phoebe-tan-of-taelor-on-the-five-things-you-need-to-lead-a-
24th October	LNL mention	Caroline Macdonald (blog)	Reforming the fashion industry with action campaigns		https://carolinemacdonald608832805.wordpress.com/2022/10/24/reforming-the-fashion-industry-through-action-campaigns/
18th October	Mention	They Work For you	Green New Deal grant funding and sustainability in the hospitality sector		https://www.theyworkforyou.com/london/?id=2022-10-18.3788.h
18th October	Mention	Waseca Foods	Britain Loves Baking founder to give away 75% of his afternoon tea startup to help fight hunger		https://wasecafoods.com/britain-loves-baking-founder-to-give-away-75-of-his-afternoon-tea-startup-to-help-fight-hunger/
12th October	Academy mention	Confartigianato Imprese Perugia	Città circolari, ecco come le amministrazioni locali possono accelerare sull'economia circolare (Circular cities, this is how the administrations local can accelerate on the economy circular)		https://www.confartigianatoimpreseperugia.it/citta-circolari-ecco-come-le-amministrazioni-locali-possono-accelerare-sulleconomia-circolare/
10th October	Jean Rising star mention	Groverwy	What makes a sustainability rising star?		https://groverwy.com/what-makes-a-sustainability-leader-meet-our-rising-star-repondons-jean-billant/
10th October	Jean Rising star mention	edie	What makes a sustainability rising star?		https://www.edie.net/what-makes-a-sustainability-leader-meet-our-rising-star-repondons-jean-billant/?utm_campaign=edie%20daily%20news%20alert&utm_source=AdestraCampaign&utm_medium=Email&utm_content=What%20makes%20a%20sustainability%20leader%3F%20Meet%20our%20rising%20star%2C%20ReLondon%E2%80%99s%20Jean%20Billant

6th October	Mention	Rinnovabili.it	ReLondon fornisce supporto alle PMI circolari (ReLondon provides support to circular SMEs)		https://www.rinnovabili.it/economia-circolare/reondon-pmi-circolari/
4th October	Mention	Webwire	How is London thriving as a leading sustainable-tech ecosystem		https://www.webwire.com/ViewPressRel.asp?SESSIONID=&aId=295056

Appendix 3: Events List

APPENDIX 3

Date	Event	Organiser	Type of event	Topic	Attended by	Audience	Role
17/10/2022	Milan Pact Awards	Milan Urban Food Policy Pact	Awards ceremony	Awards ceremony celebrating cities accelerating low food waste strategies	Wayne Hubbard	Nominees	Award recipient
17/10/2022	Ellen MacArthur Foundation Summit	Ellen MacArthur Foundation	Summit	Circular economy	Jo Rogers, Antony Buchan, Lamia Sbiti	EMF Partners, stakeholders, SMEs, city leaders	Attendees
19/10/2022	C40 Cities World Mayors summit	C40 Cities	Summit	Insight and innovations to address the climate crisis	Wayne Hubbard	business leaders, philanthropists, campaigners, youth leaders, scientists and	Panellist
19/10/2022	IEMA Connect	IEMA	Conference	Accelerating London's transition to a circular economy	Doug Simpson, Lamia Sbiti, Amy Casey	IEMA members, sustainability practitioners	Speakers
19/10/2022	Covett and Front Row launch	Covett	Launch event	Event is launching collaboration between Covett (jewellery sharing and shared ownership) and Front Row (handbag sharing and shared ownership).	Savina Venoka	SMEs, organisers' business network	Panel host
20/10/2022	Circular Food Procurement Roundtable	ReLondon	Roundtable	Pan-London carbon reduction target for food procurement	Rachel Shairp, Jean Billant	London borough waste officers	Hosts
20/10/2022	Planning and Adopting the CE - CE-Hub	CE-Hub (UKRI Circular Economy)	Webinar	Discussing the complexities and successes of CE Roadmaps, planning for the future and the adoption and implementation of CE initiatives.	Pauline Metivier	CE Practitioners, sustainability professionals, SMEs	Panellist
01/11/2022	The London Conference	Centre for London	Conference	Does London work? Looking at all facets affecting London as a business hub, community and investment	Andrea Charlson, Arielle Vetro, Frey Rose, Liz Horsfield	Local government, business leaders, public sector and third sector stakeholders	Exhibitors
02/11/2022	Flats recycling package toolkit webinar	ReLondon	Webinar	Introducing the new FRP toolkit	Liz Horsfield	Waste and recycling officers from London boroughs and beyond	Hosts
16/11/2022	London Build	Oliver Kinross	Exhibition	"Future Proofing London: Applying the Circular Economy Through Flexible Design"	Tessa Devreese, Cecilia Law, Georgina Eld	Built environment and construction stakeholders	Exhibitors and panel chair
21/11/2022	Presentation in recycling	UCL	Workshop	Presenting London Recycles to masters students studying sustainable resources	Rebecca Child	UCL Masters students	Speaker
22/11/2022	The Recycling Conference	Government events	Conference	Reducing Waste and Improving Efficiency	Wayne Hubbard	Local government, business leaders, public sector stakeholders	Speaker
22/11/2022	SUEZ webinar series	SUEZ UK	Webinar	350,000 opportunities: is the UK Green Skills ready?	Sarah Malone	Waste and recycling professionals	Panellist
23/11/2022	Academy: Developing a CE action plan	ReLondon	Workshop	Second workshop with Brighton and Hove City Council for ReLondon's training academy	Doug Simpson, Rachel Shairp	Brighton and Hove City Council officers	Hosts
28/11/2022	Festival of Circular Economy	CIWM	Festival	Panels "Three big questions on... How to achieve a truly circular economy"; "Is human behavior the overlooked ingredient in making circularity work?"; "Changemakers session: Achieving circularity in construction"	Wayne Hubbard, Antony Buchan, Pauline Metivier, Lamia Sbiti, Ali Moore, Andrea Charlson	CIWM Members, waste and recycling and sustainability professionals	Panellists
29/11/2022	Ramat Gan Municipality event	Ramat Gan Municipality	Event	Presenting Repair Week to engage citizens in repair and new local initiatives	Rebecca Child	Citizens	Presenter
30/11/2022	SUSTx Procurement	Partnership Media Group	Conference	What is Next: Sustainable Procurement Strategies and Milestones	Pauline Metivier	Private, public and third sector procurement and facilities professionals	Panellist
05/12/2022	Financing a Sustainable Food System	Intelligidest	Webinar	How EIT Food funded projects support the transition to a more sustainable food system	Pauline Metivier	Sustainability and food professionals, SMEs, supply chain stakeholders	Panellist
06/12/2022	National Recycling Awards	emap	Awards ceremony	Awards celebrating projects and campaigns championing recycling	Ali Moore, Liz Horsfield, Freya Rose, Rebe	Award finalists	Attendees

Q2 2022/23 Finance report

Headlines

- Total forecasted income is £33k ahead of budget at £2.37m.
- 70% of total income target is secured at end October 2022. (62% at last meeting)
- Total forecasted net programme expenditure is under budget by c£85k

Profit and loss summary for Q2 (to 30 September 2022)

	Q2 YTD Actual	Q2 YTD budget	Variance	% Var	FY Budget	FY Reforecast	% Var
Income							
Consultancy	4,400	10,000	(5,600)	-56%	70,000	70,000	0%
Training Academy	16,495	20,000	(3,505)	-18%	65,000	65,000	0%
Sponsorship	9,500	10,000	(500)	-5%	30,000	30,000	0%
Campaigns	5,000	5,000	0	0%	150,000	150,000	0%
Grants and fundraising	502,782	540,745	(37,963)	-7%	1,273,000	1,240,071	-3%
Other income	267,104	1,000	266,104	26610%	1,000	320,000	31900%
Investments income	269,219	376,500	(107,281)	-28%	753,000	500,000	-34%
Total income	1,074,500	963,245	111,255	12%	2,342,000	2,375,071	1.41%
Core programme activity expenditure							
Local Authority Support	382,840	410,998	(28,158)	-7%	1,315,000	1,315,000	0%
Core business sector support and transformation	247,871	258,498	(10,627)	-4%	487,000	463,000	-5%
Business sector support restricted grants projects*	432,280	515,248	(82,968)	-16%	1,206,000	1,174,000	-3%
Communications	190,153	229,998	(39,845)	-17%	570,000	570,000	0%
Central costs	539,849	537,568	2,281	0%	1,104,000	1,104,000	0%
Investments - Fair value adjustments	4,377	0	4,377		0	4,377	
Total programme expenditure	1,797,370	1,952,310	(154,940)	-44%	4,682,000	4,630,377	-1%
Net programme expenditure	722,870	989,065	(266,195)	-27%	2,340,000	2,255,306	-4%
Investments expenditure	1,448,679	1,400,000	48,679	3%	2,000,000	2,000,000	0.00%
RELDON NET SPEND	2,171,549	2,389,065	377,451	16%	4,340,000	4,255,306	-1.95%

Opening cash balance at 1 April 2022	10,400,000	10,400,000
Movement in funds	(4,340,000)	(4,255,306)
Adjustment for Non-Cash items	0	(600,000)
Closing balance at 31 March 2023	6,060,000	5,544,694

Income

Most income lines are behind budget at end Q2 in the summary accounts due to a lag in invoicing for work that has been contracted, however the table below shows income at end October which has been secured but has not have been received or invoiced for yet.

In addition £241k has been released into the P&L from a deferred income fund.

	Budget	Secured to date	% of revised budget
Consultancy	£70k	£47k	68%
Training Academy	£65k	£28k	43%
Sponsorship	£30k	£9.5k	32%
Campaigns	£150k	£185k	123%
Grants for projects	£1.27m	£931k	73%
Investments income	£753k	£269k	36%
Total	£2.34m	£1.63m	70%

Currently amendments to the year end projection include:

Reduction of funds released to P&L for Green New Deal by £32k – expenditure has been reduced to match this, so no significant impact on the bottom line.

Increased ‘other income’ projections to £320k to reflect £241k of funds released to the P&L from a deferred income account and c£60k of bank interest.

Forecasting a reduction in return on investments by £253k, as plans for an exit in the Circularity Capital fund have been postponed.

Income projection for the year is currently £33k ahead of budget.

Programme Expenditure

Expenditure budgets have been profiled based on expected timing of activity rather than spread equally over the year. As such the costs for the year to date (end Q2) are broadly in line with expectation, with a few points of note:

Local Authority Support: c£28k or 7% behind budget, of which c£20k is a result of new team members taking up posts later than budgeted for and as such is not expected to ‘catch up’. The remaining £8k is made up of low level overs and unders on direct costs across all projects.

Business sector & support core activity: overall expenditure is c£10k behind budget, which is made up of £24k actual savings on circular economy week, whilst staffing was over budget in Q1 but is expected to level off over the year. Currently expenditure is forecasted to be 24k below budget at year end.

Business sector restricted grant projects: expenditure is 16% behind budget, specific points to note

Final expenditure for the Green New Deal programme has been reduced by £32k to reflect the amount of funding available (see above).

The majority of the rest of the underspend is direct expenditure through costs which will have no significant impact on ReLondon.

Communications: Staffing expenditure is on track and expenditure slightly behind as invoices for the insights work for the pan London food campaign had not been received.

Central costs: Expenditure lines are broadly in line with budget, with the exceptions of training costs and professional fees. Training costs are underspent as a result of kicking off the development programme in Q3 rather than Q2 (£17k underspent) and will catch up over remainder of the year.

Professional fees are ahead of budget at this point in the year as a result of front loading consultants, but this is expected to balance out over the year

Expenditure forecast for the year is currently £85k below budget.

We retain a full year budget projection of £2m investment liabilities, but these may not all be drawn in this financial year.

Projected year end out turn.

Currently projecting a net programme spend of £2.25m against a budget of £2.34m and with investment commitments a total net spend of £4.25m.

Some issues around the treatment of deferred income have been identified which has led us to plan a non-cash adjustment to the balance by -£600k. This clearly affects our projected year end balance and we are taking active steps to minimize the impact on the business and maximise the YE balance.

Balance sheet

Balance Sheet

London Waste and Recycling Board
As at 30 September 2022

<u>Account</u>	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
Fixed Assets		
Tangible Assets		
Investment: Foresight Environmental Fund LP	0	745,473
Investment: Seeders/ Project equity Sustainable accelerator	300,001	300,001
Investment: Circularity European Growth Fund 1 LLP	2,146,544	1,356,770
Investment: Greater London Investment Fund (GLIF)/MMC	6,712,408	4,988,652
Total Tangible Assets	9,158,953	7,390,896
Current Assets		
Total Cash at bank and in hand	7,341,490	10,425,171
Debtors and prepayments	253,728	358,768
Total Current Assets	7,595,218	10,783,939
Total Creditors: amounts falling due within one year	362,143	1,018,872
Net Current Assets (Liabilities)	7,233,075	9,765,067
Total Assets less Current Liabilities	16,392,028	17,155,964
Total Creditors: amounts falling due after more than one year	0	41,066
Net Assets	16,392,028	17,114,897
Capital and Reserves		
Current Year Earnings	(722,870)	(3,002,930)
Profit and Loss Account	15,399,851	18,402,781
Unusable reserves - Capital adjustment fund	5,776,644	5,776,644
Usable reserves - General fund	(4,061,598)	(4,061,598)
Total Capital and Reserves	16,392,028	17,114,897