



WESTERN RIVERSIDE WASTE AUTHORITY (WRWA)

Date: 6 October 2025

For further information on this agenda, please contact the Lambeth Democratic Services:

Wayne Chandai on Telephone: 0207 926 0029 or Email: wchandai@lambeth.gov.uk

Tuesday 14 October 2025 at 6.30 pm

Committee Room (B6) - Lambeth Town Hall, Brixton, London, SW2 1RW

Hugh Peart

Interim Clerk to the Authority

MEMBERS

Hammersmith and Fulham Council

Councillor Wesley Harcourt

Councillor Florian Chevoppe-Verdier

Kensington and Chelsea Council

Councillor Lloyd North

Councillor Roberto Weedan-Sanz

Lambeth Council

Councillor Rezina Chowdhury

Councillor Jackie Meldrum

Wandsworth Council

Councillor Judi Gasser

Councillor Paul White

Glossary of Terms

Anaerobic Digestion (AD) – is a recovery process, carried out in the absence of oxygen, to generate biogas for combustion. It is most commonly used to treat liquid and semi-liquid slurries such as animal waste and human sewage but its potential for use with municipal waste treatment is being encouraged by Government.

AWDC – Apportionment of Waste Disposal Costs. Scheme agreed by the constituent councils for allocation of waste disposal costs, under the levy legislation, whereby the councils are charged on a monthly basis for the actual tonnages delivered under various categories of waste

Biodegradable Waste – waste that is capable of undergoing aerobic (oxygen dependent) or anaerobic (non-oxygen dependent) decomposition, such as food and garden waste, and paper and paperboard.

BIS – Department for Business, Innovation & Skills (the Government department responsible for some waste management issues, particularly those associated with industry compliance schemes).

BMW (Biodegradable Municipal Waste) – Waste which is both biodegradable and municipal. See definitions of Biodegradable Waste and Municipal Waste (as per the Waste and Emissions Trading Act 2003)

BPLC – Battersea Project Land Company – the Authority is in discussions with BPLC in relation to the redevelopment of the Authority's waste transfer station in Cringle Street, Battersea.

CA (Civic Amenity) Waste – This is the waste delivered by residents themselves to the Authority's Smugglers Way Household Waste and Recycling Centre.

CHP – Combined heat and power system. A system whereby waste heat from various combustion processes, such as EfW, is used to power other systems e.g. central heating systems in housing blocks.

CIPFA – Chartered Institute of Public Finance and Accountancy

Clinical waste – The majority of such waste received by the Authority for disposal emanates from domestic properties (patients who are treated at home). The nature of the waste is such that it carries a clear health risk and requires disposal by incineration.

Co-mingled recyclable material – mixed recyclable material that, in the Authority area, is usually collected from the kerbside in a single clear sack. The Authority currently limits these materials to glass bottles and jars, clean paper and card, food and drinks cans, aerosols, cartons and tetrapaks and plastic bottles, pots, tubs and trays.

Commercial waste (sometimes also referred to as Business or Trade waste) –

Waste from premises used wholly or mainly for the purposes of a trade or business or for the purpose of sport, recreation, education or entertainment but not including household, agricultural or industrial waste.

DCF – Designated Collection Facility. A facility which is designated as a collection point where householders can deposit their waste electrical and electronic equipment (WEEE) free of charge. The Authority's Smugglers Way Household Waste and Recycling Centre is a DCF.

Defra – Department of Environment, Food and Rural Affairs (the Government department responsible for most waste management issues).

Official

Detritus Waste – is waste, generally from street sweeping or gulley emptying operations, that requires some de-watering prior to its further treatment or disposal.

Domestic waste – This is commonly used to denote household waste collected from domestic premises only.

EfW – Energy from Waste. EfW facilities produce clean, renewable energy through the combustion of municipal solid waste in specially designed power plants equipped with the most modern pollution control equipment to ensure clean emissions.

ELV (End of Life Vehicle) – this is the vehicle at the point when it is no longer to be used for transportation and needs to be recycled/disposed of. These vehicles can arise from voluntary surrenders or roadside abandonment. Under the European ELV Directive producers of vehicles are being made responsible for achieving certain recycling targets as well as environmental standards for the storage and treatment of ELVs.

Environment Agency (EA) – An agency established by statute to monitor and protect the environment. Its responsibilities include licensing of waste facilities.

EPA (Environmental Protection Act 1990) - One of the key acts governing waste collection and disposal with the aim of preventing the pollution from emissions to air, land or water from scheduled processes.

Hazardous Waste – Waste, such as batteries, paint and paint thinners, which puts human health or the environment at particular risk.

Household waste – This includes all the waste collected by constituent councils from purely domestic premises, but also a number of other categories that people would not think of as being household waste e.g. most schools, parks and also all fly-tipped waste.

Industrial Waste – Waste produced or arising from manufacturing or industrial activities or processes.

JMWMS (Joint Municipal Waste Management Strategies) – Waste Disposal Authorities (WDAs), in two-tier areas, are required to develop joint municipal waste strategies with the Waste Collection Authorities (WCAs) in their area. The Western Riverside Waste Authority is one such WDA.

JWDA (Joint Waste Disposal Authority) - see Waste Disposal Authority.

MRF (Materials Recycling Facility) – is a facility to sort mixed delivered recyclables into individual commodities with a view to securing maximum recycling and value. The Authority uses a "clean" MRF to sort co-mingled recyclable materials into individual material types. A "dirty" MRF sorts recyclable material from the general waste stream.

Municipal Waste – This term is *generally* meant to refer to *all* waste that is in the possession or under the control of waste disposal or waste collection authority. Sometimes also referred to as Municipal Solid Waste.

However, the WET Act 2003 introduced a new formal definition:

Waste from households, and other waste that because of its nature or composition is similar to waste from households.

Official

National Indicators – national indicators were used by Government to measure the performance of local government (they have now been abolished). Only 3 indicators applied to the Western Riverside Waste Authority namely:

- NI 191 - Residual household waste per household;
- NI 192 - Household waste reused, recycled and composted; and,
- NI 193 - Municipal waste landfilled.

PRN (Packaging Waste Recovery Note) – PRNs are the evidence that businesses need to prove they have met the requirements of the Packaging and Packaging Waste Regulations.

Recyclable materials – Recyclable materials are materials that are capable of being recycled. Dry recyclable materials include paper, plastic, glass and cans, aerosols and cartons which are either collected separately or deposited into on street banks by the public.

Recycle Western Riverside (RWR) – Recycle Western Riverside is an initiative focussed on the Authority's area., The initiative commenced in October 2002 and encompasses a waste awareness, education and communication campaign delivered by WRWA officers in partnership with constituent council officers.

Riverside Waste Partnership – the collective name for the Authority and its constituent councils. – Can't remember the last time we used this term.

Waste Collection Authority (WCA) – The local authority (in London, the London Borough) responsible for collecting waste from households and certain commercial premises.

Waste Disposal Authority (WDA) – The local authority responsible for disposing of waste collected by the WCA. In London this can be either a joint waste disposal authority (e.g. WRWA) or a unitary authority. London Boroughs, not a constituent member of a joint authority, are both unitary disposal authorities and collection authorities.

WasteDataFlow (WDF) – A web based programme on which waste data is submitted.

Waste hierarchy – This is the Government's strategic order of preference for waste management under which, for instance, energy recovery and recycling is consider better than landfill.

WEEE (Waste Electrical and Electronic Equipment Directive (2002/96/EC)) – The Directive aims to reduce the waste arising from electrical and electronic equipment; and improve the environmental performance of all those involved in the life cycle of electrical and electronic products.

WET Act – The Waste and Emissions Trading Act 2003

WMSA – Waste Management Services Agreement – The Authority's long-term contract with Cory Environmental Ltd.

WRAP (The Waste and Resources Action Programme) – was established in 2001 in response to the UK Government's Waste Strategy 2000 to promote sustainable waste management. WRAP is set up as a not-for-profit company limited by guarantee by DEFRA and the DTI. The Authority and constituent councils have received funding from WRAP for eligible projects.

AGENDA

PLEASE NOTE THAT THE ORDER OF THE AGENDA MAY BE CHANGED AT THE MEETING

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3. Minutes of the Previous Meeting	1 - 14
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7. Adoption of a revised Corporate Risk Management Statement and Corporate Risk Register (WRWA 25-23)	161 - 174
8. WRWA Strategy and Operating Model Review Phase 1 and Phase 2 - implementation of recommendations (update on ICC actions) (WRWA 25-24)	175 - 194
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**DRAFT MINUTES OF THE MEETING OF THE WESTERN RIVERSIDE WASTE
AUTHORITY (WRWA)**

HELD AT THE ON THURSDAY 12 JUNE 2025 AT 6.30 PM

NOTE: These minutes are to be read in conjunction with the agenda papers relating to the meeting on Thursday 12 June 2025.

PRESENT

Hammersmith and Fulham Council

Councillor Wesley Harcourt

Kensington and Chelsea Council

Councillor Roberto Weeden-Sanz

Lambeth Council

Councillor Rezina Chowdhury

Councillor Jackie Meldrum

Wandsworth Council

Councillor Paul White

IN ATTENDANCE:

Hugh Peart – Interim Clerk

Sukvinder Kalsi - Treasurer

Trevor Pugh– Interim Deputy General Manager

Frances Devane– Assistant General Manager

Alicia Attoe - Deputy Treasurer

Rachel Espinosa – Interim General Manager

Jessica Hargreaves – Audit Director at KPMG

Andrew Walster - Managing Director (Designate)

Justin Smallman - Consultant

Sarah Jane-Widdowson – Consultant

John Chandler – Authority Lawyer

Rajneesh Toolsie – Democratic Services Officer

Borough Technical Officers:

Cormac Stokes – Lambeth

Annie Baker – Hammersmith and Fulham

Natasha Epstein – Wandsworth

Matthew Lawrence – Kensington and Chelsea

APOLOGIES FOR ABSENCE

Apologies for absence received from Councillor Florian Chevoppe-Verdier, Councillor Lloyd North, Councillor Judi Gasser

1. DECLARATIONS OF PECUNIARY INTERESTS

There were no declarations of pecuniary interests.

2. AGM MATTERS - WRWA 25-10

The Chair for 2024-2024 presented the item and opened the floor for nominations for the post of Chair for 2025-2026.

Councillor Wesley Harcourt nominated Councillor Rezina as Chair, and it was seconded by Councillor Roberto Weeden-Sanz.

Councillor Rezina Chowdhury was elected to the post of Chair.

Councillor Rezina Chowdhury opened the floor for nominations for the post of Deputy Chair for 2025-2026.

Councillor Rezina Chowdhury nominated Councillor Wesley Harcourt as Deputy Chair, and it was seconded by Councillor Robert Weeden-Sanz.

Councillor Wesley Harcourt was elected to the post of Deputy Chair.

RESOLVED:

- a) Appoints a Chair and Deputy Chair of the Authority for 2025/2026
- b) Notes the membership of the Authority for 2025/26
- c) Agrees the meeting dates set out above
- d) Appoints the suggested Members to be the Authority representatives to answer questions on behalf of the Authority put by other Members of their Constituent Council.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

The minutes of the meeting held on Tuesday 11 February 2025 were approved as a correct record of proceedings.

4. AUDIT PLAN FOR 25/26 - WRWA 25-11

The Treasurer and Jessica Hargreaves presented the audit plan. It was confirmed that the authority income balance would be looked at as part of the audit as a matter of course. Separately it was outlined that the budget for 25/26 was reviewed, and agreed by the constituent councils (including levy charging).

It was confirmed that the audit fees could be expected at a similar level to 23/24 depending on any additional work needed.

RESOLVED:

- a) Accept the three levels of materiality (overall, performance and misstatement) as outlined on page 3 of the plan;
- b) Otherwise receive this report as information.

5. FINANCIAL OUTTURN 24/25 - WRWA 25-12

The Treasurer presented the item and stated that this was draft outturn subject to audit and any changes pre publication of the Statement of Accounts would be advised. Please see further detail below:

Note – correction to paragraph 14:

*In 2024 it was agreed to distribute £1m of the reserves during 2024/25 to the constituent boroughs. This was completed in August 2024 on the basis of AWDC tonnage costs in 2023/24 **and refunded as a credit to charges that month.** The table below sets out the refunds made, ~~for which a corresponding deduction from reserves has occurred at 31st March 2025.~~ **As the net outturn position was lower than forecast the additional £1m was not needed from reserves.***

It was confirmed that income was generated based on tonnage of waste projected to be received.

RESOLVED:

- a) Note the draft outturn position for 2024/25 (paragraphs 4 to 6 in the report and table on page 6).
- b) Note the reserves position at 31 March 2025 as set out in paragraph 13.
- c) Note the continued principle of the redemption of debt from reserves as far as practicable.

6. AUDIT SUB COMMITTEE - WRWA 25-13

The Interim Clerk presented the item and highlighted that the Audit sub-committee had been part of employing good governance at the Authority. Membership would comprise of one Member of each of the four boroughs plus one independent, non-voting Member.

Members raised issues about the terms of reference, in person versus online meetings, quorum, and how the independent Member would be chosen.

RESOLVED:

- a) Establish an Audit and Governance Committee with a membership and terms of reference as set out in this report
- b) Appoint four Councillors (one from each constituent borough) to serve on the Committee and its Chair Page 65 5
- c) Instruct the Treasurer in consultation with the Chair of the Audit & Governance Committee to recruit a suitably experienced and qualified independent member
- d) Instruct the General Manager to arrange appropriate training and support for members of the new Committee
- e) Authorise the Treasurer, in consultation with the Chair of the Audit and Governance Committee, to agree a timetable of meetings of the Committee for each municipal year.

7. GENERAL MANAGER'S REPORT - WRWA 25-14

The Interim General Manager presented the item and outlined that that paper highlighted operational and other matters, which, in themselves, did not warrant the production of a separate paper.

The majority of the matters were for Members' information, but where approval was sought, this had been referred to in the report and summarised at the end.

Members raised queries about disposable vapes, consultations on the London plan and issues regarding the types of plastic films disposed of. Cllr Meldrum asked that the response to the London Plan include a request that Boroughs are able to share waste infrastructure capacity to meet their apportionment targets.

RESOLVED:

- a) Authority was delegated to the Interim General Manager, Treasurer and HR advisor in consultation with the Chair, to undertake a review of the Clerk job description and remuneration;
- b) Instruct the Interim General Manager to run a recruitment exercise for a permanent Clerk position (see paragraphs 16 to 20 below);
- c) An extension of the Interim Clerk's contract until a permanent Clerk is in place, with the objective that this be by the end of August 2025 was approved;
- d) The Clerk was instructed to distribute the updated Staff Codes (detailed in paragraph 24 below) on 7th July 2025 ;
- e) Approve The draft Acceptable Use of Equipment and Data Policy was approved and the Clerk was instructed to distribute the Policy to all staff on 7th July 2025;
- f) The draft response to the Mayor's London Plan consultation (attached as Appendix 5) was approved with Cllr Meldrum's suggested addition included;
- g) It was approved that the Interim General Manager enter into a 2-year Contract with a suitable supplier to provide a sampling programme (four waste composition surveys) as a total cost of between £121,200 and £161,400 see paragraphs 52 to 57 below) ;
- h) OThe report was otherwise received as information.

8. PROCUREMENT STRATEGY (A) - WRWA 25-16 (A)

The Interim Deputy General Manager presented the item and stated that the report gave an update on the progress of the Authority's Outline Business Case (OBC) for its Procurement Strategy, including the redevelopment of Cringle Dock waste transfer station.

It highlighted the re-procurement of technical advisory services, further modelling to develop the Economic Case and create a "Reference Project," and ongoing discussions with Thames Water about acquiring the Kirtling Wharf site.

The presentation of the Reference Project had been scheduled for October 2025, pending the new Managing Director's involvement, and confirmation of the land footprint available for redevelopment post-Thames Tideway Tunnel works.

RESOLVED:

- a) Note the progress made and the updated timetable for completion of the Reference Project and the overall Outline Business Case for Procurement of a replacement for the Waste Services Management Agreement (WMSA).
- b) Note the progress made and next steps in developing proposals to redevelop Cringle Dock Waste Transfer Station; and
- c) Otherwise receive this report for information.

9. JOINT WASTE STRATEGY IMPLEMENTATION PLAN - WRWA 25-17

The Interim Deputy General Manager presented the item and highlighted that the report gave an update on the progress of the Joint Resources and Waste Strategy, presenting an implementation plan for key actions.

Collaborative efforts with Constituent Councils, Cory, and other stakeholders focussed on increasing re-use and recycling through model mobile household waste recycling centres (HWRCs), reviewing bulky waste collections, and improving Smugglers Way HWRC.

Initiatives would also aim to reduce contamination of dry mixed recyclables and enhance public education.

A draft five-year Implementation Plan outlined goals, timelines, and cost estimates, alongside the first quarterly performance report for ongoing projects.

The Greater London Authority (GLA) was yet to formally respond, prompting the Chair to write to the Deputy Mayor, confirming that the final strategy would soon be published and launched publicly.

Members agreed to put strategy information on the website.

RESOLVED:

- a) Note the progress in implementing the priority actions from the Joint Resources and Waste Strategy.
- b) Note the draft 5-year Implementation Plan.
- c) Note the first quarterly progress report on implementation.
- d) Endorse the proposal to publish and launch the Strategy publicly.

10. WMSA (A) - WRWA 25-18 (A)

The Interim General Manager presented the item and stated that the report gave an update on Cory's Decarbonisation Project for Carbon Capture.

RESOLVED:

- a) To receive this report as information.

11. FORWARD PLAN - WRWA 25-19

The Interim General Manager presented the item.

RESOLVED:

- b) To receive this report as information.

12. PROCUREMENT STRATEGY (B) - WRWA 25-16 (B)

RESOLVED:

Unanimously that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act; and, (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

13. WMSA (B) - WRWA 25-18 (B)

RESOLVED:

Unanimously that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act; and, (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

14. APPOINTMENT OF A MD REPORT - WRWA 25-15

RESOLVED:

Unanimously that members of the Press and Public be excluded from the remainder of the meeting under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Act; and, (ii) that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

CLOSE OF MEETING

The meeting ended at 20:50pm

CHAIR

Date of Despatch: TBC June 2025

Contact for Enquiries: Rajneesh Toolsie

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Public report
25-20.

WRWA Authority Meeting

14th October 2025

Report of: Treasurer

Boroughs affected: All

Title:

Review of the Authority's governance arrangements and publication of the Annual Governance Statement for 2023/24

Executive summary:

The proposed Annual Governance Statement as attached at Appendix A concludes that the Authority's governance arrangements, including internal control, are generally sound. Any action required by the current Governance review by members will require an action plan to be produced to address any identified weaknesses which will be reflected in next year's Annual Governance Statement.

Recommendations:

The Authority is recommended to:

- (1) approve the proposed Annual Governance Statement for 2024/25 for signature and publication with the Authority's Accounts for 2024/25 when finalised.

List of Appendices included:

The following appendices are attached to the report:

Appendix A – Annual Governance Statement 2024/25

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by the Audit and Risk Committee?

No.

Has it or will it be considered by any constituent Council or other body?

No.

Report title: Review of the Authority's governance arrangements and publication of the Annual Governance Statement for 2023/24

1. Context (or background)

- 1.1. Following guidance from CIPFA/SOLACE and as required by the Accounts and Audit Regulations, the Authority is required to produce an Annual Governance Statement. This report presents the proposed statement for 2024/25. The Annual Governance Statement sets out the effectiveness of the Authority's governance arrangements, including internal control which is also assessed by the External Auditor as part of their Value for Money work on the 2024/25 Accounts. The Annual Governance Statement is in effect a statement of the arrangements at a point in time.

2. Options considered and recommended proposal

- 2.1. Members are requested to consider and approve the proposed Annual Governance Statement for signature by the Chair and the (interim) Clerk, for publication with the Authority's annual Accounts for 2024/25 when audited and final. The draft accounts are presented to the Authority at this meeting at Paper no: 5.
- 2.2. The proposed Governance Statement as attached concludes that the Authority's governance arrangements, including internal control, are generally sound. Any action required by the current Governance review by members will require an action plan to be produced to address any identified weaknesses which will be reflected in next year's Annual Governance statement. Review mechanisms are also in place to ensure that the Authority's governance arrangements are effective and that they contribute to the achievement of the Authority's objectives. They also provide a basis for identifying areas for improvement and monitoring and securing the implementation of agreed corrective actions.

Report author(s):

Name: Sukvinder Kalsi

Title: Treasurer

Email contact: sukvinder.kalsi@lbhf.gov.uk

Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Alicia Attoe	Deputy Treasurer	12/9/25	23/9/25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	19/9/25	23/9/25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	19/9/25	23/9/25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	19/9/25	23/9/25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	19/9/25	23/9/25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	19/9/25	23/9/25
Hugh Peart	WRWA - Clerk		
Sukvinder Kalsi	WRWA - Treasurer	19/9/25	23/9/25

This report is published on the authority's website: [Meetings - WRWA](#)

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Item 4 Appendix A

WESTERN RIVERSIDE WASTE AUTHORITY
ANNUAL GOVERNANCE STATEMENT 2024/25

1. SCOPE OF RESPONSIBILITY

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Authority has reviewed governance arrangements against the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (including the subsequent Addendum). This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement of internal control.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to and engages with the Boroughs it serves. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The CIPFA/SOLACE Framework for Delivering Good Governance in Local Government (2016) provides a core set of seven principles, listed below, to support good governance and the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

- Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Principle 2 Ensuring openness and comprehensive stakeholder engagement.
- Principle 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Principle 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Principle 5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.

- Principle 6 Managing risks and performance through robust internal control and strong public financial management.
- **Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.** The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks materialising and the impact should they materialise, and to manage them efficiently, effectively, and economically.
- **Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.** The relevant Policies and Procedures, which were reviewed in 2020/21 are reviewed on a rolling basis or when required. Progress on policy updates is shared with the Authority as part of the regular reporting pattern. Those Policies when combined with proper procedures and audits, are effective in terms of reports of possible frauds or financial regularities. The Authority's complaints system is effective with numbers of complaints and reasons for complaints monitored by officers.
- **Ensuring openness and comprehensive stakeholder engagement.** The Authority works in partnership with its constituent councils and maintains an effective internet site to provide feedback for all stakeholders. All meetings of the Authority are open to the press and public, and minutes of the meetings are published on the Authority's website. Further engagement is underway with constituent councils in relation to the new Joint Municipal Waste Management Strategy (as outlined below), especially cognisant to current borough waste priorities. It is with sadness that the Authority had to report a fatality at the MRF facility at Smuggler's Way which occurred on 23rd April 2023. The Authority is awaiting the Health and Safety Executive investigation and the Coroner's Inquest. The Smuggler's Way site is managed by Cory, and the implications of the incident will be a matter for Cory and not the Authority. This was reported informally to Authority members immediately and formally reported at the Authority meeting in June 2023.
- **Defining outcomes in terms of sustainable economic, social, and environmental benefits.** The Authority's strategic approach was established within the framework of the Riverside Waste Partnership (Joint Municipal Waste Management Strategy - JMWMS) with its four constituent councils, the London Boroughs of Hammersmith and Fulham, Lambeth and Wandsworth and the Royal Borough of Kensington and Chelsea. This Strategy was supplemented in 2013 with the adoption of a joint waste policy document and in 2016 the Authority, jointly with the other five statutory joint waste disposal authorities, endorsed a number of points it believes are critical to developing a 'Circular Economy' and agreed a position paper on recycling. These documents, together with the Authority's Annual Report are the key documents that contain the current

vision, purpose and intended outcomes for citizens and service users and are published on the Authority website. A new JMWMS was adopted by the Authority and its constituent councils during the fourth quarter of 2024/25. This incorporates the latest changes from the Environment Act 2021 which includes simpler recycling and extended producer responsibility. The JMWMS also seeks to assist the Authority in responding to the Government's decision to include EfW plants in the UK's Emission Trading Scheme from 2028 and their emerging plans. These new measures are likely to change the waste type, waste quantity and cost of waste management in the future.

The Authority's vision is to continue to promote the transition of waste higher up the waste hierarchy to promote best value both environmentally and economically. Performance is reviewed annually within an Annual Report.

The Authority introduced a booking system for the Household Waste and Recycling Centre in 2021. This has a) reduced vehicle queues with the associated environmental benefits and the convenience of users and neighbours; and b) stopped usage by residents of boroughs that do not pay for the service.

- **Determining the interventions necessary to optimise the achievement of the intended outcomes.** The Authority has an effective performance management culture and system with regular review of performance at officer and Member level. In-year monitoring reports and year-end reviews are presented to the Authority to monitor progress and action plans for seeking continuous improvement are in place and progress reviewed. Authority officers provide appropriate advice at the points of consideration and report to Members on progress and the outcome of decisions taken. Monitoring of legal compliance is undertaken by the Clerk to the Authority (as the Authority's Monitoring Officer), supported by the Interim General Manager and the Treasurer (as the s.73 officer), with legal advice available via the Authority's legal advisers. Members are informed of relevant legal advice as it is received. All reports that have actual or potential financial implications include a Treasurer's comment.
- **Developing the entity's capacity, including the capability of its leadership and the individuals within it.** Any Elected Member joining the Authority for the first time is offered a detailed induction to the Authority by officers. Officer training needs are judged to be adequately identified at annual review meetings with line managers and catered for as required with individual training plans. Members from the constituent councils comply with their own authority codes. The WRWA officer Codes of Conduct are robust and set out clear and specific rules in relation to the giving and receiving of gifts, hospitality and related party transactions and are made available to officers. The governance review held in 2023/24 made a number of recommendations which will be considered as part of a wider review of WRWA structures and processes.
- **Managing risks and performance through robust internal control and strong public financial management.** The Authority's Constitution and Standing Orders set out how the Authority operates, how decisions are made, and the

procedures that are followed to ensure that these are efficient, transparent, and accountable to local people. The membership of the Authority comprises eight elected Members, with each of the four constituent councils appointing two Members, making decisions, and providing a high level of scrutiny for the Authority. The Authority has a Risk Management Strategy that is embedded within the management processes, and a specific risk assessment is undertaken as part of the annual review of the Authority's internal control procedures which moved to twice a year from 2024/25.

- **Implementing good practices in transparency, reporting, and audit to deliver effective accountability.** Due to the nature and size of the Authority these functions are effectively undertaken at the Authority level.

3. REVIEW OF EFFECTIVENESS

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements including the system of internal control. The review of effectiveness is informed by the work of the senior officers who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies. An internal audit also occurs once a year with the next scheduled review being April 2026.

WRWA commissioned a review of the organisation, which concluded that it needed a refreshed vision, clearer governance, new strategic leadership, and improved stakeholder management. In relation to governance it concluded both that a new managing director role is required, and that the organisation lacks capacity to respond to national policy changes and upcoming contract negotiations. The Authority has accepted all the conclusions and recommendations from the review, and the new Managing Director took up post in July 2025, tasked with implementing the review recommendations, including recruiting additional senior capacity.

Governance framework. The Authority's governance framework is embodied within a number of specific policies, codes of practice and procedures that are subject to regular review. The review of the Authority's existing governance arrangements against the updated CIPFA and SOLACE guidance highlighted the issue that many of the specific requirements of the guidance did not apply to the Authority as they relate to the statutory framework for local authorities and that given the compact size and single service nature of a joint waste disposal authority there is no need to adopt a specific Code of Governance as the current arrangements are generally fit for purpose.

Financial management. The Authority's financial management arrangements are based on a framework of a procurement code of practice and a scheme of delegations to officers that encompasses the accountability, segregation of duties, management and supervision, and administrative procedures. In particular the system includes:

- Comprehensive budgeting systems

- An annual budget approved by the Authority, formally revised in the year of account as part of the annual budget process
- A medium term financial planning process
- Mid-year and Outturn reported to the Authority
- Budget review meetings with constituent council's Senior Finance Officers
- Risk Management Strategy that is embedded within the management processes
- Measurement against the CIPFA financial management code.

Review Mechanisms. There is an annual review of the procedures and controls in place which if any amendments are required can be addressed at: The Management Team meetings, via the Standing Order No. 38 authorisation process or at an Authority meeting. Staff homeworking is now part of formal ongoing arrangements following adoption during the Covid 19 pandemic, and as a result there are ongoing manageable risks around data security, information governance and IT Business Continuity which continue to be mitigated.

Internal Audit. The annual review of the procedures and controls in place at the Authority concluded that there is a sound system of control in operation. Robust review mechanisms are in place that enable Members to take reasonable assurance that the Authority's governance arrangements, including internal control, are effective, operated vigorously and contribute to the achievement of the Authority's overarching objectives. For the 2024/25 Internal Audit in April 2024, this achieved an overall 'substantial assurance' with no priority 1 (major) or priority 2 (important) recommendations given and only two P3 recommendations.

Clerk to the Authority (as Monitoring Officer). There are no issues in this statement report that need to be specifically commented upon.

The senior officers are of a view that the governance arrangements, including the risk management arrangements of the Authority, are satisfactory and meet the relevant requirements of the CIPFA and SOLACE guidance on "Delivering Good Governance."

4. CONCLUSION

Governance arrangements, including internal control, across the Authority are generally sound. The Authority's review mechanisms are an effective framework for maintaining satisfactory governance arrangements including identifying any issues and for monitoring and securing their implementation.

5. CERTIFICATE

No significant governance issues were identified from internal audit, management reporting or other assurance processes. Therefore no action plan is required, and we are satisfied that governance arrangements are sound and will be considered again in the next annual review.

Signed:

.....
Clerk

.....
Chair

On behalf of Western Riverside Waste Authority
14th October 2025



Public report 25-21

WRWA Authority Meeting

14th October 2025

Report of:

Treasurer

Boroughs affected:

All

Title:

Financial Statements 2024/25 Update and External Audit

Executive Summary:

The draft 2024/25 Statement of Accounts for Western Riverside Waste Authority were published in line with the statutory deadline of 30th June 2025. This is presented to the Authority at Appendix A.

The external audit commenced in July 2025 as outlined in KPMG's Audit Plan previously reported to the Authority in June 2025. The external auditors plan focused on two primary risk areas:

- Valuation of Land and Buildings
- Management Override of Controls (relating to income/expenditure transactions).

It is expected that KPMG will be issuing an unqualified audit opinion on the Authority's financial statements and will not call upon any of their extensive powers with regard to the WRWA finances (e.g. public interest reports, judicial reviews, advisory notices). The Authority is requested to approve delegated authority to the Chair and Treasurer to sign off the financial statements upon completion of any residual matters (there are no material matters outstanding).

Auditing standards require KPMG to obtain a written representation from management on certain matters as part of issuing their opinion. A draft Letter of Representation is attached at Appendix B and the Authority is requested to authorise the Treasurer to sign the final version of this Letter on behalf of the Authority.

The external auditors are required to be satisfied that proper arrangements have been made by the Authority for securing value for money in its use of resources (outlined from page 14 onwards of the ISA 260 report at Appendix C). No significant risks have been identified and the final report will be issued alongside the signed audit report.

The draft ISA 260 (Annual Audit Report) attached at Appendix C shows the key findings from the 2024/25 audit. There are 3 recommendations made for 2024/25 (financial systems/procedures related) and 3 carried forward from 2023/24 (all in progress including Audit Committee). These are summarised within this report at paragraph 3.2.

Recommendations:

The Authority is recommended to:

- 1) Approve and provide delegated authority to the Chair to sign the 2024/25 Accounts when the audit is completed, and if there are any matters arising after the meeting, to delegate to the Treasurer authority to agree the final version of the Statement of Accounts (draft provided at Appendix A).
- 2) Authorise the Treasurer to sign the Letter of Representation (Appendix B), and if there are any matters arising after the meeting, to delegate to the Treasurer authority to agree the final version of this Letter.
- 3) Review the draft reports from KPMG on the Audit of the 2024/25 Accounts (Appendices C & D).

List of Appendices included:

The following appendices are attached to the report:

Appendix A – Draft Statement of Accounts 2024/25
Appendix B – Draft Letter of Representation 2024/25
Appendix C – Draft Report from the Auditor including ISA 260 2024/25
Appendix D – Draft Auditors Annual Report 2024/25

Background papers:

None.

Other useful documents

None.

Has it or will it be considered by the Audit and Risk Committee?

No.

Has it or will it be considered by any constituent Council or other body?

No.

Report title: Financial Statements 2024/25 Update and External Audit

1. Context (or background)

- 1.1. The significant delays in the external audit of local and public authority accounts continues to be a well-known national issue with 'back stop' dates in place since December 2023. With two back stop dates now passed there are three remaining years

(to the audit of 2026/27) to bring the 'completion date' of audits back to 30th November annually as shown in the table below.

Financial Year	Back Stop Date
2024/25	27 th February 2026
2025/26	31 st January 2027
2026/27	30 th November 2027

- 1.2. The Authority alongside KPMG have published final and audited Accounts ahead of the back stop dates so far. KPMG expect to be able to complete the 2024/25 audit by October 2025.

2. Options considered and recommended proposal

- 2.1. The Authority is recommended to provide delegated authority to the Chair to sign the 2024/25 Accounts when the audit is completed noting that no material amendments are expected.

3. Results of consultation undertaken

- 3.1. Under the Auditing Practices Board's International Auditing Standard (UK and Ireland) 260 – "Communication of audit matters with those charged with governance", the Auditor is required to report to those charged with governance on the significant findings from the audit as a prelude to issuing a formal Opinion on the Authority's accounts. The draft ISA 260 or 'Audit Report' is attached at Appendix C.
- 3.2. The ISA 260 report brings to the attention of the Board six recommendations; three are as a result of the audit work for 2024/25 and three are from the 2023/24 audit and still in progress or were only agreed for review within the prior year. These are outlined on pages 21-25 including management responses, and alongside the two completed recommendations from 2023/24. The open recommendations relate to the following:

2024/25

- Journal entries – partially agreed (review process)
- Related Parties – agreed (review process)
- Xero to Integra transactions – agreed (partial effect of delayed audits, updated for 2025/26 with earlier sign off)

2023/24

- the establishment of an Audit Committee - in progress
- the Authority's Internal Audit Programme - in progress
- Valuer Independence - WRWA deem process appropriate, remains a recommendation from KPMG.

- 3.3. There is one minor issue of misstatement identified at present relating to a formula error by the Authority's valuer in the valuation of one of the Authority's assets. This change is less than 0.1% and has been amended in an updated Statement of Accounts provided to KPMG.

- 3.4. Another minor misstatement has been detailed by KPMG in relation to the VAT debtors of February and March 2025. This is purely a presentational change from 'short term debtors' to 'other debtors' and does not change the Balance Sheet.
- 3.5. The Audit report has not noted any other deficiencies in relation to systems of internal control.

4. Timetable for implementing this decision

- 4.1. The audit of the 2024/25 Accounts commenced as planned in July 2025, has progressed well through the summer, and is now nearing completion with an aim of final sign off in October 2025 roughly four months ahead of the back stop date of February 2026.

Report author(s):

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 Title: Treasurer
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Enquiries should be directed to the above person.

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Alicia Attoe	Deputy Treasurer	11/9/25	1/10/25
Constituent authority comments sought: (officers)		None	None
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	3 rd Oct 25	3 rd Oct 25
Hugh Peart	WRWA - Clerk		
Sukvinder Kalsi	WRWA - Treasurer	1 st Oct 25	3 rd Oct 25

This report is published on the authority's website: [Meetings - WRWA](#)



Western Riverside Waste Authority
Annual Report and Financial
Statements

For the year ended 31 March 2025

Un-Audited

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NARRATIVE REPORT

Organisational Overview, External Environment and Operational Model

Western Riverside Waste Authority (WRWA) is one of four Statutory Joint Waste Disposal Authorities in London which are charged by Parliament with managing the waste collected by their respective constituent councils. In the case of WRWA, these are:

- Hammersmith and Fulham
- Lambeth
- Wandsworth
- The Royal Borough of Kensington and Chelsea

The Authority manages disposal of waste with a main contractor, Cory Riverside Energy (Cory), through the Waste Management Services Agreement (WMSA) to minimise costs and maximise income from recycled materials. Total waste managed by the Authority in the years 2023/24 and 2024/25 is as follows:

	2023/24		2024/25		Difference	
	Tonnage	%	Tonnage	%	Tonnage	%
General Waste	284,927	80.4%	281,262	79.9%	(3,665)	-1.29%
Recycling	69,626	19.6%	70,857	20.1%	1,231	+1.77%
Total	354,553		352,119		(2,434)	

The changes in the general waste/recycling tonnages are a reflection of the work of the Boroughs in reducing, re-using and recycling waste and reflects increased awareness and changing social attitudes and behaviors in the generation of waste.

The Authority's key sources of income are charges to constituent councils for the disposal costs of waste via Apportionment of Waste Disposal Costs (AWDC) charges and a levy upon those councils. The Authority has a statutory duty to apportion levies among the constituent councils for each financial year to meet liabilities for which provision is not otherwise made. The Authority has agreed with all four constituent councils the basis of this levy which is directly related to tonnage levels delivered for specific waste streams and proportionate Council Tax bases for household waste and recycling tonnage and other running costs.

Risks

The Authority annually reviews its Risk Management Strategy and has developed a Risk Register which identifies key risks together with an analysis of their likelihood/ impact and the key preventative, detective and corrective controls. The Annual Governance Statement confirms that the Authority's Risk Management Strategy is effective and well embedded into management processes. Both documents are due to the Authority meeting in October 2025.

A key risk relates to the Local Authority sector's financial position in being able to fund their waste disposal costs and the potential subsequent pressure on the Authority to seek short term cost savings. The Authority continues to be open and transparent regarding its ability to reduce costs for constituent councils. The latest budget and outlooked report can be found here: <https://wrwa.gov.uk/wp-content/uploads/2025/01/WRWA-25-03-Budget-Report-Final.pdf>.

The volatility of recycling rates is a key risk to the constituent Councils in terms of price. To mitigate this, the Authority has arrangements with its contractor to ensure both an available market and price certainty as far ahead as possible for recyclates.

Performance

The operational income and expenditure of the Authority is primarily affected by the tonnage of waste managed during the year. The usable reserves balances at the end of March 2025 were £34.2 m, a decrease of £2.9 m compared to that reported in March 2024 (£37.1 m). The reduction in reserves was lower than planned as the budget for 2024/25 assumed the use of £5.5m of balances to subsidise the tonnages rates to the Boroughs. This improvement was due mainly to the additional electricity 'triad' income meeting specific energy supply targets set by the National Grid and greater investment income from cash balances.

During 2022/23 Cory reached financial close on the arrangements to construct a further Energy from Waste facility on land adjoining the existing facility at Belvedere. As part of that arrangement the Authority received a one-off payments of £3.50m in 2018 and £1.75m in 2022 and these are being drawn down in the Authority's accounts over the remaining life of the Cory contract.

Pensions

All permanent staff are eligible for inclusion in the statutory Local Government Pension Scheme (LGPS) administered by the London Pension Fund Authority (LPFA) under the Local Government Pension Scheme Regulations 2013.

The Fund's assets reduced to £9.1m in 2024/25 from £9.2m in 2023/24. The Fund's actuary estimated that the present value of scheme liabilities has reduced over the same period by £0.7m, from £7.6m to £6.9m, creating a surplus of £2.3m in 2024/25 (£1.7m in 2024/25). This surplus is adjusted in the Accounts by an 'asset ceiling' adjustment which reduces the surplus (asset in the Balance Sheet) to £0.2m in 2024/25 (£1.1m in 2023/24).

This valuation is only a snapshot in time and changes to the Fund surplus (or deficit) movement is largely attributable to complex external factors and is heavily dependent on the assumptions made by the Authority's actuary who values the Fund and provides an estimate in this case of the surplus in funds available to meet any liabilities. Reasons for this decrease in surplus in 2024/25 include changes in demographic assumptions for both current and future pensioners, changes in financial assumptions which include a decreased discount rate increasing the net present value of projected liabilities, offset by increased investment returns. In addition, the valuation as aforementioned is subject to an accounting adjustment under International Accounting Standard 19 (IAS 19) for the prudent treatment of surpluses in pensions funds – an 'asset ceiling' adjustment – and further explanation can be found in Note 29 of the Accounts.

Whilst a surplus has existed for three years, in 2021/22 a deficit existed which demonstrates how easily the position can change and the Authority has a cash reserve of £1.8m to offset any future potential cost should it ever crystallise. The surplus is not being recognised in the income and expenditure account but is held on the Balance Sheet.

Total annual employment costs are only £0.5m which underlines the low level of directly employed staff and the risk of increased pension contributions that could ultimately be required in the event of pension performance deteriorating.

Each Local Government Pension Scheme fund is required to have a triennial fund valuation which differs in basis to the accounting valuation undertaken annually. The last Triennial Valuation was undertaken as at 31 March 2022 and showed that on that basis the Authority's element of the fund was over 100% funded, and accordingly the minimum employer contribution rate as a percentage of payroll for the year from 1 April 2023 to 31 March 2026 was set at 4.1%, down from 13.8% in the previous valuation. The Valuation undertaken as at 31 March 2022 and previously in 2019 does not include a secondary contribution requirement.

Borrowing Facilities

The Authority finances debt through the Public Works Loan Board (PWLB) with loans totalling £1.0m outstanding at 31 March 2025, and no new loans being advanced during the financial year. The Authority's current policy is to redeem debt from balances wherever this is practicable and the top up of the earmarked reserve established in 2018/19 will be used to redeem future loans.

Cash Balances/Investments

Average balances of £24.2m were invested via Wandsworth Council earning the investment rate achieved by the Council at an average of 5.04%. The Authority also holds £5.9m in the Better World Cautious Fund (BWCF) with CCLA Investment Fund Management (CCLA). Day to day cashflow is managed within a Special Interest Bearing Account (SIBA) with the current retail banker (NatWest) earning 2.5% as at 31 March 2025. The end of year cash balances are shown as cash and cash equivalents in the Balance Sheet.

Outlook

The total level of waste managed by the Authority in 2024/25 has reduced which follows the national trend reported by the Department for Environment, Food & Rural Affairs (Defra). Key reasons include reducing packaging weight or 'light-weighting', contributing factors arising from the cost of living crisis, and economic growth in WRWA. However, the level of waste could grow in future years in line with the increase in population forecast for its area. The Authority continues to drive forward efficiencies from within the WMSA in order to generate savings for constituent councils in the current financial climate. The Authority is also keenly aware of the constituent councils' commitment to achieving net zero and its principles around the waste hierarchy and increasing recycling align with those goals.

Key challenges for 2025/26 and beyond are:

- redevelopment proposals at Cringle Dock, providing a new transfer station for the Authority and financial benefits for the constituent councils;
- establishing a waste and procurement strategy looking towards the new contract requirements when the existing contract expires in 2032;
- understanding future liabilities under the Emissions Trading Scheme likely to be introduced in full from 2028;
- the implementation of Simpler Recycling including separate collections of food waste and increased materials processing in the Materials Recovery Facility; and
- delivering savings.

However, the constituent councils do benefit from the EfW facility at Belvedere under the current WMSA with:

- the avoidance of increasing government landfill tax costs;
- certainty of capacity to dispose; and
- contractual agreements through the WMSA to receive refinancing savings, income from the sale of energy and eventually, the benefits to be achieved from Residual Value at the end of the existing contract in 2032.

Conclusion

The Authority has been able to maintain a sound financial base to meet future financial pressures.

STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

The Responsibility of the Authority

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Responsibility of the Treasurer

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts in accordance with the proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local Authority Code.

The Treasurer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- reviewed internal audit reports to identify any control weaknesses or deficiencies;
- carried out regular control processes to maintain numerical accuracy within the accounts.

Certificate

I certify that the Statement of Accounts presents a true and fair view of the Western Riverside Waste Authority's income and expenditure for the year ended 31 March 2025 and the Authority's financial position as at 31 March 2025.

S Kalsi
Treasurer

30 June 2025

Statement of Accounts for Western Riverside Waste Authority

Introduction

This is the Statement of Accounts for the Authority for the year ended 31 March 2025. The purpose of the Statement of Accounts is to summarise the financial position of the Authority.

The Statement of Accounts is a complex, technical document, the form and content of which is governed by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code) which in turn is underpinned by International Financial Reporting Standards. This means that the accounts are prepared on the same basis as the rest of the local authorities in the United Kingdom. This report is intended to provide a fair, balanced and understandable guide to the most significant aspects of the Authority's financial performance, year-end financial position and cash flow, as well as giving information as to how the Authority will develop over the next few years.

The Statement of Accounts is made up of four core statements as follows:

- **Movement in Reserves Statement** - This is a summary of the changes that have taken place in the bottom half of the Balance Sheet over the financial year. It is analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce the Levy such as the General Fund) and 'unusable reserves'.
- **Comprehensive Income and Expenditure Statement** - This consolidates all the gains and losses experienced by the Authority during the financial year.
- **Balance Sheet** – This statement shows the value, as at 31 March each year, of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.
- **Cash Flow Statement** - This statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

In addition, further Notes to the accounts provide more information.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce charges to constituent councils) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for determining the Apportionment of Waste Disposal Costs (AWDC) charges and the residual Levy. The net increase/ decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Fund Balance	Pension Liability Reserve	Capital Reserve	Stabilisation Reserve	Loan Repayment Reserve	Recycling Initiatives Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Movement in Reserves during 2024/25</u>									
Balance at 31 March 2024 carried forward	4,479	1,800	10,000	19,619	1,000	250	37,148	102,508	139,656
(Deficit)/ Surplus on provision of services	(3,809)	-	0	0			(3,809)	-	(3,809)
Other Comprehensive Income and Expenditure	-	-	-	-		-	0	(1,343)	(1,343)
Total Comprehensive Income and Expenditure	(3,809)	0	0	0	0	0	(3,809)	(1,343)	(5,152)
Adjustments between accounting basis and funding basis under regulations (Note 7)	844	-	-	-		-	844	(844)	0
Net (Decrease)/ Increase before Transfers to Earmarked Reserves	(2,965)	0	0	0		0	(2,965)	(2,187)	(5,152)
Transfers to/from Earmarked Reserves	2,965	-	0	(2,965)			0	0	0
(Decrease)/ Increase in Year	0	0	0	(2,965)	0	0	(2,965)	(2,187)	(5,152)
Balance at 31 March 2025 carried forward	4,479	1,800	10,000	16,654	1,000	250	34,183	100,321	134,504

	General Fund Balance	Pension Liability Reserve	Capital Reserve	Stabilisation Reserve	Loan Repayment Reserve	Recycling Initiatives Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Movement in Reserves during 2023/24</u>									
Balance at 31 March 2023 carried forward	4,479	1,800	7,984	10,991	1,000	250	26,504	106,153	132,657
(Deficit)/ Surplus on provision of services	12,162	-	0	0	0	0	12,162	-	12,162
Other Comprehensive Income and Expenditure	-	-	-	-	0	-	0	(5,160)	(5,160)
Total Comprehensive Income and Expenditure	12,162	0	0	0	0	0	12,162	(5,160)	7,002
Adjustments between accounting basis and funding basis under regulations (Note 7)	(1,518)	-	-	-	0	-	(1,518)	1,518	0
Net (Decrease)/ Increase before Transfers to Earmarked Reserves	10,644	0	0	0	0	0	10,644	(3,642)	7,002
Transfers to/from Earmarked Reserves	(10,644)	-	2,016	8,628	0	0	0	0	0
(Decrease)/ Increase in Year	0	0	2,016	8,628	0	0	10,644	(3,642)	7,002
Balance at 31 March 2024 carried forward	4,479	1,800	10,000	19,619	1,000	250	37,148	102,108	139,656

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from AWDC charges and the Residual Levy. The Authority raises income to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The position relating to the raising of income to cover expenditure is shown in the Expenditure and Funding Analysis and the Movement in Reserves Statement (MiRS).

	Note	2023/24		2024/25	
		£000	£000	£000	£000
Operating expenditure					
Employees		627		522	
Premises		779		1,140	
General waste disposal		40,383		54,847	
Other supplies and payments		1,143		1,429	
Depreciation and Impairment *	11	(1,227)*		510	
Total			41,705		58,448
Operating Income (outside IFRS 15)					
Hammersmith and Fulham		(9,074)		(9,181)	
Kensington and Chelsea		(9,553)		(9,997)	
Lambeth		(15,065)		(15,495)	
Wandsworth		(13,490)		(13,614)	
Total			(47,182)		(48,287)
Net Cost/ (surplus) of Services			(5,477)		10,161
Other Items					
Net Financing and investment (income)/expenditure	9		(1,304)		(886)
Other income recognised under IFRS 15	10		(717)		(710)
Other income outside IFRS 15			(499)		(467)
Deficit/(Surplus) on Provision of Services			(7,997)		8,098
Levy on constituent councils (outside IFRS 15)					
Hammersmith and Fulham		(803)		(834)	
Kensington and Chelsea		(935)		(956)	
Lambeth		(1,078)		(1,109)	
Wandsworth		(1,349)		(1,390)	
			(4,165)		(4,289)
(Surplus)/deficit on Provision of Services			(12,162)		3,809
Deficit on revaluation of Property, Plant and Equipment assets	11		5,063		441
Remeasurements of the net defined benefit asset/liability	29		97		902
Other Comprehensive (Income)/Cost			5,160		1,343
Total Comprehensive Income (Income)/Cost			(7,002)		5,152

*In 2023/24 depreciation and impairment included £1.7m credit related to prior years depreciation – see note 11.

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (AWDC charges and the Residual Levy) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	2023/24 £000			2024/25 £000		
	Net Expenditure chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Employees	572	55	627	476	46	522
Premises	779	0	779	1,140		1,410
General Waste Disposal	40,383	0	40,383	54,847		54,847
Other supplies and payments	1,143	0	1,143	1,429		1,429
Depreciation and Impairment (Note 11)	0	(1,227)	(1,227)		510	510
Operating Income	(47,182)	0	(47,182)	(48,287)		(48,287)
Net Cost of Services	(4,305)	(1,172)	(5,477)	9,605	556	10,161
Net Financing and Investment	(958)	(346)	(1,304)	(1,174)	288	886
(Income)/Expenditure						
Other Income	(1,216)	0	(1,216)	(1,177)		(1,177)
Levy income	(4,165)	0	(4,165)	(4,289)		(4,289)
Deficit/ (surplus) on Provision of Services	(10,644)	(1,518)	(12,162)	2,965	844	3,809
Opening Usable Reserve Balance	26,504			37,148		
Plus, surplus on General Fund in Year	10,644			(2,965)		
Usable Reserve Balance carried forward	37,148			34,183		

For a breakdown of Usable Reserves, please refer to the MiRS.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MiRS line adjustments between accounting basis and funding basis under regulations.

	Notes	31 March 2024 £000	31 March 2025 £000
Property, Plant and Equipment	11	107,868	106,916
Defined Benefit Pension Asset		1,068	168
Long Term Assets		108,936	107,084
Short Term Investments	15	6,221	5,885
Short Term Debtors	13	8,029	7,394
Prepayments		38	85
Cash and Cash Equivalents	14	27,541	23,852
Current Assets		41,829	37,215
Short Term Borrowing	12	0	1,000
Short Term Creditors	16	4,086	4,726
Receipts in Advance		2,498	970
Deferred Income		3,522	3,100
Current Liabilities		10,106	9,796
Long Term Borrowing	12	1,000	0
Long Term Liabilities		1,000	0
Net Assets		139,659	134,504
Usable Reserves	18	37,148	34,183
Unusable Reserves	19	102,511	100,321
Total Reserves		139,659	134,504

The notes on pages 13 to 49 form part of the financial statements.

S Kalsi - Treasurer

30 June 2025

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting year. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of AWDC charges or the Residual Levy received from the constituent councils. All activities are based on recovery of costs from the constituent councils. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

	Note	2023/24 £000	2024/25 £000
Net surplus on the provision of services		12,162	(3,809)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	20	(1,876)	123
Net cash flows from Operating Activities		10,286	(3,686)
Net cash outflow from Investing Activities	21	0	0
Net cash outflow from Financing Activities	22	0	0
(Decrease)/Increase in cash and cash equivalents		10,286	(3,686)
Represented by			
Cash and cash equivalents at the beginning of the reporting year		17,255	27,541
(Decrease)/increase in cash and cash equivalents		10,286	(3,686)
Cash and cash equivalent at the end of the reporting year	14	27,541	23,852

NOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES***i. General Principles*

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 as amended. These Regulations require that the accounts be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards and any relevant statutory guidance issued by Government.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The principal accounting policies have been applied consistently throughout the year.

ii. Going Concern

The Authority's financial statements are prepared on the going concern basis; that is, the accounts are prepared on the assumption that the Authority's functions and services will continue in operational existence for the foreseeable future. The Authority is a statutory body, funded in full by charges levied on constituent councils.

iii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on cash balances and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where cash is received in advance of being due, this is recorded as a Receipt in Advance.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iv. Cash and Cash Equivalents

Cash is represented by deposits with current retail banker (NatWest) and investments via Wandsworth Council repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in a specified period, no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts. If any overdraft is used, it is repayable on demand and used only for the purposes of cash management.

v. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the CIES or in the notes to the accounts, depending on how significant the items are to understand the Authority's financial performance.

vi. Prior Year Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior year adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vii. Charges to Revenue for Non-Current Assets

Revenue is debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off
- amortisation of intangible fixed assets attributable to the service

The Authority is not required to charge constituent councils to fund depreciation, revaluation and impairment losses. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision - MRP), by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two. Following a review of MRP policy and the establishment of an earmarked reserve to redeem debt MRP was nil in 2023/24 and 2024/25.

viii. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. health checks) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual would be made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year, however, this is immaterial for the Authority and not recognised in the accounts.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the CIES when the Authority is demonstrably committed to the termination of the employment of an officer or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of the Local Government Pension Scheme, administered by the London Pension Fund Authority (LPFA). The scheme provides defined benefits to members (retirement lump sums and pensions), earned whilst employees worked for the Authority.

The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees,

based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.75% in 2024/25 compared to 4.85% in 2023/24 (based on the net present value of the notional cash flow, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve – this is consistent with the approach used at the previous accounting date).

The assets of the pension fund are valued at market value in the Balance Sheet. Further detail is outlined in note 29.

The change in the net pension's liability is analysed into seven components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked;
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Other Comprehensive Income (if incurred in year);
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the CIES;
- expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the CIES;
- gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the CIES as part Other Comprehensive Income;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve; and
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

ix. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting year and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting year – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting year – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

x. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the CIES in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from a Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. Financial assets measured are generally classified into two types:

- Amortised cost - assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The asset is held within a business model with the objective of collecting contractual cash flows and not for trading.
- Fair value through profit or loss (FVPL) - assets that do not meet the amortised cost definition of cash flows that are solely payments of principal and interest and are held within a business model with the objective of collecting contractual cash flows and not for trading.

The Authority's business model is to hold investments to collect contractual cash flow. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of an expectation that future cash flows might not take place because the borrower could default on their obligations under the contract, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial Assets Measured at Fair Value through Profit and Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price; and

- other instruments with fixed and determinable payments – discounted cash flow analysis.

For Pooled Investment Funds which includes the Authority's Better World Cautious Fund with the CCLA, the Government introduced a regulation to mitigate the effects of changes in fair value on the Authority for a period of 7 years from 1 April 2018 to 31 March 2025. From 1st April 2025 transitional arrangements have been put in place by Government for legacy investments existing at 1 April 2025 with the override continuing to apply for these investments until 1 April 2029. As such in the 2024/25 Accounts, changes in fair value are transferred from the CIES to an account established solely for this purpose on the Balance Sheet. This account is called the Pooled Investment Funds Adjustment Account. Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES, along with any accumulated gains or losses previously recognised in the Pooled Investment Funds Adjustment Account. No divestment has been made in 2024/25.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the authority's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Accounting Policies for Expected Credit Losses and the Impairment of Financial Assets

The Authority recognises expected credit losses on all of its financial assets held at amortised cost or where relevant fair value through profit and loss, either on a 12-month or lifetime basis as appropriate. The expected credit loss model would also apply to lease receivables and other assets if appropriate. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

xi. Leases

IFRS 16 (Leases) for local authority (including waste authorities) implementation was deferred until 1 April 2024. Under IFRS 16 authorities are required to recognise assets on their Balance Sheet where any contract gives rise to a 'right of use asset'. Previously, a distinction has existed between operating and finance leases for lessees. Finance leases were accounted for as acquisitions (asset on the Balance Sheet) and operating leases were expensed in year therefore were not required to be reported on lessee balance sheets. IFRS 16 largely removes this distinction, unless it is a short term (12 months or less) or low value contract. For lessors the reporting requirements are largely unchanged as there is still a distinction between operating and finance leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Lease liabilities are measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Any right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset would be carried at a revalued amount.

As permitted by the Code, the authority excludes leases that are low-value items and/or with a term shorter than 12 months.

The Authority as Lessor*Operating Leases*

Where the Authority grants an operating lease over a property or an item of plant or equipment which it owns, the asset is retained in the Balance Sheet. Rental income is credited to the Other Income outside IFRS 15 line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g.

there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

xii. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- assets under construction – depreciated historical cost; and
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value, i.e. for vehicles and moveable plant.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2009 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land), assets that are not yet available for use (i.e. assets under construction) and assets which have been reclassified from assets under construction within the year.

Depreciation is calculated on buildings, vehicles, plant, furniture and equipment on a straight-line basis over the useful life of the asset as estimated by the valuer. (Remaining useful economic lives are as follows: Building structure – 60 years, External works – 60 years, Roof –

35 years, fixed plant (heating etc) – 20 years, and electrical equipment – 35 years). Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

xiii. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back.

Where some or all the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xiv. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS. When expenditure to be financed from a reserve is incurred, it is charged in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against the levy for the expenditure.

xv. VAT

VAT payable is included as an expense in the CIES, and the capital accounts only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income accounts. VAT due from HMRC and payable to HMRC at the year-end is accrued in the accounts and included in debtors or creditors.

xvi. Rounding

It is not the Authority's policy to adjust for immaterial cross-casting difference between the main statements and disclosure notes.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code introduces changes in Accounting Policies which will need to be adopted fully by the Authority in the 2025/26 financial statements. The Authority is required to disclose information relating to the expected impact of the accounting changes on the financial statements because of adoption by the Code of a new standard that has been issued but is not yet required to be adopted by the Authority.

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, however from 2025/26 and throughout the transition period (the first full revaluation cycle), authorities are not required to follow the requirements.

All other accounting changes introduced by the 2025/26 Code either are expected to not affect the Council or are presentational.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

In 2002 the Authority entered a long-term Waste Management Services Agreement (WMSA) with Cory Environmental Limited. This agreement has been restated where required to meet the needs of the Authority, most significantly in 2008 when Cory commenced construction of the Energy from Waste (EfW) facility at Belvedere. The Authority's arrangements with Cory are complex, and accounting for them involves several Critical Accounting Judgements, as well as accounting estimates that are disclosed as Key Sources of Estimation Uncertainty. The principal aspects of these arrangements are disclosed below.

Services provided by Cory

The WMSA with Cory runs until 2032. The WMSA requires the Authority to direct its constituent councils to deliver all Authority waste they are responsible for to Cory at agreed locations. Any waste that is not recycled is made available to Cory for incineration in the EfW facility. There is no minimum tonnage that must be supplied and no minimum payment.

The Authority pays a price per tonne for waste delivered to Cory (the "gate fee"), which is indexed each year. The gate fee was determined based on a financial model that took account of Cory's financing costs for the construction of the EfW facility, and the Authority has contractual protections to enable it to share in any refinancing gain if Cory refinances its debt (discussed further below).

The calculation of the gate fee for each period includes an energy revenue risk share mechanism, based on the average price (for electricity or other outputs) achieved during the financial year by Cory (when the plant generates electricity income above a floor, the Authority benefits a share of that which hence lowers the price per tonne to the Authority and vice versa). This variation is closely related to the underlying services provided by Cory and so is not separated and separately accounted for.

The cost of services provided is accrued based upon the volume of activity and the applicable gate fee for the period. No account is taken of the Residual Value Agreement (discussed further below).

The cost of services is presented as a single net figure, including the refinancing benefit arising from the 2017 refinancing by Cory and without any grossing up for other elements of the Authority's arrangements with Cory for the reasons discussed below.

Residual Value Agreement

The design life of the EfW extends past the end of the main WMSA in 2032. The Authority has a Residual Value Agreement (RVA) with Cory, which reflects that payments to 2032 will have financed the construction of an asset with life beyond that date. The Authority will have the option between 2032 and 2046 to:

- Subject to agreement of commercial terms, to continue to deliver waste to Cory, and receive a reduced gate fee; and/or
- Receive a royalty on waste from other sources processed at the plant.

The Authority's ability to benefit under the RVA is dependent upon the continued operation of the EfW facility past 2032, and the volume of waste processed at the facility. These may be affected by legislative and/or policy changes.

The potential estimated annual value of this entitlement (which is indexed and so will vary over time) is difficult to estimate but could be as much as £11 m in the first year of the RVA.

A critical accounting judgement is whether any amounts should be recognised in respect of this in advance of 2032 (which would reduce the expense recognised pre-2032, and increase the net expense recognised post-2032). The Authority is of the view that whilst conversations have begun on terms and conditions of the RVA there is a significant level of uncertainty as to whether this value will accrue and has decided not to reflect this within the accounts.

In particular, no intangible asset has been recognised in respect of this, on the basis that:

- The "cost" paid as part of the gate fee to 2032 is not separately identifiable; and
- There is no active market to determine the fair value of the asset.

It should be noted that during 2020/21 the Authority was approached by Cory regarding whether it wished to review the arrangements under the Residual Value Agreement which might amend the situation stated above in future. Following discussions with the constituent councils no further action was taken on this review.

Authority sites

The Authority owns the Smugglers Way and Cringle Dock sites. These sites, including buildings and plant thereon, are leased to Cory until 2032 for an annual payment of £1.

Under the terms of the WMSA, Cory was required to carry out various capital works on the site, including the construction of the Civic Amenity Facility and Municipal Recycling Facility. The Authority paid separately for the construction of these assets, with payments accounted for as capital expenditure.

The Authority considers these arrangements represent operating leases, as the Authority retains substantially all the risks and rewards incidental to ownership of the assets. The economic value of the lease to Cory is not separately identifiable within the WMSA and lease agreement, and so it is not possible to show separately lease income and gross cost paid to Cory.

The assets are shown within Property, Plant and Equipment, and are revalued on a freehold basis using the methodology as detailed in note xii above.

EfW site leases

Cory owns the site of the EfW facility. This has been leased to the Authority on a peppercorn lease until the earlier of 2058 or the end of the Residual Value period. This is then leased back to Cory for a peppercorn until 2032, and thereafter for the amount of any royalties due under the Residual Value Agreement.

The Authority has considered the substance of this arrangement and has concluded that this does not represent a lease and is instead in substance a protective provision to ensure payments of any amounts due under the Residual Value Agreement.

Force Majeure provisions

The WMSA includes provisions to address various potential termination scenarios, including the possibility of Force Majeure events leading to termination of the contract. In the event of specified Force Majeure events occurring (and not being remedied by Cory), the Authority would be obligated to pay Cory an amount intended to cover inter alia the repayment of relevant elements of the Senior Debt. In return, the EfW facility would transfer to the Authority. Depending upon the situation arising, this could result in a valuable asset transferring to the Authority for under value, or the Authority acquiring an asset requiring significant expenditure to enable on-going operations. The principal element of any payment would be in respect of relevant elements of Cory's Senior Debt; the Authority assessed the risk of payment as less than 1 in 1,600 in a year.

This arrangement involves the Authority taking on insurance risk and therefore is considered under the requirements of IFRS 4. The Authority considers that there is no separately identifiable consideration for this arrangement that should be presented as income. The Authority has assessed the minimum level of provision required and has not recognised a provision as the possibility of cash outflows is currently considered remote.

Refinancing

The WMSA includes provisions to ensure that the Authority shares in any refinancing gains from Cory refinancing its borrowings.

- In 2017, the main contractor undertook a qualifying refinancing, with the result being treated as a combined arrangement with the Authority and resulting in a net benefit recognised over time via a change to the contract price and therefore reflected each year dependent upon the volume of activity.
- In 2024 £75k was received from Cory for refinancing arrangements and has been recognised as revenue in the 2024/25 accounts.
- In 2018, the Authority received £3.5m from the main contractor and a further £1.75m in 2022 which were in effect payments to facilitate their refinancing, these payments have no impact on future potential or contingent liabilities and thus future costs. However, as these payments have arisen due to the existence of the WMSA, this income be recognised over the remaining life of the contract and therefore is held as deferred income and gradually released into revenue. An amount of £425,000 has been recognised as revenue in the 2024/25 accounts.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. There is a high degree of uncertainty about the government's implementation of measures in the Environment Act 2021. However, the Authority has determined that this uncertainty is not sufficient to undermine predictions about future levels of AWDC charges and the Residual Levy due to the use of the EfW plant.

The items in the Authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. In the event that wear and tear on the assets is more intensive than assumed, then the assets will have to be depreciated over a shorter period of time, resulting in higher repairs and maintenance costs to extend the life of the asset or a shorter repayment period before PWLB loans fall due.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £7,400 for every year that useful lives had to be reduced.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £107,000. However, the assumptions interact in complex ways. A +1 year adjustment to the mortality age rating assumption would result in an increase in the pension liability of £273,000. A detailed sensitivity analysis for changes in assumptions is included in note 29.
Arrears	The Authority recovers the significant majority of its costs from the constituent councils under statute. Late payment by the constituent councils will incur additional cash flow charges or result in a reduction in interest earned on cash flow movements.	If collection rates were to deteriorate, a higher penalty rate would have to be imposed on constituent councils to ensure cash flow losses are not incurred.

5. MATERIAL ITEMS OF INCOME AND EXPENSE

The Authority received £3.5 m cash receipt as a result of Cory executing a debt refinancing of the Belvedere Energy from Waste plant in October 2018 which has been classified as deferred income in the accounts and recognised gradually in revenue over the lifetime of the WMSA, that being for the period until October 2032. The amount included within revenue in 2024/25

is £250,000 which is the same as that recognised in 2023/24. Similarly, the Authority received a £1.75 m cash receipt as a result of Cory's refinancing following closure of the Riverside Energy Park financing at Belvedere in December 2022 which has been classified as deferred income in the accounts and recognised in revenue over the remaining lifetime of the WMSA. £175,000 has been recognised within revenue in 2024/25 which is the same as that recognised in 2023/24.

The Authority also benefits from a share of the 'Triad' income generated by the contractor meeting specific energy supply targets set by the National Grid during the year. The Authority accounted for a receipt of £1.8 m in 2024/25 (£2.7 m in 2023/24) in relation to this.

In 2024 it was agreed to distribute £1m of the reserves during 2024/25 to the constituent boroughs. This was completed in August 2024 on the basis of AWDC tonnage costs in 2023/24.

6. EVENTS AFTER THE BALANCE SHEET DATE

The Draft Statement of Accounts was authorised for issue by the Treasurer on 30 June 2025. Events taking place after this date are reflected in the final completed financial statements and notes as appropriate. Where events taking place before this date provided information about conditions existing at 31 March 2025 the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The General Fund is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

2024/25	General Fund Balance £000	Movement in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(510)	510
Changes in fair value of pooled investments	(336)	336
Adjustments primarily involving the Pensions Reserve:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 29)	(14)	14
Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 29)	16	(16)
Total Adjustments	(844)	844

2023/24	General Fund Balance £000	Movement in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	1,227	(1,227)
Changes in fair value of pooled investments	292	(292)
Adjustments primarily involving the Pensions Reserve:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 29)	(20)	20
Employer's pensions contributions and direct payments to pensioners payable in the year (see Note 29)	19	(19)
Total Adjustments	1,518	(1,518)

8. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

The Authority created a Pension Liability Reserve in 2012/13 of £1.8 m. The Actuary for the Pension fund (administered by the LPFA) has reported on the triennial valuation that as at 31 March 2022, the Authority's element of the LPFA fund was fully funded. This valuation, although it is a forward look, is still only valid as at that point in time and the fund will be subject to market pressures which could mean that the funding level drops due to

investments not performing as well as could be expected. In light of this it is proposed to retain the Pension Liability Reserve at this time to provide against future increases in charges from the LPFA requiring increases in the Levy. The next triennial valuation will be calculated as at 31 March 2025.

The Authority has set aside a Stabilisation Reserve to offset potential changes in rates and the Levy as a result of circumstances outside the Authority's control. The overall net outturn resulted in the use of only £3m of reserves to subsidise the chargeable rates (compared to the estimated £5.5m that was planned when the budget for 2024/25 was set in February 2024. The most significant reason for the favourable position is in relation to the energy share income that is concluded after April each year. As this is uncertain, this is never assumed at budget setting time. The other major factor relates to additional interest earned on balances. The planned subsidy of General Waste rates and Co-mingled rates in 2025/26 will cost approximately £6.5 m however this is planned to be met from a minimum of £6.5m of Extended Producer Responsibility Grant (EPR) from Government. This grant income will effectively freeze borough charges and protect reserves levels in 2025/26.

	Balance 31 Mar 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance 31 Mar 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance 31 Mar 2025 £000
General Fund:							
General Fund Balance	4,481	(10,644)	10,644	4,479	2,965	(2,965)	4,479
Pension Liability Reserve	1,800	0	0	1,800	0	0	1,800
Capital Reserve	7,984	0	2,016	10,000	0	0	10,000
Stabilisation Reserve	10,991	0	8,628	19,619		(2,965)	16,654
Loan Repayment Reserve	1,000	0	0	1,000	0	0	1,000
Recycling Initiatives Reserve	250	0	0	250	0	0	250
Total	26,506	(10,644)	21,288	37,148	2,965	(5,930)	34,183

9. FINANCING AND INVESTMENT INCOME AND EXPENDITURE CHARGED TO PROVISION OF SERVICES

	2022/23 £000	2024/25 £000
Interest payable and similar charges	37	37
Net interest on the net defined benefit liability (asset)	(54)	(48)
Interest receivable and similar income	(996)	(1,211)
Movements in fair value of financial instruments	(291)	336
Total	(1,304)	(886)

10. OTHER INCOME

Amounts included in the Comprehensive Income and Expenditure Statement for other income include the full year recognition of £250,000 of the £3.5m receipt from Cory classified as deferred income as well as a subsequent £175,000 of the £1.75m receipt from Cory, and £282,000 income from Westminster council for the use of the Authority's Household Waste and Recycling Centres:

	2023/24	2024/25
	£000	£000
Other income	717	710

Nothing is included in the Balance Sheet for contracts with service recipients, nor was there in 2023/24.

11. PROPERTY, PLANT AND EQUIPMENT

Assets are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Whilst a full valuation took place as at 31 March 2024, a new full valuation also took place as at 31 March 2025 to document the revised asset classification split adjusted for in the 2023/24 Accounts.

2024/25

	Land and Buildings £000	Fixed Plant and Equipment £000	Total £000
Cost or valuation at 1 April 2024	104,565	3,303	107,868
Revaluation increases/ (decreases) recognised in Revaluation Reserve	(805)	(147)	(952)
At 31 March 2025	103,760	3,156	106,916
Accumulated Depreciation and Impairment at 1 April 2024	0	0	0
Depreciation (charge)/ credit	(380)	(130)	(510)
Depreciation written out to the Revaluation Reserve	380	130	510
At 31 March 2025	0	0	0
Net Book Value at 31 March 2025	103,760	3,156	106,916
at 31 March 2024	104,565	3,303	107,868

2023/24

	Land and Buildings £000	Fixed Plant and Equipment £000	Total £000
Cost or valuation at 1 April 2023	99,954	13,964	113,918
Reclassification	10,768	(10,768)	0
Revaluation increases/ (decreases) recognised in Revaluation Reserve	(6,158)	108	(6,050)
At 31 March 2024	104,565	3,303	107,868
Accumulated Depreciation and Impairment at 1 April 2023	(1,640)	(573)	(2,213)
Depreciation (charge)/ credit	905	322	1,227
Depreciation written out to the Revaluation Reserve	735	251	986
At 31 March 2024	0	0	0
Net Book Value at 31 March 2024	104,565	3,303	107,868
at 31 March 2023	98,315	13,391	111,705

Fixed Plant and Equipment

No capital expenditure was incurred during 2024/25 and 2023/24.

12. FINANCIAL INSTRUMENTS*Categories of Financial Instruments*

The following categories of financial instrument are carried in the Balance Sheet:

	Long-term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Financial Assets				
Fair value through profit and loss	0	0	6,221	5,885
Amortised cost	0	0	8,029	7,394
Total Financial Assets	0	0	14,250	13,279
Financial Liabilities				
Amortised cost	1,000	0	4,086	5,726
Total Financial Liabilities	1,000	0	4,086	5,726

Fair Values of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- the interest rate at 31 March 2025 of 3.69% for loans from the PWLB;
- no early repayment or impairment is recognised;
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value; and
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities	31 March 2024		31 March 2025	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial Liabilities held at amortised cost – short term borrowing*	0	0	1,000	1,001
Financial Liabilities held at amortised cost – long term borrowing	1,000	994	0	0
Total	1,000	994	1,000	1,001

*The fair value of outstanding short term debts as at 31 March 2025 was higher than the book value due to the changes in market factors since the original borrowing was made. The authority's outstanding loan from PWLB is repayable in September 2025 therefore now classed as short term.

Financial Assets	31 March 2024		31 March 2025	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial Assets held at fair value through Profit and loss – Better World Cautious Fund	6,221	6,221	5,885	5,885
Financial Assets held at amortised cost	8,029	8,029	7,394	7,394
Total	14,250	14,250	13,279	13,279

Fair Values of Financial Assets

Some of the Authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial Assets measured at fair value

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31 March 2024 £000	As at 31 March 2025 £000
<i>Fair Value Through Profit or Loss</i>				
Better World Cautious Fund	Level 1	Unadjusted quoted prices in statement received	6,221	5,884
Total			6,221	5,884

13. SHORT TERM DEBTORS

Short term debtors and other receivables at 31 March 2024 and 31 March 2025 can be analysed as follows:

	31 March 2024 £000	31 March 2025 £000
ITEM		
Accrued Income	6,551	5,663
Other Receivable Amounts	1,478	1,731
Total	8,029	7,394

14. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2024 £000	31 March 2025 £000
Cash at bank	904	138
Cash held by Wandsworth Council	26,637	23,714
Total	27,541	23,852

15. SHORT TERM INVESTMENTS

The balance of Short-Term Investments is made up of the following:

	31 March 2024 £000	31 March 2025 £000
Better World Cautious Fund	6,221	5,885
Total	6,221	5,885

16. SHORT TERM CREDITORS

Creditor payments 31 March 2024 and 31 March 2025 can be analysed as follows:

	31 March 2024	31 March 2025
ITEM	£000	£000
Accruals	4,086	4,726
Total	4,086	4,726

17. PROVISIONS

There are no provisions recognised at 31 March 2025 (31 March 2024 was also nil).

18. USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement

19. UNUSABLE RESERVES

	31 March 2024	31 March 2025 £000
	£000	
Revaluation Reserve	81,216	80,774
Pensions Reserve	1,068	168
Capital Adjustment Account	20,508	19,997
Pooled Investment Funds Adjustment Account	(281)	(618)
Total Unusable Reserves	102,511	100,321

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2009, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with

statutory provisions. The Authority accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2023/24 £000	2024/25 £000
Balance at 1 April	1,116	1,068
Remeasurements of the net defined benefit liability	(97)	(902)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(20)	(14)
Employer's pensions contributions and direct payments to pensioners payable in the year	19	16
Balance at 31 March	<u>1,068</u>	<u>168</u>

Capital Adjustment Account

The Capital Adjustment Account contains the amounts contributed from the CIES for the repayment of external loans and is adjusted for depreciation. In 2022/23 and 2023/24 there has been a payment 'holiday' in relation to debt redemption.

	2023/24 £000	2024/25 £000
Balance at 1 April	19,281	20,508
Depreciation provision	1,227	(510)
Balance at 31 March	<u>20,508</u>	<u>19,998</u>

Pooled Investments Adjustment Account

The Pooled Investments Adjustment Account reflects the balance between fair value and investment originally made for funds held in the CCLA Better World Cautious Fund. As noted there was a seven year exemption from 31 March 2025 to 1 April 2025 and transitional arrangements have been put in place by Government for legacy investments existing at 1 April 2025 with the override continuing to apply for these investments until 1 April 2029, which allows for the accounting treatment in this way.

20. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

	2023/24 £000	2024/25 £000
Interest received	996	1,211
Interest paid	(37)	(37)
Total	959	1,174

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

	2023/24 £000	2024/25 £000
Depreciation	(1,227)	510
Impairment and downward valuations	(291)	336
Increase/(Decrease) in receipts in advance	1,149	(1,528)
(Decrease) in deferred income	(426)	(425)
Increase in creditors	134	640
(Increase)/Decrease in debtors	(1,216)	635
(Increase) in prepayments	0	(47)
Movement in pension liability	1	2
	(1,876)	123

21. CASH FLOW STATEMENT – INVESTING ACTIVITIES

	2023/24 £000	2024/25 £000
Purchase of short-term and long-term investments	0	0
Net cash flows from investing activities	0	0

22. CASH FLOW STATEMENT – FINANCING ACTIVITIES

	2023/24 £000	2024/25 £000
Repayments of short- and long-term borrowing	0	0
Net cash flows from financing activities	0	0

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

There are no liabilities arising from the financing activities during the year 2024/25:

	1 April 2023	Financing cash flows	Non-cash changes	31 March 2024
Borrowing	1,000	0	0	1,000
Total liabilities from financing activities	1,000	0	0	1,000

	1 April 2024	Financing cash flows	Non-cash changes	31 March 2025
Borrowing	1,000	0	0	1,000
Total liabilities from financing activities	1,000	0	0	1,000

24. OFFICERS' REMUNERATION

The remuneration paid to the Authority's senior employees is as follows:

Title	Year	Salary, Fees and Allowances £000	Bonuses £000	Expenses Allowances £000	Pension Contribution £000	Total £000
Interim General Manager* – R. Espinosa	2023/24	96	0	0	4	100
	2024/25	110	4~	0	5	119
Outgoing General Manager – M. Broxup	2023/24	120	23	0	6	150
Interim Clerk**	2024/25	3	0	0	0	3
Outgoing Interim Clerk**	2024/25	6	0	0	0	6
Outgoing Clerk**	2023/24	12	0	0	1	13
	2024/25	7	0	0	0	7
Treasurer	2023/24	8	0	0	0	8
	2024/25	13	0	0	1	14

*The former Deputy General Manager was promoted to Interim General Manager during 2023/24.

**Clerk change of staff during 2024/25

~Bonuses relate to a Performance Related Pay award. The award for R. Espinosa includes back payment for 2023/24 only as 2024/25 is to be determined.

Remuneration band	2023/24 Number of Employees	2024/25 Number of Employees
£50,000 - £54,999	1	0
£55,000 - £59,999	0	1
£60,000 - £64,999	1	0
£65,000 - £69,999	0	1
£95,000 - £99,999	1	0
£110,000 - £114,999	0	1
£140,000 - £144,999	1	0

The Authority's other employees receive below £50,000 (and/ or do not report to the General Manager or Clerk) (excluding employer's pension contributions).

There are no allowances paid to Members by the Authority and there were no exit packages in either 2023/24 or 2024/25.

25. EXTERNAL AUDIT COSTS

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's auditors:

	2023/24 £000	2024/25 £000
Fees payable to the External Auditor with regard to external audit services carried out by the appointed auditor for the year	55	65

Any 2023/24 additional fees have not yet been agreed with the Public Sector Audit Appointments Limited (PSAA) body and are therefore not included in this table.

26. RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely.

Central Government: Central government has effective control over the general operations of the Authority in that it is responsible for providing the statutory framework within which the Authority operates.

Members: Each of the four constituent boroughs of the Authority appoints two of their Members to the Authority. Apart from this dual role, no Member of the Authority has

reported that he/she or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2024/25.

Officers: Finance and admin support services have been provided by Wandsworth Borough Council and Lambeth Borough Council in 2024/25. The Authority's outgoing Clerk (was) and Outgoing Interim Clerk (is) a Senior Officer at the London Borough of Lambeth. The Interim Clerk is a Senior Officer at North London Waste Authority. The Treasurer is a Senior Officer at the London Borough of Hammersmith and Fulham. No other officer or member of their family or household, whether working wholly for the Authority or in an advisory role has indicated that they or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2024/25.

The Authority's operations are financed by charges to constituent councils for the disposal costs of waste, Apportionment of Waste Disposal Costs (AWDC) charges and levies upon those councils. The cost of the support services from Wandsworth and Lambeth are also set out below and are included in the CIES.

	Hammersmith and Fulham	Kensington and Chelsea	Lambeth	Wandsworth
	£000	£000	£000	£000
Income				
Levies	834	957	1,109	1,390
Net AWDC*	8,989	9,795	15,176	13,328
Total 2024/25	9,823	10,752	16,285	14,718
*Net includes share of £1m reserves distribution given to constituent councils in August 2024.				
Expenditure				
Financial Services	0	0	0	106
Other Services (administrative support etc.)	0	0	31	0
Total 2024/25	0	0	31	106

At 31 March 2024 and 31 March 2025 the following Authority balances related to the constituent councils:

Debtors and Accrued Income	31 March 2024	31 March 2025
	£000	£000
Hammersmith and Fulham	708	733
Kensington and Chelsea	755	803
Lambeth	1,228	1,223
Wandsworth	1,073	1,087

The Authority invests cash via Wandsworth Council with a balance of £24.0m held with Wandsworth as at 31 March 2025 (£26.6m as at 31 March 2024). Net interest payments on cash flow balances of £1.199m were received by the Authority from Wandsworth Council for the year 2024/25 (£1.011m in 2023/24).

27. CAPITAL EXPENDITURE AND CAPITAL FINANCING

There was no capital expenditure incurred in the year as shown in the table below. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2023/24 £000	2024/25 £000
Opening Capital Financing Requirement	6,079	6,079
Capital investment		
Capital Expenditure	0	0
Sources of finance		
Direct revenue contributions	0	0
Closing Capital Financing Requirement	6,079	6,079

28. LEASES**Authority as Lessor***Operating Leases*

The Authority has leased out land at Institute Wharf, Smugglers Way to Chartwell Properties Ltd on a 15-year lease with effect from 2015 for a rental value of £158,599 per annum. The future minimum lease payments receivable under non-cancellable leases in future years are:

	Minimum Lease Payments	
	31 March 2024 £000	31 March 2025 £000
Not later than one year	159	159
Later than one year and not later than five years	634	634
Later than five years	242	83
Total	1,035	876

Authority as Lessee*Operating Leases*

The Authority leases and leases back the Energy from Waste facility at Belvedere at a peppercorn rent. As discussed in note 3, the Authority considers that in substance this arrangement is not a lease and so is not accounted for as such.

29. DEFINED BENEFIT PENSION SCHEMES

1. **PENSION FUND.** As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a

commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

2. Local Government Pension Scheme. All permanent staff are eligible for inclusion in the statutory Local Government Pensions Scheme (LGPS) which is administered by the London Pensions Fund Authority (LPFA) under the Local Government Pension Scheme Regulations. Employee costs shown in the accounts include the contributions paid to the scheme in respect of the employees concerned in accordance with Regulations governing the Scheme. An independent firm of actuaries, Barnett Waddingham, was instructed to undertake IAS 19 calculations on behalf of the Authority as at 31 March 2025.
3. We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against the Levy is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the MiRS during the year:

	Year to 31 March 2024 £000	Year to 31 March 2025 £000
<u>Comprehensive Income and Expenditure Statement</u>		
Service cost	74	62
<i>Financing and Investment Income and Expenditure</i>		
Net Interest and Administration Expense	(54)	(48)
<i>Total Post-employment Benefits charged to the Surplus of Deficit on the Provision of Services</i>	20	14
<i>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(400)	156
Actuarial gains and losses arising on changes in financial assumptions	(3)	(734)
Other actuarial gains and losses	(93)	(18)
Experience gain/(loss) on defined benefit obligation	24	(16)
Changes in effect of asset ceiling	569	1,514
<i>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</i>	97	902
<u>Movement in Reserves Statement</u>		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(20)	(14)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
Employers' contributions payable to scheme	19	16

In 2023/24 and 2024/25 the authority adopted an asset ceiling in reporting its net surplus required by IAS 19 which only allows an asset to be recognised to the extent that the employer can gain economic benefits from the surplus. Economic benefit can be gained in two ways – either via a refund, or via a reduction in future contributions. The limit to the net asset is known as the asset ceiling. Under International Financial Reporting Issues Committee 14 (IFRIC 14), scheduled bodies such as waste authorities cannot use the option of getting a refund due to participation in the LGPS and the fact that the refund must be unconditional. The asset ceiling adjustment is calculated by the Authority's actuary. The Authority is therefore limited to the option of reduction in future contributions by paying primary contributions at a lower rate than the accounting service cost, which means staff are remunerated in form of a pension accrual while paying less than the value of that accrual.

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

	2024/25 £000	2024/25 £000
Present value of the defined benefit obligation	7,576	6,863
Fair value of scheme assets	(9,213)	(9,142)
Impact of asset ceiling	569	2,111
Net liability arising from defined benefit obligation	(1,068)	(168)

Reconciliation of the Movements in the Fair Value of Scheme Assets

	2023/24 £000	2024/25 £000
Opening fair value of scheme assets	9,213	9,213
Interest income	423	438
Remeasurement gain/(loss):		
The return on assets, excluding the amount included in the net interest expense	400	(156)
Contributions from employer	19	16
Contributions from employees into the scheme	33	31
Benefits paid plus unfunded net of transfers in	(872)	(397)
Administration expenses	(3)	(3)
Closing fair value of scheme assets	9,213	9,142

Local Government Pension Scheme Assets Comprised:

	2023/24		2024/25	
	£000	%	£000	%
Equities	5,579	61	5,392	59
Target Return Portfolio	1,589	17	1,660	18
Infrastructure	1,058	11	1,043	11
Property	843	9	833	9
Cash	144	2	214	2
Total	9,213	100	9,142	100

41% of total assets do not have a quoted market price in an active market and therefore there is a higher degree of estimation uncertainty over their valuation at 31 March 2025 (40% as at 31 March 2024).

Reconciliation of Present Value of the Scheme Liabilities

	2023/24	2024/25
	£000	£000
Opening balance 1 April	8,047	7,576
Current service cost	74	62
Interest cost	366	359
Contributions from scheme participants	33	31
Remeasurement (gains) and losses:		
- Actuarial gains arising from changes in demographic assumptions	(93)	(18)
- Actuarial losses/(gains) arising from changes in financial assumptions	(3)	(734)
Experience (gain)/loss on defined benefit obligation	24	(16)
<i>Liabilities assumed on entity combinations</i>		
Benefits paid	(872)	(397)
Closing balance at 31 March	7,576	6,863

4. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The scheme has been assessed by Barnett Waddingham based upon the latest triennial valuation, as at 31 March 2022.

The significant assumptions used by the actuary have been:

	2023/24	2024/25
Longevity at 65 for current pensioners:		
-Men	21.2	21.2
-Women	21.8	21.9
Longevity at 65 for future pensioners:		
-Men	22.4	22.4
-Women	25.8	25.8
Rate of inflation (RPI)	3.30	3.30
Rate of increase in salaries	3.90	3.95
Rate of increase in pensions	2.90	2.95
Rate for discounting scheme liabilities	4.85	5.75

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	£000	£000	£000
Longevity (sensitivity)	+1 Year	None	-1 Year
Present Value of Total Obligation	7,136	6,863	6,602
Projected Service Cost	52	50	49
Rate of increase in salaries (sensitivity)	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	6,868	6,863	6,858
Projected Service Cost	50	50	50
Rate of increase in pensions (sensitivity)	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	6,938	6,863	6,790
Projected Service Cost	52	50	49
Rate for discounting scheme liabilities (sensitivity)	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	6,786	6,863	6,941
Projected Service Cost	49	50	52

30. CONTINGENT LIABILITY

The Authority's contract with Cory includes provisions in the event of early termination where in some circumstances the Authority may become liable for the repayment of the contractor's senior debt. The amount payable would depend upon the nature of the termination and timing. This would be offset either in part or in full by the transfer of the contractor's assets.

A confidential settlement (payment) may be agreed in the future by WRWA, however it is expected that any amount yet to be agreed will have a corresponding (income) amount also received by a third party leading to an overall net nil position for the authority.

31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities expose it to a variety of financial risks in respect of financial instruments:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority may not have the funds available to meet its commitments to make payment.
- Refinancing risk – the possibility that the Authority might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund its services. The procedures for risk management in relation to key financial instruments are set out through the legal framework detailed within the Local Government Act 2003 and associated regulations. These require the Authority to comply with the CIPFA Prudential Code and the CIPFA Treasury Management Code (both of which were updated in December 2022). Overall, the Authority is required to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators which limit the Authority's overall borrowing, its maximum and minimum exposures to fixed and variable interest rates and its maximum and minimum exposure to the maturity structure of its debt.

In order to comply with the requirement that the Authority is required to set a balanced budget (Local Government Finance Act 1992) the above is required to be reported at the same time as the levy setting meeting. The annual treasury management strategy outlines the detailed approach to managing risk in relation to financial instrument exposure. Actual performance is compared to the strategy and reported annually to Members.

In accordance with Standing Orders, the Treasurer is responsible for all of the Authority's banking, borrowing and investment activities. Under the Authority's existing arrangements, Wandsworth Council administers part of the treasury management function on behalf of WRWA, there is a sum invested within the CCLA Better World Cautious Fund. The remainder of funds are invested with the current retail banker (NatWest) in a Special Interest Bearing Account (SIBA). WRWA receives reports and monitors the treasury management performance of the Wandsworth Council on a regular basis.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Credit risk with banks and financial institutions are managed under the Treasury Management arrangements operated by the Wandsworth Council.

Credit Risk in relation to payments due from Council Customers (Debtors)

Credit risks can arise from the Authority's exposure to customers. As the great majority of income due to WRWA is derived from its four constituent boroughs, risks are low. Payments for services are either required in advance or due at the time the service is provided. As at 31 March 2025, £5.7 m (£6.6 m as at 31 March 2024) is due to the Authority from its customers. Of this sum, constituent councils were liable to pay a net £3.8 m all of which was accrued income to the Authority, and payable from April 2025. VAT due from the HMRC for February and March 2025 totalled £1.8 m whilst VAT due for February and March 2023 amounted to £1.4 m. These sums were received in April and May 2025 and 2024 respectively. There was no provision for bad debts as at 31 March 2024 and 31 March 2025 as all outstanding debtors are expected to be paid.

Credit risk arising from deposits with Banks and Financial Institutions

This is managed through the Treasury Management Arrangements which adopt the same as those operated by the London Borough of Wandsworth.

Liquidity Risk

The Authority manages liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when needed.

The Authority has ready access to the PWLB. The PWLB provides access to longer-term funds and acts as lender of last resort to authorities. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. As at 31 March 2025, all of the Authority's outstanding loans were with PWLB.

Through the Local Government Finance Act 1992, the Authority is required to provide a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is no significant risk that the Authority will be unable to raise finance to meet its commitments.

Refinancing and Maturity Risk

The key risk is that the Authority will be bound to replenish a significant proportion of its financial instruments, in the form of PWLB loans, at a time of unfavourable interest rates. The risk relates to maturing financial liabilities as all PWLB loans are maturity loans. The Authority approved Treasury Management and Investment Strategies address the main risks, and the Treasurer addresses the operational risks within approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or rescheduling existing debt; and
- monitoring the daily cash flow.

The maturity structure for borrowing is set out below and is within the Authority's Prudential Code limits for 2023/24 and 2024/25 as set out in its Treasury Management Strategy:

<u>Renewal Period</u>	Market Loans Outstanding as at 31 March 2024 £000	% of Total borrowing	Market Loans Outstanding as at 31 March 2025 £000	% of Total borrowing
Under One Year	-	-	1,000	100.0
Between One and Two Years	1,000	100.0	-	-
Total	1,000	100.0	1,000	100.0

All trade and other payables are due to be paid in less than one year

Market Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Local interest rates reduced in 2024/25 as expected as the Bank Rate fell however at a slower pace than forecast. Movements in interest rates have a complex impact on the Authority. For instance, a future rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the provision of services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has the following strategies to manage interest rate risk:

- All the Authority's borrowings are at fixed rates for the period of the loan.
- Spreading the maturity of loans so that a large proportion of loans do not mature in the same year.
- Ensure the average maturity period for all new loans is at least 4 years.

In view of the fact that the Authority has no variable rate borrowings, no financial impact on the Authority's financial performance for 2024/25 is reported in the key financial statements.

WESTERN RIVERSIDE WASTE AUTHORITY

ANNUAL GOVERNANCE STATEMENT 2024/25

To follow

INDEPENDENT AUDITOR'S REPORT 2024/25

To follow

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Western Riverside Waste Authority

Treasurer: Sukvinder Kalsi
Interim Clerk: Hugh Peart
Managing Director: Andrew Walster

Western Riverside Transfer Station,
Smugglers Way, Wandsworth,
LONDON SW18 1JS

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Jessica Hargreaves
KPMG LLP
15 Canada Square
London
E14 5GL

14 October 2025

Dear Jessica

This representation letter is provided in connection with your audit of the financial statements of Western Riverside Waste Authority (“the Authority”), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority’s income and expenditure for the year then ended;
- ii. whether the Authority’s financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (“CIPFA/LASAAC Code”).

These financial statements comprise the following: the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement, and the notes, comprising material accounting policies and other explanatory information and the Expenditure and Funding Analysis.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2024, for the preparation of financial statements that:
 - i. give a true and fair view of the financial position of the Authority as at 31 March 2025 and of the Authority’s income and expenditure for the year then ended;
 - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

6. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters; [Error! Reference source not found.](#)
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

7. All transactions have been recorded in the accounting records and are reflected in the financial statements.

8. The Authority confirms the following:

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Authority has disclosed to you all information in relation to:

- a) There have been no instances of fraud or suspected fraud that the Authority is aware of and that affect the Authority and involve:

- Management;
- Members;
- Employees who have significant roles in internal control; or
- Others where the fraud could have a material effect on the financial statements

- b) There have been no allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, members, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

9. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 Related Party Disclosures.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

12. The Authority confirms that:
 - a) The financial statements disclose all of the matters that are relevant to the Authority's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 Presentation of Financial Statements.
 - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Authority to continue as a going concern.
13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 Employee Benefits.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,
 have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.
14. The Authority provides the following specific representation as follows:
 - The Authority instructed its valuer, WHE, to perform a valuation exercise of its land, building, and fixed plant and equipment as at 31 March 2025. The Board confirms that it is satisfied with the completeness and accuracy of the instructions provided to the valuer and confirms that the Authority has not unduly influenced WHE in determining the valuation of land and buildings.

- The Authority confirms that it is satisfied with the accuracy of the underlying data used as the basis of the revaluation exercise, specifically the land and building measurements and the classification of assets between operational, non-operational and specialised.

This letter was tabled and agreed at the meeting of the Authority Meeting on 14 October 2025.

Yours faithfully,

Sukvinder Kalsi
Treasurer

Appendix 1 Summary of Uncorrected Misstatements

Uncorrected audit misstatements (£'000s)				
No.	Detail	CIES Dr/(cr)	Balance Sheet Dr/(cr)	Comments
1	Dr Impact of asset ceiling Cr Fair value of LGPS asset		142 (142)	Judgemental Audit Difference. Our substantive analytical procedures identified the Fair Value of pension assets to be £231k higher than our expected asset value and £142k higher than our acceptable upper boundary. At the time of issuing this report we are discussing this finding with the Authority's pension fund actuary's.

Appendix to the Authority Representation Letter of Western Riverside Waste Authority Definitions**Financial Statements**

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

A housing authority must present a Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity’s general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity’s own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity’s assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity’s financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- c) was available when financial statements for those periods were authorised for issue; and
- d) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 Related Party Disclosures as the “reporting entity”).

- A person or a close member of that person’s family is related to a reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions applies:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - The entity is controlled, or jointly controlled by a person identified in (a).
 - A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a government that has control or joint control of, or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

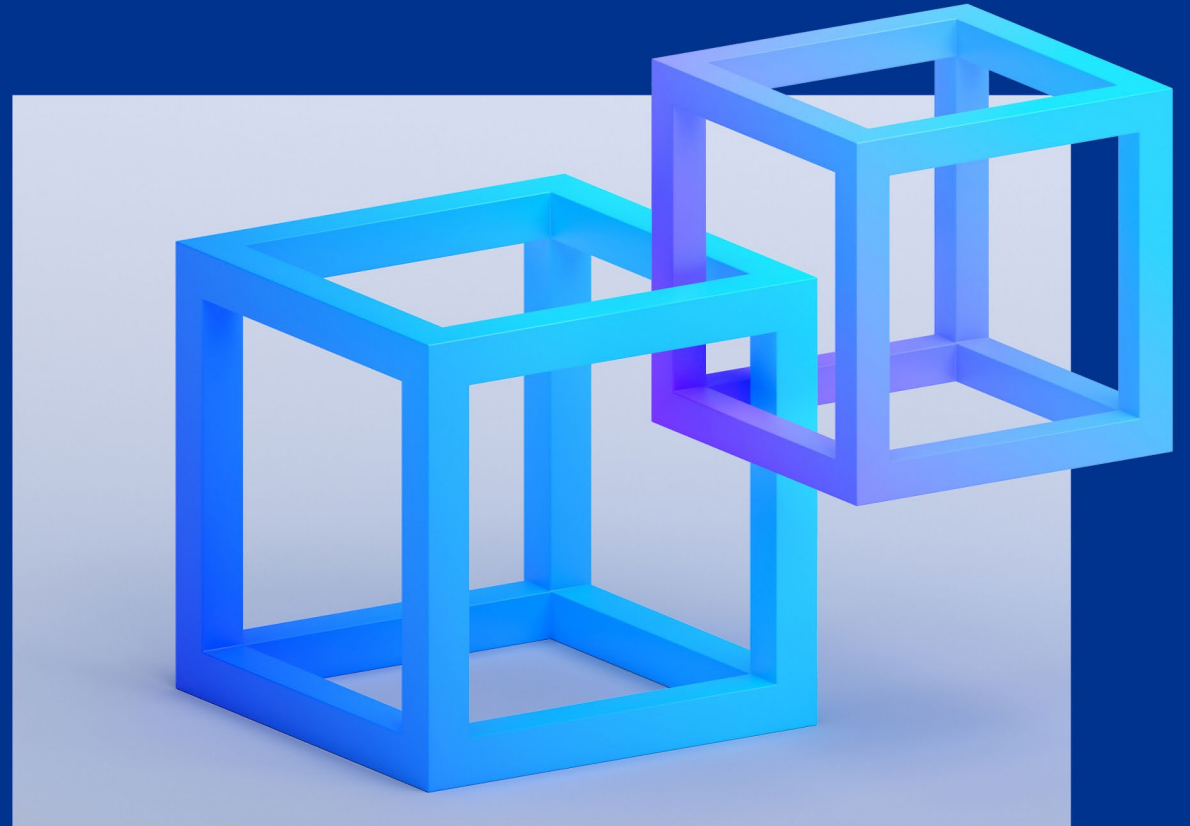
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Western Riverside Waste Authority

Year End Report to the Authority Meeting

Year end report for the year ended 31 March 2025

30 September 2025





Introduction

To the Members of the Authority of Western Riverside Waste Authority

We are pleased to have the opportunity to meet with you on 14 October 2025 to discuss the results of our audit of the financial statements of Western Riverside Waste Authority (the 'Authority'), as at and for the year ended 31 March 2025.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 12 June 2025. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Jessica Hargreaves, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process here: [Complaints](#)

The engagement team

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor's representation letter by end of October provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan and strategy other than those described on page 8.

We expect to issue an unmodified Auditor's Report.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,

Jessica Hargreaves

Director KPMG LLP

30 September 2025

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Important notice	3
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Important notice



This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Western Riverside Waste Authority (the 'Authority', prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, as at and for the year ended 31 March 2025.

This Report has been prepared for the Authority's Member's Meeting, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Authority's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete, and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Authority; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Our audit findings

Significant audit risks	Page 7 - 10
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Significant audit risks	Our findings
Valuation of land and buildings	At the time of writing this report, our testing in relation to valuation of land and building is not fully complete. Our procedures identified one misstatement in the calculation of the fair value of the Trust's building assets. This has been adjusted for in the final version of the financial statements. Audit procedures remain ongoing in respect of the Authority's accounting for revaluation movements through the revaluation reserve.
Management override of controls	At the time of writing this report, our testing in relation to management override of controls is not fully complete, however our work to date has not identified any significant issues.

Key accounting estimates	Page 11
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	Our findings
Valuation of land and buildings	Following the Authority's adjustment for the audit misstatement identified, we assessed the assumptions underpinning the valuation of the land and building assets to be reasonable.

Uncorrected Audit Misstatements	Page 20
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None identified.

Number of Control deficiencies	Page 21-25
Significant control deficiencies	0
Other control deficiencies	3
Prior year control deficiencies remediated	2

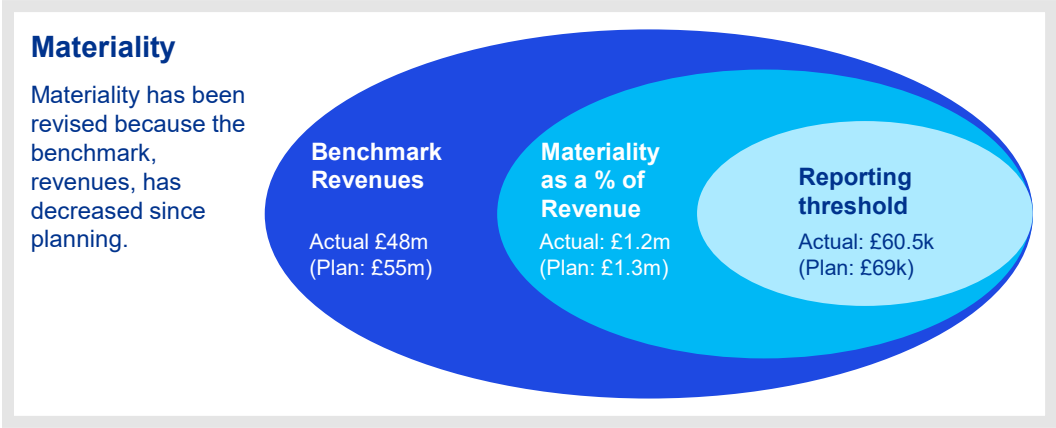
Outstanding matters

Our audit is substantially complete except for the following outstanding matters

- Resolution of residual queries in PPE, Pensions, Accrued expenses and Waste Disposal Expenses. The resolution of these queries could result in additional reportable findings.
- Receipt of external confirmation from Wandsworth
- Receipt of management representation letter
- Receipt of updated financial statements for final consistency and casting checks
- Finalise audit report and sign

Key changes to our audit plan

We have not made any changes to our audit plan as communicated to you on 12 June 2025 other than as follows:





Significant risks and Other audit risks

We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

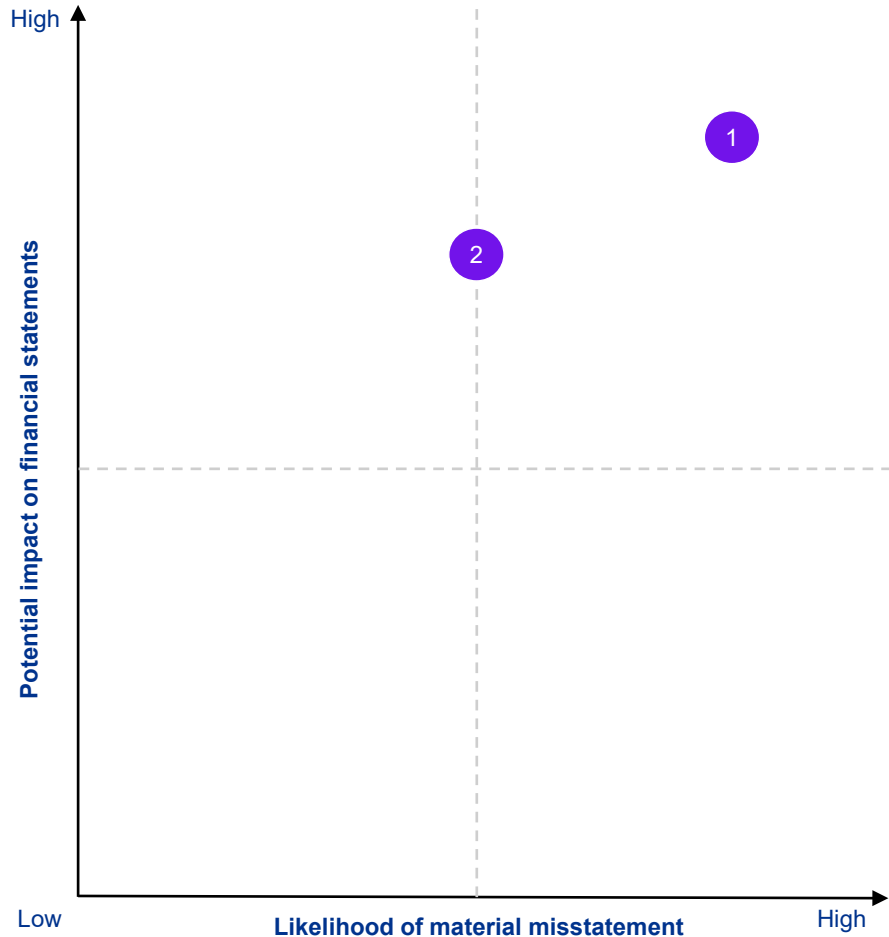
Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which Western Riverside Waste Authority operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

See the following slides for the cross-referenced risks identified on this slide.

Significant risks	
1.	Valuation of land and buildings
2.	Management override of controls

Key: # Significant financial statement audit risks





Audit risks and our audit approach

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued on at least a five year basis. The Authority has engaged their valuer, Wilks Head & Eve LLP (WHE), to perform a revaluation as at 31 March 2025 .

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.



Our response

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of Wilks Head & Eve LLP (WHE), the valuers used in developing the valuation of the Authority's properties at 31 March 2025;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement;
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

At the time of issuing this report the following procedures remain ongoing:

- We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code

Key:
 Prior year Current year

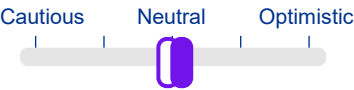




Audit risks and our audit approach (cont.)

1 Valuation of land and buildings (cont.)

The carrying amount of revalued Land & Buildings differs materially from the fair value



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued on at least a five year basis. The Authority has engaged their valuer, Wilks Head & Eve LLP (WHE), to perform a revaluation as at 31 March 2025.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.



Our findings

Consistent with prior years, the Authority engaged Wilks Head & Eve LLP (WHE) to undertake a desktop valuation of its land and building assets. The valuation exercise also included a desktop valuation assessment of the Authority's Fixed Plant & Equipment assets. The valuation exercise encompassed all the Authority's Plant, Property and Equipment (PPE) assets. The valuers determined the total fair value of the Authority's PPE assets as at 31 March 2025 to be £106.9m.

Our audit procedures identified the valuer's valuation methodology to be consistent with the approach adopted in the prior year. Our audit procedures identified the valuation assumptions to be reasonable and the approach for determining these assumptions to be consistent with the prior year.

We have considered the design of the management review control to address this significant risk to be ineffective. Whilst the control as designed does not meet the requirements of a management review control as outlined in the auditing standards, it is sufficient for WRWA's operational purpose, and we have not raised a recommendation to address this finding.

Our procedures identified a formula error in WHE's valuation calculations. This was corrected during the audit and resulted in an increase in the valuation of the Authority's Smuggler's Way building by £138k. Refer to page 22 for further details.

Revisions were required to the Authority's accounting policies to ensure they accurately reflected the approach adopted by the Authority.

At the time of drafting this report audit procedures remain ongoing in respect of the Authority's accounting for revaluation movements through the revaluation reserve. We have identified a potential misstatement which would impact the opening and closing balances across two unusable reserves. There is the potential for a further control recommendation relevant to this.

Key:
 Prior year Current year



Audit risks and our audit approach

3

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our response

Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the following procedures to address this risk:

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the Authority's normal course of business or are otherwise unusual.
- We analysed all journal entries posted throughout the year using Excel Analytics. Our testing focused on those journal entries assessed as higher risk, such as journals impacting income recognition, cash and expenditure.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach (cont.)

3

Management override of controls(cont.)^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our findings

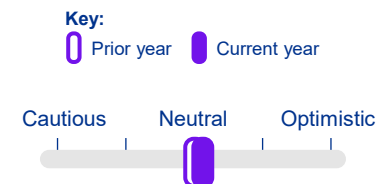
- As highlighted on page 11, we found all of the Authority's assumptions to be neutral, following the correction of identified audit misstatement in respect of the valuation of PPE assets. No indicators of management bias were identified.
- We identified a control deficiency in respect of management's review of journal entries. While we can evidence that journals are approved by an appropriate individual ahead of being posted, auditing standards expect there to be evidence to demonstrate level of review and challenge of each individual journal entry. Whilst the control as designed does not meet the requirements of a management review control as outlined in the auditing standards, it is sufficient for operational purposes at WRWA and we have not raised a recommendation to address this finding
- Our procedures did not identify any significant unusual transactions.
- At the time of issuing this report, substantive testing of the Authority's high-risk journals remain ongoing.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Key accounting estimates and management judgements– Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.



Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
PPE Valuation		103.7	(0.8)		We have undertaken a detailed assessment of the valuation methodology and assumptions underpinning the valuation of the Authority's PPE assets. The methodology applied and assumptions adopted were assessed as balanced and methodology was consistent with the prior year.
Fair value of LGPS asset		9.1	(0.1)		We have undertaken a detailed assessment of the valuation methodology and assumptions underpinning the valuation of the Authority's fair value of LGPS asset. The methodology applied and assumptions adopted were assessed as balanced and methodology was consistent with the prior year.
Present value of defined benefit obligations		6.9	(0.7)		We have undertaken a detailed assessment of the valuation methodology and assumptions underpinning the valuation of the Authority's defined benefit obligations. The methodology applied and assumptions adopted were assessed as balanced and methodology was consistent with the prior year.

Other matters

Narrative report

We have read the contents of the Narrative Report and checked compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code'). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Authority members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

Annual Governance Statement

We have reviewed the Council's 2024/25 Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

Changes in Accounting Standards

From the 01 April 2024 the Authority was required to adopt IFRS16: Leases. This new accounting standard changes the accounting treatment for finance leases. The Authority concluded that the new accounting standard had no impact on the 2024/25 financial statements. Audit procedures were undertaken to confirm management's conclusion, particularly focusing on the completeness of management's assessment. Our audit procedures did not identify any audit misstatements however revisions to the Authority's accounting policies and disclosures regarding the implementation of the new accounting standard were required.

Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

We have confirmed that, for Western Riverside Waste Authority, the threshold at which detailed testing is required has not been exceeded. We have therefore completed our work on the Whole of Government Accounts and have no issues to report to the members of the Authority.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our audit scale fee for the 2024/25 audit, as set by PSAA is **£65,355** plus VAT (£55k in 2023/24). See page 38 for details and status of fee variations.

We have not completed any non-audit work at the Council/Authority during the year.



01

Value for money

Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities, we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor’s Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

Our full commentary of the Authority’s arrangements is included in our Auditors Annual Report which is presented alongside this report to the Board. The Auditors Annual Report is required to be published on your website alongside the publication of the annual report and accounts

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

Further detail is set out in our Auditor’s Annual Report.

Performance improvement observations

As part of our work we have identified Performance Improvement Observations, which are suggestions for improvement but not responses to identified significant weaknesses. These are detailed within the Appendices to this report.

Appendix

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Corrected audit misstatements	20
Control Deficiencies	21
FRC's areas of focus	26
KPMG's Audit quality framework	29

Required communications

Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025
Adjusted audit differences	 There were adjusted audit differences with no impact on deficit. See page 20.
Unadjusted audit differences	 There were no aggregated deficit impact of unadjusted audit difference. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See page 21.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	 We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 No actual or suspected fraud involving Authority management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	 We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit.

Type	Response
Significant difficulties	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 None.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	 There were no significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete	 We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will issue our 24/25 certificate once we have received confirmation from the National Audit Office that all assurances required for their opinion on Whole of Government Accounts have been received.



Fees

Audit fee

Our fees for the year ending 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2024/25 (£'000)	2023/24 (£'000)
Scale fee as set by PSAA	65	55
Fee Variations:		
ISA 315r	-	7
Audit procedures in respect of DBO Pension Scheme	10.5	8.5
Additional audit procedures in respect of land and buildings misstatement	TBC	16
Additional audit procedures in respect of potential breaches of laws and regulations	-	5
Quality and timeliness of information prepared by management	-	7
IFRS 16 assessment	6	
TOTAL	81.5	98.5

We are in the process of agreeing 24/25 fee variations with management and will report the final values at a later date,

Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.
- As per PSAA's Scale Fees Consultation, the fees do not include new requirements of IFRS 16: Leases. The fees also assume no significant risks are identified as part of the Value for Money risk assessment. Additional fees in relation to these areas will be subject to the fees variation process as outlined by the PSAA.
- As highlighted to the Authority's Finance Team, per PSAA's Scale Fees Consultation, the fee set for WRWA does not reflect the existence of a Defined Benefit pension scheme. Additional fees in relation to this area will be subject to the fees variation process as outlined by the PSAA.
- The 23/24 Fee variations stated reflect the final amounts agreed with PSAA. The 24/25 fee variations are subject to PSAA approval and are subject to change.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Audit and Risk Committee members

Assessment of our objectivity and independence as auditor of Western Riverside Waste Authority

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non-audit services applicable.

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Authority and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0:1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2024/25
	£'000
Scale fee	65
24/25 Proposed Fee Variations	16.5
Total Fees	81.5

Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements, and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

Jessica Hargreaves

KPMG LLP

Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Authority meeting with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected audit misstatements (£'000s)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Building	-	£138	Our audit procedures identified a formulae error in the valuer's (WHE) spreadsheet which resulted in a £138k understatement in the fair value of Smugglers Way building asset.
	Cr Revaluation reserve	£138	-	
2	Dr Other receivable amounts	-	£1,809	The Authority have recognised £1.8m of accrued income which relates to RRRL income. Due to the nature of the receivable the audit team consider it would be better classified as Other receivable amounts.
	Cr Accrued income	-	(£1,809)	
Total		£138	£138	

Uncorrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Authority meeting with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Authority meeting, details of all adjustments greater than £60.5 k are shown below:

Uncorrected audit misstatements (£'000s)				
No.	Detail	CIES Dr/(cr)	Balance Sheet Dr/(cr)	Comments
None identified				





Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations

- 1

Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.
- 2

Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
- 3

Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	3	Related parties We noted that 2 out of 8 councillors appointed did not have declaration of interest forms for the current year. This creates a risk around completeness and accuracy of the Authority's related party disclosure. We recommend that the Authority takes action to ensure declaration of interest forms are received on an annual basis from all Board members. We also recommend to review their declaration of interest form to assess its consistency with the standards and ensure it captures all required disclosures. Declaration forms should also not be pre-dated.	Management agrees with this recommendation and guidance and forms reviewed and redesigned where needed for 2025/26 closedown.
2	2	Regular posting from Xero to Integra The Authority uses the Xero system to record cash receipts, payments and invoice transactions throughout the year. The Authority uses Integra as its general ledger system used to prepare the financial statements. The Authority is required to manually upload transactions initially recorded in Xero into Integra ahead of the financial year end. We would expect this data transfer to take place on a periodic basis throughout the year with reconciliations completed to evidence the completeness and accuracy of the data transfer. Our procedure found that the Authority performed a single reconciliation check at M12 which was prepared by the Deputy Treasurer. Considering the number of transactions taking place in Xero, we recommend data transfers take place on a more regular basis e.g. quarterly or semi-annual reconciliation and posting of journal to Integra from Xero with data completeness reconciliations performed after each upload.	Management agrees with this recommendation. The 2024/25 upload was completed once in 2024/25 due to the audit of the prior year only completing in month 11. In the 2023/24 this followed the same pattern of an upload in month 11 and month 12 after the audit was completed in month 10. However, with audit timelines brought forward it has been pre agreed with KPMG that a 'mid year' upload will occur in month 9 (for month 1-8 data) after the audit is completed as planned in month 7.



Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations

- 1** **Priority one:** issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.
- 2** **Priority two:** issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
- 3** **Priority three:** issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
3	2	Unbalanced journals and inconsistent use of unique identifier We noted from our journal screening that numerous journal transactions are unbalanced (e.g. there is only a debit amount with no credit amount, vice versa) which meant that there is inconsistent use of unique identifier. We have used journals transaction reference as our unique identifier. We recommend that the Authority uses consistent unique identifier in their journals. One unique identifier for one journal entry would allow them to easily identify what are the debit and credit accounts.	Management partially agrees with this recommendation. The journal process has not changed since the prior years and the ‘perceived’ imbalanced journals comes from those journals between WRWA and Wandsworth Council who pay a small amount of charges for WRWA plus pay their salary costs. Those additional charges are HR charges, rent for Feather’s Wharf, bank charges, and income as interest receivable. They are processed via the Wandsworth general ledger system, reconciled, and corresponding charge deducted from balances held i.e. which is the other side of the transaction on a separate journal. In total this was £0.45m in 2024/25. It is impossible to do a non balancing journal on the general ledger system, Integra. However it has been discussed with KPMG how improvements can be made either by potentially a new journal type or ledger structure changes to show the Wandsworth to WRWA charges and vice versa in a clearer way. Subject to the audit completing on time, this can be reviewed in advance of 2025/26 closedown. Manual journals undertaken by the Deputy Treasurer at year end (for settlement with Wandsworth) regardless of the change above will be shown to the Treasurer and/or Managing Director in future year’s closedown process. They are already reviewed with Wandsworth colleagues and mutually agreed before posting.

Control Deficiencies (cont.)

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations		Number of recommendations implemented	Number outstanding (repeated below):
5		1	4

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Current Status (September 2025)
1	2	Audit Committee We note the Authority's governance structures does not include an Audit Committee. In December 2024 a local audit consultation was launched which proposes to mandate the recommendation of the Redmond review, whereby audit committees should be mandatory for all local bodies, with at least one independent member, and audits should be considered by full council (for local authorities). To comply with best practice we recommend the Authority reviews its governance structure and considers establishing an Audit Committee which consists of at least one independent member.	The WRWA will consider this matter further and reflect on the mandating of the Redmond Review with due regard to the complexity of our operations and the size of our organisation. All matters that would be considered by an AC are already considered by the Board.	Status: In progress On 12 June 2025, it was proposed in the Authority Meeting around establishment of Audit & Governance Committee. This will be likely implemented in the year 25/26.
2	2	Lack of member scrutiny of Internal Audit reporting We have confirmed through minute review, constitution review and inquiry of management that the Authority do not have an Audit Committee in place. This has impact that the Internal Audit reporting does not go to Committee for review. It also does not go to the Members Meeting for review. It is scrutinised by senior management only. This means that the independent members do not scrutinise the challenge raised in the internal audit report. No issues have been found in regard to the current year report, however there is a risk that if events were to be reported this would not be subject to the independent review of member scrutiny.	An annual internal audit review is undertaken by Wandsworth LBC under our SLA arrangements and these reports are discussed and actioned by the WRWA Management Team (copies can be provided). This level on internal audit is considered sufficient for the size and potential risks for WRWA.	Status: In progress One of the proposed terms of reference for the Audit & Governance Committee will be the review of work of the internal audit. This will be likely implemented in the year 25/26.



Control Deficiencies (cont.)

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations		Number of recommendations implemented		Number outstanding (repeated below):
5		1		4
#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Current Status (September 2025)
3	3	Valuer Independence Whilst the Authority's Valuer (WHE) currently complies with RICS guidance on valuer independence/rotation, the lead valuer has now reached the RICS suggested rotation period of seven years within the public sector. We recommend the Authority discusses this guidance with WHE and consider how this guidance can be complied with in future financial years to ensure the Authority aligns with recommended best practice.	The WRWA accepts this recommendation and will progress this matter in 2025/26 (as it will not be practical for 2024/25 given that we are at the end of this financial year).	Status: In progress This will be reviewed in the year 25/26.
4	3	Completion of an annual revaluation exercise Our procedures identified the Authority engages an external valuer to perform a fair value assessment in the third and fifth year of the 5 year valuation cycle. The valuation assessment at 31 March 2024 identified a material movement in the value of the Authority's PPE assets. Due to changes in the economic environment, frequent movement in BCIS indices underpinning DRC valuations and the significant value of the Authority's land and buildings assets compared to materiality, we recommend the Authority undertakes an annual desktop revaluation exercise of these assets, with a full revaluation (including physical inspection) being completed once every five years.	The WRWA will progress this recommendation and complete for 2024/25.	Status: Complete The Authority has completed desktop valuation in 24/25.



Control Deficiencies (cont.)

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations		Number of recommendations implemented		Number outstanding (repeated below):
5		2		3

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Current Status (September 2025)
5	2	IT Policies Our inquiries identified the Authority does not have a suite of IT policies that we would expect to be in place, including an Acceptable Use IT policy, Without clear guidelines on the proper use of IT resources, employees may have inappropriate access on the systems i.e may post incorrect journal and hence may compromise data integrity and result in incorrect financial reporting. Further, may increase the chances of cyberattacks and information breaches. We note that at the time of our audit procedures a policy had been drafted and was awaiting approval. We recommend a detailed documented IT policy is launched to ensure proper use of their Information and communication technology systems, safeguard data and comply with broader legal and regulatory obligations. The policy should include information regarding granting access to new starters and leavers, back up and recovery of data, disaster recovery plan, cyber security assessment.	The WRWA will finalise the current draft policy and secure formal approval and continue to develop/review under our internal audit arrangements with Wandsworth LBC.	Status: Complete On 12 June 2025, the Authority has approved its Acceptable Use of Equipment and Data policy. This is deemed acceptable and meets the requirements.



FRC's areas of focus

The FRC released their **Annual Review of Corporate Reporting 2023/24** ('the Review') in **September 2024** having already issued three thematic reviews during the year.

The Review and thematic reviews identify where the FRC believes companies can improve their reporting. These slides give a high level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.



Key expectations for 2024/25 annual reports

Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained this year, but there is a widening gap in standards between FTSE 350 and non-FTSE 350 companies. This is noticeable in the FRC's top two focus areas, 'Impairment of assets' and 'Cash Flow Statements'.

'Provisions and contingencies' has fallen out of the top ten issues for the first time in over five years. This issue is replaced by 'Taskforce for Climate-related Financial Disclosures (TCFD) and climate-related narrative reporting'.

The FRC re-iterates that companies should apply careful judgement to tell a consistent and coherent story whilst ensuring the annual report is clear, concise and Council/Authority-specific.

Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. The FRC continues to be frustrated by the increasing level of restatements affecting the presentation of primary statements. This indicates that thorough, 'step-back' reviews are not happening in all cases.

Risks and uncertainties

Geopolitical tensions continue and low growth remains a concern in many economies, particularly with respect to going concern, impairment and recognition/recoverability of tax assets and liabilities. The FRC continues to push for enhanced disclosures of risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

Financial reporting framework

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented. In particular the requirements for a true and fair view, along with a fair, balanced, and comprehensive review of the Council/Authority's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, and companies should exercise judgement in determining what information to include.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

FRC's areas of focus (cont.)

Impairment of assets

Impairment remains a key topic of concern, exacerbated in the current year by an increase in restatements of parent Council/Authority investments in subsidiaries.

Disclosures should provide adequate information about key inputs and assumptions, which should be consistent with events, operations and risks noted elsewhere in the annual report and be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and should not extend beyond five years without explanation.

Preparers should consider whether there is an indicator of impairment in the parent when its net assets exceed the group's market capitalisation. They should also consider how intercompany loans are factored into these impairment assessments.

Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements and this was highlighted in the ['Offsetting in the financial statements'](#) thematic.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

Climate

This is a top-ten issue for the first time this year, following the implementation of TCFD.

Companies should clearly state the extent of compliance with TCFD, the reasons for any non-compliance and the steps and timeframe for remedying that non-compliance. Where a Council/Authority is also applying the CIPFA Climate-related Financial Disclosures, these are mandatory and cannot be 'explained', further the required location in the annual report differs.

Companies are reminded of the importance of focusing only on material climate-related information. Disclosures should be concise and Council/Authority specific and provide sufficient detail without obscuring material information.

It is also important that there is consistency within the annual report, and that material climate related matters are addressed within the financial statements.

Financial instruments

The number of queries on this topic remains high, with Expected Credit Loss (ECL) provisions being a common topic outside of the FTSE 350 and for non-financial and parent companies.

Disclosures on ECL provisions should explain the significant assumptions applied, including concentrations of risk where material. These disclosures should be consistent with circumstances described elsewhere in the annual report.

Council/Authority should ensure sufficient explanation is provided of material financial instruments, including Council/Authority -specific accounting policies.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

Judgements and estimates

Disclosures over judgements and estimates are improving, however these remain vital to allow users to understand the position taken by the Council/Authority. This is particularly important during periods of economic and geopolitical uncertainty.

These disclosures should describe the significant judgements and uncertainties with sufficient, appropriate detail and in simple language.

Estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

Further, sensitivities and the range of possible outcomes should be provided to allow users to understand the significant judgements and estimates.



FRC's areas of focus (cont.)

Revenue

Disclosures should be specific and, for each material revenue stream, give details of the timing and basis of revenue recognition, and the methodology applied. Where this results in a significant judgement, this should be clear.

Presentation

Disclosures should be consistent with information elsewhere in the annual report and cover Council/Authority - specific material accounting policy information.

A thorough review should be performed for common non-compliance areas of IAS 1.

Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the annual report.

The effect of Pillar Two income taxes should be disclosed where applicable.

Strategic report

The strategic report must be 'fair, balanced and comprehensive'. Including covering all aspects of performance, economic uncertainty and significant movements in the primary statements.

Companies should ensure they comply with all the statutory requirements for making distributions and repurchasing shares.

Fair value measurement

Explanations of the valuation techniques and assumptions used should be clear and specific to the Council/Authority.

Significant unobservable inputs should be quantified and the sensitivity of the fair value to reasonably possible changes in these inputs should provide meaningful information to readers.

Thematic reviews

The FRC has issued three thematic reviews this year: 'Reporting by the UK's largest private companies' (see below), 'Offsetting in the financial statements', and 'IFRS 17 Insurance contracts –Disclosures in the first year of application'. The FRC have also performed Retail sector research (see below).

UK's largest private companies

The quality of reporting by these entities was found to be mixed, particularly in explaining complex or judgemental matters. The FRC would expect a critical review of the draft annual report to consider:

- internal consistency
- whether the report as a whole is clear, concise, and understandable; notably with respect to the strategic report
- whether it omits immaterial information, or
- whether additional information is necessary for the users understanding particularly with respect to revenue, judgments and estimates and provisions

Retail sector focus

Retail is a priority sector for the FRC and the research considered issues of particular relevance to the sector including:

- Impairment testing and the impact of online sales and related infrastructure
- Alternative performance measures including like for like (LFL) and adjusted e.g. pre-IFRS 16 measures
- Leased property and the disclosure of lease term judgements, particularly for expired leases.
- Supplier income arrangements and the clarity of accounting policies and significant judgements around measurement and presentation of these.

2024/25 review priorities

The FRC has indicated that its 2024/25 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

- | | | |
|--|--|--|
|  Industrial metals and mining |  Construction and materials |  Food producers |
|  Retail |  Gas, water and multi-utilities |  Financial Services |

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner/director and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight (and Risk) Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



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Public report 25-22

WRWA Authority Meeting

14th Oct 2025

Report of:

Clerk to the Authority and Managing Director

Boroughs affected: All

Title:

Review of the authority's Constitution and Schedule of Delegations (Rules of the Authority)

Executive summary:

This report seeks the adoption of a revised and updated Constitution and Schedule of Delegations for the Western Riverside Waste Authority (WRWA) as detailed in Appendix 1 of this report "Rules of the Authority".

The WRWA Rules of the Authority were last reviewed in 2019. It is therefore timely that these documents are reviewed and updated. In addition, the changes proposed will enable the implementation of the recommendations from the Inner Circle Consulting (ICC) review of the Authority which were adopted by the Authority at its meeting in October 2024.

Recommendations:

The Authority is requested to adopt the following changes to the Rules of the Authority:

1. Adopt the revised and updated WRWA Constitution that reflects the separation of the Clerk and Monitoring Officer functions.
2. Adopt the revised and updated WRWA Schedule of Delegation to reflect the separation of the Clerk and Monitoring Officer functions, including the insertion of formal Delegations to the Monitoring Officer.
3. Adopt the revised financial limits within Schedule of Delegations to reflect the current WRWA operation and to bring the authority in line with its Constituent Councils.
4. Delegate to the Managing Director, in consultation with the Clerk, the final drafting that recognises the conclusions of a restructure that is anticipated to delete the Deputy General Manager post and the introduction of a Director post, once the staffing structure has been implemented following the current consultation process.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Revised Western Riverside Waste Authority – Rules of the Authority (October 2025)

Background papers:

Adoption of ICC recommendations at the authority meeting on 2nd October 2024 –

Paper No. 24-26 - WRWA Strategy and Operating Model Review Phase 1 and Phase 2 reports by ICC. Considered at the Authority Meeting on 2nd October 2024.

Other useful documents

None

Has it or will it be considered by the Audit and Governance Committee?

No

Has it or will it be considered by any Constituent Council or other body?

No:

Report title: Review of the Authority's Constitution and Schedule of Delegations (Rules of the Authority)

1. Context (or background)

- 1.1. During 2023/24 the Authority commissioned a detailed review of its operation, governance and whether or not the organisation was considered fit for purpose. This review was carried out by the consultancy firm Inner Circle Consulting (ICC).
- 1.2. ICC reported back to the Authority via two separate reporting stages. They made eleven recommendations in their first report and thirty-three recommendations in their second report. At its meeting in October 2024 the Authority resolved to adopt all of the ICC recommendations from both of their reports and to task officers with their delivery.
- 1.3. This report specifically seeks the adoption of a revised and updated Constitution and Schedule of Delegation which are contained within the wider Rules of the Authority document.
- 1.4. The proposed changes will enable the Authority to implement the ICC recommended changes described in section 2 of this report. Progress against the delivery of the remaining ICC recommendations is considered within a separate report.

2. Options considered and recommended proposal

- 2.1. The ICC report made a series of recommendations in both its phase one and phase two reports. These included recommendations on both the Statutory Roles in the Authority's constitution and maintaining best practice within the Authority. The changes proposed in this report and detailed in the revised Rules of the Authority at Appendix 1 are to assist with the implementation of the following specific recommendations from the phase 2 ICC report, a full copy of the ICC report can be found in the background papers.
 - 2.1.1. ICC's phase two report - recommendation 1 of the Statutory Roles section, "Restructure the role of Clerk to have a separate Monitoring Officer." Successful implementation of this recommendation will allow the implementation of recommendations 2 – 4 within the same section of the ICC phase two report.
 - 2.1.2. ICC's phase two report - recommendation 4 of Organisation (Skills and Capabilities) section, "Enhance business and people policies to maintain best practice."
- 2.2. The changes proposed to the existing documents are as follows:
 - 2.2.1. WRWA Constitution:
 - 2.2.1.1. The separation of the Clerk and Monitoring Officer roles.
 - 2.2.1.2. The introduction of a Monitoring Officer into the Authority's constitution.

2.2.2. Schedule of Delegation:

- 2.2.2.1. The removal of the need to report expenditure over £35,000 to Authority, or to seek emergency approval for such expenditure as long as the said expenditure is part of the Authority's annually approved budget.
- 2.2.2.2. Where it is necessary to make expenditure outside that of the annually approved budget to ensure the proper functioning of the Authority a limit £250,000 is set for the Managing Director in consultation with the Clerk and Treasurer. This limit is further extended for the Clerk and Treasurer to £500,000. This brings the Authority in line with its Constituent Borough Councils and better represents the overall budget position of the Authority. These revisions are accompanied by the requirement that all emergency spending outside of the approved budget is reported to the next meeting of the Authority.
- 2.2.3. Throughout the document changes have been made to bring the language used up to date. As well as reflecting the greater involvement of Constituent Borough Council officers in supporting their members of the Authority and the wider WRWA partnership.
- 2.2.4. The Schedule of Delegations has been updated to reflect the deletion of the General Managers position and the introduction of a Managing Director to the Authority's structure. In addition, changes are also proposed to the Authority's officer structure that delete the Deputy and Assistant General Manager's posts. These proposals are currently subject to consultation with colleagues. Once the implementation stage of this restructure is reached it is proposed that the drafting is further updated to reflect these changes.
- 2.3. In order to implement the adopted recommendations from the ICC report and to improve the Authority's ways of working, the adoption of these changes is the recommended option for the Authority.
- 2.4. The Authority could choose not to adopt the changes to the Rules of the Authority outlined above and as presented at Appendix 1, in effect the "do nothing" option. However, the Rules of the Authority would not reflect the direction of travel set by the ICC report, as adopted by the Authority in October 2024 and the Authority would not have a constitutional basis to split the Clerk and Monitoring Officer functions, nor would the Schedule of Delegation or Standing Orders reflect the current practice of the Authority's Constituent Borough Councils. Therefore, this recommendation is not recommended.

3. Results of consultation undertaken

The revised Rules of the Authority have been prepared in consultation with the WRWA Treasurer and information on parity with Constituent Borough Councils has been sought from the Monitoring Officer at the London Borough of Lambeth.

4. Timetable for implementing this decision

The revised Rules of the Authority would be adopted with immediate effect. A recruitment process for the a permanent Clerk would then also commence.

5. Comments from Treasurer

5.1. Financial Implications

The are no financial implications from the proposed amendments to the delegations. Any costs from changes to the organisational staffing structures will be reported separately as part of the proposed Budget for 2026/27 (the draft budget will be considered in December and presented for approval in February 2026).

5.2. Legal Implications

The Clerk has been consulted in the drafting of this report and any comments incorporated.

6. Other implications

6.1. How will this contribute to the delivery of the Joint Waste Strategy? (<https://wrwa.gov.uk/strategy/>)

Effective and appropriate governance arrangements are an integral component of strategic decision making, service planning and delivery and increasing the likelihood of achieving the priorities outlined in the Joint Waste Strategy.

6.2. How is risk being managed?

WRWA has an adopted risk management and process, including the production of a corporate risk register that is regularly reviewed. In addition, the authority's governance arrangements are subject to external scrutiny through its annual audit process, with any findings / recommendations being reported to both the Audit and Risk Committee and the Authority meetings on a regular basis.

6.3. What is the impact on the organisation?

Good governance arrangements lead to improved decision making and operational practices across the WRWA.

6.4. Equalities / EIA?

None

6.5. Implications for (or impact on) climate change and the environment?

None

6.6. Implications for partner organisations?

None

Report author(s):

Andrew Walster
Managing Director

Tel and email contact:

Tel: 020 8871 2788

Email: andrew@wrwa.gov.uk

Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Hugh Peart	Clerk	10 th Sept 25	11 th Sept 25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	16 th Sept 25	23 rd Sept 25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	16 th Sept 25	23 rd Sept 25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	16 th Sept 25	23 rd Sept 25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	16 th Sept 25	23 rd Sept 25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	10 th Sept 25	11 th Sept 25
Hugh Peart	WRWA - Clerk	10 th Sept 25	11 th Sept 25
Sukvinder Kalsi	WRWA - Treasurer	10 th Sept 25	19 th Sept 25

This report is published on the authority's website: [Meetings - WRWA](#)

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Western Riverside Waste Authority

RULES OF THE AUTHORITY

A. Constitution

B. Standing Orders

C. Scheme of Delegations and Proper Officer Functions

(Revised October 2025)

A

CONSTITUTION

WESTERN RIVERSIDE WASTE AUTHORITY

CONSTITUTION

Name. The Authority formed to discharge the operational functions of waste disposal for the areas of the Borough Councils of Hammersmith and Fulham, Kensington and Chelsea, Lambeth and Wandsworth, pursuant to the Local Government Act 1985 and the Waste Regulation and Disposal (Authorities) Order 1985, shall be known as the Western Riverside Waste Authority (WRWA).

Objective. The objectives of the Authority shall be

- to work with its constituent Councils (as the waste collection authorities for the WRWA area) to create effective strategies for waste management;
- to support and facilitate waste prevention and waste minimisation;
- to provide places for the deposit of waste and to dispose of, or make use of, waste delivered to those places;
- to encourage reclamation and recycling of waste and to provide facilities for such reclamation and recycling;
- to recover energy from waste that cannot be recycled or composted;
- to maintain civic amenity site facilities for use by the public which allow for separating out of materials that can be recycled, composted or reused;
- to properly execute the statutory duties of the Authority;
- to educate and inform the public about waste management issues, and in particular how they can prevent waste arising, minimise the waste they do produce, reuse products and recycle or compost;
- to assist in achieving regional self-sufficiency in waste management for the London area;
- to undertake its waste management activities in ways that minimise disruption to others and involve a “good neighbour” approach to the management of waste facilities; and
- to achieve best value and practical environmental options for waste management that do not involve excessive cost.

Membership. The Membership of the Authority shall comprise two elected Members from each of the constituent Councils, appointed by each Council. (Schedule 1 of

the 1985 Order). The term of office of each appointed Member of the Authority shall be until the next annual meeting of the constituent Council making the appointment, or until notification in writing by a constituent Council of a change in their appointment(s) before their next annual Council meeting. No substitution of Members is permitted except through the replacement processes described in these Standing Orders and all changes of appointment will take at least one month to take effect. (Section 31 of the 1985 Act).

Chair. The Authority shall appoint at each annual meeting for the ensuing year a Member to be Chair of the Authority and a Member to be Deputy Chair. (Section 34 of the 1985 Act).

Clerk and Treasurer. In accordance with Section 34 (8) of the Local Government Act 1985 the Authority shall appoint an officer as its Clerk.

In accordance with Section 73 of the Local Government Act 1985 the Authority shall appoint one of its officers to be the Treasurer, and thereby be responsible for the proper administration of its financial affairs. Also, in accordance with Section 113 of the Local Government Finance Act 1988 the Treasurer will be a member of a recognised accountancy body.

The Clerk and Treasurer shall be delegated, after consultation with the Chair and Deputy Chair, of the Authority to take action on behalf of the Authority in any matter which is necessary to ensure in general the proper functioning of the Authority.

The Authority may review such appointments at any time. However, once every two years, in February, it will formally ask each constituent Council if it considers such a review to be necessary and, if so, a paper will be prepared for the Authority's next annual meeting.

Monitoring officer. The Authority shall seek the services of a monitoring officer by way of a Service Level Agreement from one of the four constituent boroughs.

Meetings. The Authority shall meet at least four times a year, as determined by Standing Orders.

Notice to Members. At least four clear days before a meeting of the Authority, notice of the time and place of the meeting and business to be transacted shall be delivered to the last known residence of every Member of the Authority, provided that the want of service of such notice shall not affect the validity of the meeting.

Quorum. No business shall be transacted at a meeting of the Authority unless two of its Members are present thereat. (Schedule 3 of the 1985 Order, and Schedule 12 of the Local Government Act 1972).

Minutes. Minutes of the proceedings of a meeting of the Authority shall be drawn up and signed at the ensuing ordinary meeting by the person presiding.

STANDING ORDERS

PART A – STANDING ORDERS

OFFICIAL APPOINTMENTS

1. Chair and Deputy Chair of the Authority

- (a) The Chair and Deputy Chair of the Authority shall be appointed annually by the Authority from among the Members.
- (b) The appointment of the Chair and Deputy Chair shall be the first business transacted at the annual meeting of the Authority.
- (c) The person presiding at the commencement of the annual meeting of the Authority shall be the preceding year's Chair or, in the absence of the Chair, the Deputy Chair or, in the absence of both, another Member chosen by those present.

2. Deputy Chair of the Authority

Subject to any standing orders made by the Authority, anything authorised or required to be done by or in relation to the Chair, may be done by or in relation to the Deputy Chair in the absence of the Chair.

MEETINGS OF THE AUTHORITY

3. Meetings to be Held

The following meetings shall be held in every year:-

- (a) an annual meeting of the Authority which shall be held on such day in the months of March, April, May or June as the Authority may fix and such ordinary meetings of the Authority as the Authority directs for the transaction of ordinary business, subject to the requirement that the Authority meets at least four times each calendar year; and
- (b) such extraordinary meetings (which may be referred to as “special meetings”) as may be called by the Chair or by two members of the Authority in accordance with Standing Order No. 6 if the Chair is in default.

4. Venue for Meetings of the Authority

The venue for the Annual Meeting and other meetings of the Authority for the transaction of ordinary business shall be as set out in the notice of time and place of the intended meeting.

5. Calling an Authority Meeting

- (a) Four clear days at least before a meeting of the Authority notice of the time and place of the intended meeting shall be given and, where the meeting is called by Members of the Authority, the notice shall be

signed by those Members in accordance with Standing Order 6(b) and shall specify the business to be transacted thereat.

- (b) A summons to attend an Authority meeting specifying the business proposed to be transacted thereat and signed by the Proper Officer shall be left at or sent by post to the usual place of residence of every Member of the Authority.

Provided that –

- (i) Want of service of a summons on any Member of the Authority shall not affect the validity of a meeting; and
- (ii) If a Member of the Authority gives notice in writing to the Proper Officer of the Authority that he/she desires the summons to attend meetings of the Authority to be sent to him/her at some address specified in the notice other than his/her place of residence, any summons addressed to him/her and delivered at or sent by post to the address so specified shall be deemed sufficient service of the summons.
- (c) The Authority will share agendas, papers and minutes with all constituent Borough Councils prior to the Member briefing for the Authority and seeks comments / additions. The Authority will endeavour to send out such documents, or drafts thereof where a paper has yet to be finalised, to the nominated officers of the constituent Councils prior to the formal meetings in accordance with statutory requirements. All public agendas, reports and minutes will be published via the Authority's website.
- (d) Confidential papers will be sent to the officers nominated by each Constituent Borough Council. Unless the Clerk determines that it is reasonable to withhold a document(s) in the interests of the Authority. Each Constituent Borough Council's Head of Legal Services may decide whether or not to disclose the papers to other persons within their organisation, which may for example include other councillors of the Constituent Borough Council.
- (e) All papers to be considered at a meeting will be sent to each Member of the Authority or, where necessary, they will be tabled at the meeting, for reasons of urgency.

6. Calling an Extraordinary Authority Meeting

- (a) The Chair of the Authority may call an extraordinary meeting of the Authority at any time.
- (b) If the Chair refuses to call an extraordinary meeting of the Authority after a requisition for that purpose, signed by two Members of the Authority, has been presented to him/her, or if, without so refusing, the Chair does not call a meeting within seven days after such requisition has been presented to him/her, any two Members of the Authority, on that refusal or on the expiration of seven days, as the case may be,

may forthwith call a meeting of the Authority and the provisions of Standing Order No. 5 shall apply provided that the Members issuing the notice shall first consult with the Clerk as to whether the proposed date and venue for the meeting are appropriate.

7. Presiding at Meetings of the Authority

- (a) At a meeting of the Authority the Chair of the Authority, if present, shall preside (unless he/she indicates that he/she declares an interest in a matter which makes it inappropriate for him/her to do so, or if he/she wishes to vacate the Chair in relation to one or more items for any other reason).
- (b) If the Chair of the Authority is absent from a meeting of the Authority the Deputy Chair of the Authority, if present, shall preside (unless he/she declares an interest in a matter which makes it inappropriate for him/her to do so, or if he/she wishes to vacate the Chair in relation to one or more items for any other reasons).
- (c) If the Chair and Deputy Chair are both absent from the meeting, or are unable to preside for any other reason, another Member of the Authority chosen by members of the Authority present shall preside. The person so elected may exercise all the powers of the Chair under these standing orders in relation to presiding at meetings. In the event that person declares an interest in a matter which makes it inappropriate for him/her to preside or if he/she wishes to vacate the Chair in relation to one or more items for any reason the meeting shall elect another Member to chair the meeting for that item or items.

8. Record of Attendance at Meetings

The names of the Members present at a meeting of the Authority shall be recorded.

9. Quorum

- (a) No business shall be transacted at a meeting of the Authority unless at least two of the whole number of Members of the Authority are present thereat.
- (b) If (i) at the commencement of any meeting or (ii) during any meeting, the Chair finds that there is not a quorum, the meeting shall stand adjourned (i) for 20 minutes or (ii) for 3 minutes to enable a quorum to be sought. If at the end of that time there is still no quorum, the meeting shall end and the remaining business shall stand referred/deferred to the next meeting.

10. Voting at Meetings

- (a) Where a motion or amendment appears to be opposed by any Member, the person presiding shall take a show of hands vote and

announce the result. Before the vote is taken, any three Members of the Authority may request a recorded vote.

- (b) The question shall then be put by the Chair and the Proper Officer shall call each Member to indicate their vote and the total of votes for, against, and abstaining shall be announced by the Chair.
- (c) On request, a Member's personal dissent or abstention shall be recorded in the minutes.
- (d) In the case of an equality of votes, the person presiding at the meeting shall have a second and casting vote.

11. Disorderly Conduct by Members at a Meeting

If a Member disregards the Chair's ruling, the Chair may order the Member to end his/her speech, or may move "that the Member be not further heard" and the motion if seconded shall be put and determined without discussion. If, following such a resolution the Member continues in a disorderly manner the Chair may suspend the meeting for such period as he/she feels appropriate. Alternatively, the Chair may move that the Member be removed from the meeting for a period of time. This motion shall be voted on without discussion, and, if carried, the Chair shall order the removal of the Member.

12. Admission of Public and Press

All meetings of the Authority and its committees or other appointed decision making bodies shall be open to the press and public provided that the Authority may by resolution exclude the press and public from a meeting (whether during the whole or part of the proceedings) whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present during that item, there would be disclosure to them of exempt information within the terms of Part 1 of Schedule 12A to the Local Government Act 1972 and the Authority is of the view (where required) that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

13. Disorderly Conduct from Public Galleries

The Chair, after warning the person(s) concerned, may order the removal from the galleries of any member of the public causing a disturbance. The Chair may, if they consider it appropriate, suspend the meeting for such period as they consider necessary to enable this to be done.

14. Rulings by the Chairman

The Chair shall decide all questions of order (having consulted the Proper Officer) and their ruling upon all such matters and interpretations of these Standing Orders and upon any matters arising during debate shall not be open to challenge at a meeting of the Authority.

BUSINESS AT MEETINGS

15. Order of Business

- (a) At the Annual Meeting of the Authority the order of business as specified in the summons shall be:-
 - (i) Appointment of Chair and Deputy Chair, pursuant to Standing Order No. 1(b) above;
 - (ii) Minutes;
 - (iii) Special announcements by the Chair and reports by the Chair of any communications;
 - (iv) Dates of ordinary meetings of the Authority.
 - (v) Date of any committees of the Authority

Other items of business may be included on the agenda for the Annual Meeting as necessary where in the judgement of the Proper Officer, in consultation with the Chair, they are required to be brought before the Authority.

- (b) The order of business specified in the summons for every ordinary meeting of the Authority, notwithstanding the meeting at which the Authority is to approve the Budget and Levy shall be – (i) the minutes of the Authority's previous ordinary meeting; and (ii) those items of business which, in the judgment of the Proper Officer, in consultation with the Chair, require to be brought before the Authority.
- (c) Subject to statutory requirements, the order of business or the order for dealing with particular items under each heading of business may be varied at the discretion of the Chair, or upon a motion put without discussion and carried by a majority vote of the Members present at the meeting.

16. Limit to Business

Except in the case of business required to be transacted at the Annual Meeting of the Authority or except in the case of a matter of urgency brought before the Annual Meeting in accordance with any Standing Order made by the Authority, no business shall be transacted at a meeting of the Authority other than that specified in the summons relating thereto.

17. Minutes

- (a) Minutes of the proceedings of a meeting of the Authority shall be drawn up by the Clerk and shall be signed at the next non-Special meeting of the Authority by the person presiding thereat.
- (b) The minutes shall be taken as read if they have been sent to Members not less than 72 hours before the meeting. The minutes may be challenged only on their accuracy. Such challenge shall be by motion before the minutes are signed. No other motion or discussion shall take place on the minutes.

18. Length of Meetings

The Authority may, at any time after it has sat for 3¼ hours, determine to dispose of the remaining business on the agenda by voting upon such business, including any business then under debate, without further debate.

19. Submission of Written Motions for Debate

- (a) Subject to Standing Orders Nos. 19(c), 19(e), 19(i), 23(a) and 23(b) below, a Member may submit a motion or an item of business for inclusion on the agenda for a meeting of the Authority.
- (b) Motions or items of business submitted for debate under Standing Order No. 19(a) shall be included in the order of business and shall be debated in the order they are received unless the Authority decides otherwise.
- (c) Such items or motions submitted under Standing Order No. 19(a) must relate to the functions of the Authority and notice in writing, signed by the Member, must be received by the Proper Officer at least 10 clear days before the meeting at which it is to be considered.
- (d) If a motion proposes extra expenditure or loss of income (other than a purely nominal sum) and the matter has not previously been approved in principle by the Authority, then, except in the case of a motion relating to proposals in officers' reports, the motion shall take the form of giving instructions for a report thereon to a subsequent meeting.
- (e) With respect to motions submitted under Standing Order No. 19(a), no motion to rescind any resolution passed by the Authority and no motion to the same effect as one which has been rejected by the Authority (including any motion to amend a proposal) may be proposed until after the expiry of 6 months from the date the resolution was passed or the motion or amendment rejected.
- (f) A motion (including any motion to amend a proposal) shall not be discussed unless it has been proposed and seconded.

- (g) At the conclusion of the debate on any motion the Chair shall call upon the mover of the original motion, whether or not it has been amended, to sum up the debate.
- (h) At the conclusion of debate the mover of any motion under discussion shall sum up and the motion will be put to the vote without further discussion, provided that if an amendment is under discussion, the amendment shall first be put to the vote without further discussion.
- (i) Any motions submitted under Standing Order No. 19(a) shall be open to inspection by every Member of the Authority.

RULES OF DEBATE AT AUTHORITY MEETINGS

20. Proposing and Seconding Procedural/Interruptive Motions

A procedural/interruptive motion or amendment thereto may be moved without notice but shall not be discussed unless it has been proposed and seconded. For the purposes of this Standing Order, motions or amendments include those to adopt recommendations in reports.

21. Speaking at Meetings

- (a) No speech, unless permitted by the Chair, shall exceed 5 minutes except in the case of the mover of an original motion who, when moving that motion, may speak for 10 minutes.
- (b) A Member wishing to speak shall address the Chair and direct his/her speech to the question under discussion. If two or more Members wish to speak, the Chair shall call on one to speak. While a Member is speaking no Member may interrupt except that a Member may speak on a point of personal explanation if the current debate, in the opinion of the Chair, warrants it. A Member may interrupt another Member's speech to raise a point of order which shall be dealt with immediately. No other interruption of a speech shall be permitted unless the speaker is prepared to give way.
- (c) Any Member may be accompanied by one or more of the officers referred to in 5(d) (subject to it being noted that where such officers are also, officers of the Authority, when present at the Authority meeting they will be acting in their capacity as officers of the Authority). Other Constituent Borough Council officers, apart from those referred to in 5(d), may also attend at the discretion of the Clerk.
- (d) The Chair may request any person present at a meeting to speak and any Member may ask the Chair to allow such interventions.

22. Points of Order

If a Member rises to raise a point of order, he/she shall indicate to which Standing Order his/her point of order is directed.

23. Amendments

- (a) When a motion is under debate amendments in either of the following or like terms shall be admitted:-

- i. that the motion be amended;
- ii. that the recommendation in a report be referred back to the author of the said report.

- (b) An amendment shall be to:

- (i) leave out words;
- (ii) to leave out words and insert or add others;
- (iii) to insert or add other words.

but any such amendment must not have the effect of introducing a new proposal or of merely negating the motion.

- (c) The Chairman may require amendments to be put in writing and read on moving.

24. Withdrawal of a Motion or Amendment

The mover of a motion or amendment may, with the consent of the Authority, given without debate and by a show of hands only, withdraw or amend it.

25. General Debating Rules

- (a) No Member other than provided for in (b) below may speak more than twice on any item before the meeting that is:

- (i) once to second or speak on the original motion or to move or second an amendment thereto; and
- (ii) once on any other amendment.

- (b) The only exceptions to (a) above relate to:-

- (i) The mover of an original motion which remains unamended at the close of the debate. The mover may speak once to move the motion, once on any subsequent amendment, and may close the debate.

or

- (ii) The mover of a successful amendment standing as the substantive motion at the end of the debate, who may close the debate.

In neither case shall the mover introduce any new matters in closing the debate.

- (c) Each amendment moved to a motion shall be discussed and voted on separately. If any amendment is not carried, other amendments may then be moved to the original motion. If an amendment is carried the motion as amended shall take the place of the original motion and shall become the motion upon which other amendments may be moved.
- (d) Further amendments shall not be moved until the Authority has decided upon the previous amendments.
- (e) At the Chair's discretion (in order to facilitate the business of the Authority) he/she shall allow the debate on an item to range across more than one amendment tabled and shall inform the Authority accordingly.

26. Procedural/Interruptive Motions

Notwithstanding Standing Orders Nos. 15(a) and (b), a Member may move at the end of another Members' speech without comment –

- (a) That the question be put
- (b) That the debate be adjourned
- (c) That the Authority proceeds to the next business.

If the motion is seconded (without speech), the Chair, if he/she is satisfied that the motion/amendment or item of business has been adequately debated, shall in relation to:-

(a) above - put the procedural motion to the vote and, if carried, shall allow the mover of the original motion his/her right of reply as set out in Standing Order No. 25(a) before putting the motion to vote.

(b) & (c) above - put the procedural motion to the vote and, if carried, the Authority shall proceed to the next item.

27. ADJOURNMENT OR SUSPENSION OF MEETINGS

The Chair of a meeting may at any time, if they think it desirable in the interests or order, suspend the meeting for a time they determine.

28. VARIATIONS OF STANDING ORDERS

Unless contrary to law, a Member may move at the meeting of the Authority, with the permission of the Chair, that any of Standing Orders Nos. 21, 25(a), 25(b), 25(c) and 25(d) be suspended. The motion shall be moved and the mover shall be allowed a 5-minute speech. It shall be seconded without comment.

Another Member chosen by the Chair shall be allowed to reply (5 minute speech). The motion shall then be put to the vote.

PART B – GENERAL

GENERAL

29. PRIVACY OF DOCUMENTS

The Proper Officer shall classify all documents for presentation to meetings of the Authority. Documents which he considers contain confidential or exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 shall not be released to the press and public unless in the case of exempt information the Authority specifically resolves that the documents be made public.

Members shall not refer to such confidential or exempt documents or their contents in public.

30. ABSENCE FROM MEETINGS

Subject to the exceptions prescribed by statute as regards members of HM Forces, etc. during war or emergency, if a Member of the Authority fails throughout a period of six consecutive months from his/her last attendance to attend a meeting of the Authority, he/she shall, unless the failure was due to some reason approved by the Authority before the expiry of that period, cease to be a Member of the Authority.

31. RESIGNATIONS

Notwithstanding other legislative provisions relating to membership of the Authority, a person appointed to the Authority by a constituent Council, may at any time resign his/her office by written notice delivered to the Proper Officer of the Authority and his/her resignation shall take effect immediately upon receipt by that Officer.

32. SEAL OF THE AUTHORITY

- (a) The Seal of the Authority shall be kept in a safe place secured by a lock, and the key shall be kept by the Proper Officer of the Authority.
- (b) The Proper Officer (or his/her authorised representative) shall affix the seal to any document which requires to be sealed for the transaction of the functions of the Authority. The document shall be signed by the

Proper Officer (or his/her authorised representative). This signature shall be a full and sufficient certificate that the document has been duly and validly sealed in compliance with all Standing Orders of the Authority in that behalf.

- (c) The Proper Officer shall maintain a record of sealings which may be inspected by members on application to him/her.

33. CANVASSING

Members of the staff and applicants for employment may not canvass Members.

35. DISCLOSABLE PECUNIARY INTERESTS

- (a) All members of the Authority shall register annually with their host borough any disclosable pecuniary interests as defined in regulations issued under the Localism Act 2011. They shall also declare any such interest to any meeting where an item of business relates to, or is likely to affect, that interest. Where a member, or their spouse or civil partner, has a disclosable pecuniary interest in any such matter, they shall:-
 - i. withdraw from the room or chamber where the meeting is being held;
 - ii. not take part in any debate on, or vote on, that matter; and
 - iii. not seek improperly to influence a decision about that matter.
- (b) Within 28 days of receipt, any Member of the Authority must notify the Clerk in writing of any gift or hospitality with an estimated value of £50 or more, regardless of whether that gift or hospitality was accepted or rejected. In addition, they shall disclose any such offer of a gift or hospitality of that value to any meeting where an item of business relates to, or is likely to affect, the interests of any person or body from whom such gift or hospitality has been offered.

37. PRINCIPLES

- (a) In all matters Members shall follow the “Nolan Principles” as prescribed by the Committee on Standards in Public Life.
- (b) Members are under a duty to exercise independent judgement with an open mind in the interests of the Authority whilst at all times acting in accordance with the law and having regard to all relevant professional advice.
- (c) Members shall exercise their powers:
 - (i) to achieve the objectives of the Authority;
 - (ii) to ensure that the Authority does not incur avoidable loss or fail in its statutory duties; and

(iii) in the interests of the residents of the Authority's area as a whole by reaching decisions objectively and based on merit.

38. AUTHORITY DELEGATED TO CLERK AND TREASURER

- (a) There shall be specifically delegated to the Clerk and the Treasurer in conjunction the authority to take action on behalf of the Authority in any matter which is required to ensure in general the proper functioning of the Authority. When any expenditure involved exceeds a limit from time to time prescribed by the Authority or the Clerk considers the action to be of particular significance, this delegated authority shall only be exercised after a written summary of the action is prepared and the procedure set out in this standing order is followed. The written summary of the action shall be sent by the Clerk to the Chairman and the Chairman shall be asked to sign the written summary. After the Chairman has signed the written summary, the procedure set out in this standing order, as it relates to the delegated authority, shall be deemed to have been completed. A copy of such delegated authority when exercised in writing shall be sent by the Clerk to the Member of the Authority nominated for that purpose by those Members not constituting the majority voting party and he/she may, within 48 hours, require that the action be subsequently reported to the Authority.
- (b) Where the Clerk or Treasurer is unable to act through absence or otherwise, this delegated authority may be exercised by the officer who, by reason of holding the office of deputy or otherwise appointed by the Clerk/Treasurer, is authorised to act in his/her place.
- (c) Any delegated authority decision exercised by the Clerk, Treasurer, or Managing Director will be reported to the next ordinary meeting of the Authority.

39. CONSTITUTION, SCHEME OF DELEGATIONS AND PROPER OFFICER FUNCTIONS AND CODE OF PRACTICE ON CONTRACTS PROCEDURES

- (a) Where the provision of the Authority's Constitution and the provisions of its Standing Orders conflict, those to be found in Standing Orders shall take precedence.
- (b) The Clerk shall publish a scheme setting out all delegations of authority to officers and all Proper Officer functions, which shall be available to Members and to members of the public.

40. COMMITTEES

- (a) The Authority may delegate to Committees of Members of the Authority such of its powers as it so chooses provided that the Committee may only make such decisions as are consistent with the Authority's policy and provided that any expenditure authorised can be met from financial estimates approved by the Authority. Such Committees shall report on each of their meetings to the earliest possible meeting of the Authority.
 - (b) The Standing Orders of the Authority as to conduct of debate and as to pecuniary and other interests, shall mutatis mutandis apply to Committee meetings, subject to any procedural rules the Authority may make on the appointment of a Committee.
 - (c) In respect of each Committee, the Authority shall appoint a Chair and Deputy Chair.
 - (d) A Committee may appoint a sub-Committee comprising Members of that Committee subject to the approval of the Authority.
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C

SCHEME OF DELEGATIONS
AND PROPER OFFICER FUNCTIONS

DELEGATIONS AND PROPER OFFICER FUNCTIONS

CLERK TO THE AUTHORITY

A. PROPER OFFICER FUNCTIONS

- (i) The Clerk to the Authority is the Proper Officer of the Authority to perform functions in relation to:-
 - (a) The preparation and dispatch of a summons to attend an Authority meeting (Standing Order No. 5).
 - (b) Receiving notice in writing from Member(s) of the Authority desiring summonses to attend Authority meetings to be sent to an address specified other than his/her place of residence (Standing Order No. 5).
 - (c) The preparation and dispatch of a summons to attend an Extraordinary Authority meeting on the refusal by the Chair to call such a meeting and on a requirement of two Members of the Authority (Standing Order No. 6).
 - (d) The provision at each meeting of the Authority of an attendance record (Standing Order No. 8).
 - (e) The provision of advice to the Chair on all questions of order at meetings of the Authority, together with the interpretation of Standing Orders (Standing Order No.14).
 - (f) The preparation of minutes of each meeting of the Authority (Standing Order No.17).
 - (g) Receiving from Members of the Authority notice in writing of items, motions and/or amendments (to motions) to be considered/debated at meetings of the Authority (Standing Orders Nos. 19 and 23).
 - (h) Classifying all documents for presentation to meetings of the Authority (Standing Order No. 29).
 - (i) Receiving notices of changes of membership of the Authority (Standing Order No. 31).
 - (j) Keeping the key to the lock of the Seal of the Authority (Standing Order No. 32).
 - (k) Affixing the Seal to any document which requires to be sealed for the transaction of the functions of the Authority and maintaining a record of sealings (Standing Order No. 32).
 - (l) Receiving and recording any offers of gifts or hospitality, made by any Member of the Authority (Standing Order No. 36).

- (m) Deciding whether a document discloses certain types of the exempt information described in Schedule 12A to the Local Government Act 1972 which would mean that the document is not required to be open to inspection by a Member of the Authority (Section 100F(2) of the Local Government Act 1972).
- (n) Signing a summons to attend a meeting of the Authority. (Paragraph 4(2)(b) of Part 1 of Schedule 12 of the Local Government Act 1972).
- (o) Receiving notice in writing from a Member of the Authority of their wish for summonses to attend meetings of the Authority to be sent to an address specified in the notice other than his/her place of residence. (Paragraph 4(3) of Part 1 of Schedule 12 of the Local Government Act 1972).
- (p) The Officer who shall make a written summary of the proceedings at a meeting where members of the public were excluded so as to provide them with a reasonably fair and coherent record of those proceedings (Section 100C(2)).
- (q) The Officer who shall compile a list of the background papers for a report (Section 100D(1)(a)).
- (r) The Officer who shall decide which papers are to be background papers for a report (Section 100D(5)(a) and (b)).
- (s) The Officer who shall make a statutory declaration in connection with entering and verifying any change in the name and identity of the Authority (Section 146).
- (t) The Officer with whom documents of any description shall be deposited, who shall receive and retain such documents and shall make such notes or endorsements on, and give such acknowledgments and receipts in respect of, the documents as may be directed in accordance with Section 225 of the Act.
- (u) The Officer who shall certify, for production in evidence, the authenticity of the photographic copies of documents held by the Authority or which have been destroyed while in the custody of the Authority (Section 229).
- (v) The Officer who shall sign on behalf of the Authority any notice, order, or other document which the Authority is authorised or required to give, make or issue except where another officer of the Authority has been designated the Proper Officer for a particular purpose (Section 234).
- (w) The Officer who shall certify a resolution of the Authority (Schedule 14, Part II, para 25(7)).

B. DELEGATIONS

The Clerk to the Authority, or in his/her absence an officer duly appointed by him/her, is authorised to exercise the powers and functions of the Authority as follows:-

- (a) To carry out all the functions required of him/her in his/her capacity as the "Proper Officer".
 - (b) To take action on behalf of the Authority to ensure in general the proper functioning of the Authority. This power shall be exercised in accordance with the terms of Standing Order No. 38.
 - (c) In conjunction with the Treasurer, to approve expenditure on various items of plant, works, services and supplies that are outside of the annual approved budget and exceeds £250,000 but is less than £500,000 (or such other upper limit as shall be agreed by the Authority) and is necessary to ensure in general the proper functioning of the Authority. Any such expenditure shall be reported to a meeting of the Authority at the earliest opportunity.
-

TREASURER TO THE AUTHORITY

A. PROPER OFFICER FUNCTIONS

The Treasurer, and whenever they are unfit or unable to act, the Deputy Treasurer to the Authority, is the Proper Officer of the Council to perform the functions in relation to –

- (a) Section 73 of the Local Government Act 1985 – The officer who shall have responsibility for the proper administration of the Authority's financial affairs.

B. DELEGATIONS

The Treasurer is authorised to exercise the powers and functions of the Authority, as follows:-

- (a) To administer the Authority's banking and payment arrangements.
- (b) To institute any legal or other action as may be appropriate to recover any debt due to the Authority.
- (c) To authorise the writing off of irrecoverable debts not exceeding £10,000 in any individual case.
- (d) To swear affidavits in bankruptcies and liquidation proceedings.
- (e) To make arrangements with debtors for payments to be made by instalments.
- (f) To borrow funds as necessary for any purpose for which the Authority is empowered and specifically to:-
 - (i) raise, repay, renew and otherwise vary the terms of loans, and
 - (ii) enter into any collateral agreements necessary to facilitate effective debt management.
- (g) To negotiate and enter into leasing agreements in order to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.
- (h) To invest any surplus balances of the Authority's funds and to sell investments for the purpose of reinvestment or to meet the needs of the Authority.
- (i) To make suitable insurance arrangements on behalf of the Authority including the variation of the scope of insurance policies in force from time to time to give appropriate cover.
- (j) To settle claims arising under the Authority's insurance policies.

- (k) To implement any decision of a recognised negotiating body awarding an increase in pay or salary to staff in the employ of the Authority who are subject to the scheme and conditions of service prescribed by that body.
- (l) To make payment of arrears of pay to former employees in respect of qualifying retrospective pay increases agreed after the termination of their contract of employment but with effect from a date before their employment ended, provided a written claim for payment is submitted to the Treasurer within six months of the notification of the date of settlement of the award.

Qualifying increases are:-

- (i) Pay increases resulting from a job evaluation assessment.
- (ii) Special recognition payments and acting-up allowances for additional duties carried out.
- (iii) National and London salary and wage awards as agreed by the appropriate National Joint Council.
- (iv) London Weighting awards as agreed by the appropriate National Joint Council.
- (v) Local agreements concerning pay and allowances.
- (m) The setting up of such systems and the adoption of such procedures as the Treasurer considers appropriate, to ensure the proper function of the financial affairs of the Authority.
- (n) In conjunction with the Clerk, to take action on behalf of the Authority to ensure in general the proper functioning of the Authority This power shall be exercised in accordance with the terms of Standing Order No. 38.
- (o) to institute any legal proceedings in any Court or Tribunal on behalf of the Authority under any enactment or regulation as may be appropriate in connection with the enforcement of any of the functions of the Authority, including any proceedings under the Fraud Act 2006, where the Treasurer considers it is expedient for the promotion or protection of the interests of the inhabitants of the Authority's area.
- (p) In conjunction with the Clerk, to approve expenditure on various items of plant, works, services and supplies that are outside of the annual approved budget and that exceeds £250,000 but is less than £500,000 (or such other upper limit as shall be agreed by the Authority) and is necessary to ensure in general the proper functioning of the Authority. Any such expenditure shall be reported to a meeting of the authority at the earliest opportunity.

MONITORING OFFICER TO THE AUTHORITY

A. PROPER OFFICER FUNCTIONS

The Monitoring Officer to the Authority, is the Proper Officer of the Council to perform the functions in relation to –

- a) Section 5 of the Local Government Act 1989

B. DELEGATIONS

The Monitoring Officer is authorised to exercise the powers and functions of the Authority, as follows:-

- a) Be the chief legal advisor to the Authority.

Managing Director

The Managing Director, or, in their absence, the Deputy General Manager, is authorised to exercise the powers and functions of the Authority as follows:-

- (a) To act as the Authority's Head of Paid Service.
- (b) To take such emergency action as may be necessary, having first consulted with the Clerk where possible, to protect the public and the Authority's interest.
- (c) To approve expenditure necessary to ensure the continued operation of the transfer stations or necessary to ensure in general the proper functioning of the Authority, up to a value of the annual budget approved by the Authority at its annual meeting.
- (d) In consultation with the Clerk and Treasurer, to approve any additional expenditure that is necessary to ensure in general the proper functioning of the authority that is in excess of the annually approved budget up to the value of £250,000. Any such expenditure shall be reported to a meeting of the authority at the earliest opportunity.
- (e) To obtain tenders for any scheme or costed proposal which has previously been approved by the Authority. Such action to be carried out in accordance with the Code of Practice for Contracts approved by the Authority.
- (f) To issue interim and final certificates for payment of contractors' accounts for work(s) carried out (except where a dispute arises) and to authorise related payments to contractors/suppliers).
- (g) In consultation with the Treasurer, to authorise the disposal of the Authority's unwanted/obsolete goods or materials where the value does not exceed £50,000.
- (h) In consultation with the Clerk, to make temporary acting appointments to any post, below that of Managing Director and to make such other consequential appointments as may be necessary because of the temporary absence of the postholder(s) concerned or in the case of a post(s) becoming vacant. Any appointment of a Director shall be reported to the Authority for information as soon as practicable.
- (i) To deal with staff management matters in accordance with the powers specified in the Authority's various Codes, Guidelines and Procedures, namely:-

Employees' Disciplinary Code; Procedure for handling staff grievances; Codes of practice for staff sickness; Procedures for dealing with cases of unsatisfactory performance; Harassment Policy; Whistleblowing Code and Code of Conduct; Probation Code.

- (j) To make all arrangements for advertising for staff.
- (k) To make all permanent appointments of staff except that of the Managing Director (which is exclusively made by the Authority).
- (l) In association with the Clerk and the Treasurer, to set hourly or sessional rates of pay and consequential salaries which depend directly upon national or other negotiated awards and payments.
- (m) To authorise such additional payments as are prescribed/permitted under the National Scheme of Conditions of Service and other appropriate schemes.
- (n) The granting of salary sacrifice schemes/allowances to staff of the Authority in accordance with arrangements that are from time to time approved by the Authority.
- (o) The nomination of staff to attend conferences.
- (p) The granting of training, including day release facilities for staff.
- (q) The granting of special leave of absence in accordance with arrangements that are from time to time approved by the Authority.
- (r) Authorising extensions of sick pay for up to six months beyond the expiry of normal entitlement under the National Scheme of Conditions of Service.
- (s) The granting of ex-gratia claims up to a value of £1,000.
- (t) To respond on behalf of the Authority to requests from statutory bodies etc. for the Authority's comments on individual matters.
- (u) To represent and express the views of the Authority at meetings, seminars and conferences.
- (v) To share all relevant documents and information with the constituent Councils.

DEPUTY GENERAL MANAGER

In the absence of the Managing Director, to exercise all the powers and functions of the Authority delegated to the Managing Director.

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Public report 25-23

WRWA Authority Meeting

14th Oct 2025

Report of:
Managing Director

Boroughs affected: All

Title:

Adoption of a revised Corporate Risk Management Statement and Corporate Risk Register

Executive summary:

The purpose of this report is to provide the Authority with the outcome of the review of the Corporate Risk Management Statement in Appendix 1 and Corporate Risk Register 2025-26 in Appendix 2 of this report. By having arrangements in place to identify and manage our risks, we increase our chances of achieving corporate and operational objectives and reduce the chance of failure. Good risk management also increases our ability to cope with developing and uncertain events.

Recommendations:

The Authority is requested to:

1. Adopt the revised Risk Management Statement and Process for the Western Riverside Waste Authority (WRWA) as at appendix 1 of this report.
2. Adopt the revised Corporate Risk Register for 2025/26 for the WRWA as at appendix 2 of this report.
3. Identify any areas where additional information is required (if any).
4. Request that the Audit and Governance committee review both the revised Risk Management Statement and Process and the Corporate Risk Register for 2025/26, and refer and recommendations back to a future authority meeting.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Western Riverside Waste Authority's Risk Management Statement and Process.

Appendix 2 – Western Riverside Waste Authority's Corporate Risk Register 2025/26.

Background papers:

None

Other useful documents

None

Has it or will it be considered by the Audit and Governance Risk Committee?

Yes

Has it or will it be considered by any constituent Council or other body?

No:

Report title: Adoption of a revised Corporate Risk Management Statement and Corporate Risk Register

1. Context (or background)

- 1.1. WRWA seeks to proactively manage the risk from its operation and those of its contractors on behalf of and in partnership with its constituent boroughs.
- 1.2. During 2023/24 the WRWA commissioned a review of the authority, its ways of working and its governance from the consultancy firm Inner Circle Consulting (ICC). In October 2024 the WRWA adopted the recommendations from this report in full and officers have been tasked with their implementation.
- 1.3. A theme running through these recommendations was that the WRWA needed to establish a clear vision and plan for its future. An integral part of this process is understanding and responding to the risks faced by the authority.
- 1.4. This report provides the authority with outcome of a review of the Risk Management Statement and Process and the revised Corporate Risk Register 2025/26. This work has been completed by the WRWA leadership team and this report seeks the adoption of these documents.

2. Options considered and recommended proposal

- 2.1. The Risk Management Statement and Process at Appendix 1 to the report provides the revised methodology by which risk will be managed within the Authority and importantly how the impacts of these risks will be measured.
- 2.2. The Corporate Risk Register 2025/26 at Appendix 2 to the report has been reviewed by the WRWA leadership team and the allocated Risk Owner. It identifies the main risks facing the Authority, the impact of the risk, the inherent risk score before risk mitigation, the risk mitigations, the risk score after the mitigations are applied and where responsibility lies for the Authority's response.
- 2.3. The Corporate Risks and the control measures in place to address them are more fully described in Appendix 2 to the report.
- 2.4. As this is the first Corporate Risk Register to be prepared under the revised statement and process, all future reports to the authority will highlight any changes to the Corporate Risk Register from this version onwards.
- 2.5. It is proposed that the Corporate Risk Register be reviewed by the Audit and Governance Committee at a future meeting as part of their work programme.

3. Results of consultation undertaken

None

4. Timetable for implementing this decision

The revised documents would be adopted with immediate effect. The Audit and Governance Committee will consider the process at a future meeting and the reviewed Corporate Risk Register for 2026/27 will be represented to an authority meeting in the next municipal year.

5. Comments from Treasurer

5.1. Financial Implications

There are no specific additional financial implications (the Risk Register was compiled by the WRWA Team within existing approved resources). Any risk issues identified that arise will be reported separately with appropriate financial impacts and funding.

5.2. Legal Implications

The Clerk has been consulted in the drafting of this report and any comments incorporated.

6. Other implications

6.1. How will this contribute to the delivery of the Joint Waste Strategy? (<https://wrwa.gov.uk/strategy/>)

Effective risk management arrangements are an integral component of strategic decision making, service planning and delivery and increasing the likelihood of achieving the priorities outlined in the Joint Waste Strategy.

6.2. How is risk being managed?

The adoption of Risk Management Statement and Process along with the revised Corporate Risk Register are fundamental to the wider management of risk for the WRWA.

6.3. What is the impact on the organisation?

Effective risk management arrangements are part of the good governance arrangements which lead to improved decision making and operational practices across the WRWA.

6.4. Equalities / EIA?

None

6.5. Implications for (or impact on) climate change and the environment?

The Corporate Risk Register 2025/26 outlines the risk as the WRWA tackles the causes and consequences of climate change and responds to the climate emergency declared by its constituent boroughs.

6.6. Implications for partner organisations?

None

Report author(s):

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Managing Director

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Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Rachel Espinosa	Interim General Manager	10 th Sept 25	11 th Sept 25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	16 th Sept 25	23 rd Sept 25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	16 th Sept 25	23 rd Sept 25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	16 th Sept 25	23 rd Sept 25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	16 th Sept 25	23 rd Sept 25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	10 th Sept 25	11 th Sept 25
Hugh Peart	WRWA - Clerk	10 th Sept 25	11 th Sept 25
Sukvinder Kalsi	WRWA - Treasurer	10 th Sept 25	19 th Sept 25

This report is published on the authority's website: [Meetings - WRWA](#)

Item 7 – Appendix 1

WESTERN RIVERSIDE WASTE AUTHORITY

RISK MANAGEMENT STRATEGY STATEMENT

The Western Riverside Waste Authority (WRWA) is committed to delivering safe, sustainable, and efficient waste management services that protect public health, support our joint strategic environmental goals, and ensure value for money. Risk management is integral to our governance, decision-making, and operational delivery.

WRWA adopts a proactive and systematic approach to identifying, assessing, and mitigating risks across all areas of our work: from waste treatment to stakeholder engagement and regulatory compliance. The WRWA strategy ensures that:

- **Strategic Risks** such as policy changes, funding pressures, and climate-related impacts are regularly reviewed and embedded into long-term planning.
- **Operational Risks** including service disruption, contractor performance, and health and safety are managed through robust controls, contingency planning, and continuous improvement.
- **Compliance Risks** relating to all relevant legislation, data protection, and procurement are monitored to uphold legal and ethical standards.
- **Reputational Risks** are addressed through transparent communication, community engagement, and responsive service delivery.

WRWA fosters a culture of accountability and resilience, empowering staff and partners to report concerns, escalate emerging risks, and contribute to risk-informed decision-making. WRWA's risk appetite is aligned with our statutory duties and public service ethos: prioritising safety, sustainability, and financial stewardship.

The corporate risk register is reviewed annually and evolves in response to audits, external developments, incidents and stakeholder feedback, ensuring we remain agile and effective in a dynamic urban environment.

WRWA acknowledges that it is not possible to eliminate risk from its operation. This process seeks to manage those risks arising from the WRWA operations whilst delivering safe services for its constituent boroughs that represent value for money.

WESTERN RIVERSIDE WASTE AUTHORITY

RISK MANAGEMENT PROCESS

1. Purpose

To ensure that strategic, operational, financial, environmental, and reputational risks are systematically identified, assessed, and managed in alignment with statutory duties, public expectations, and sustainability goals.

2. Governance & Oversight

- **Ownership:** The WRWA's Leadership Team owns the risk management framework.
- **Review Cycle:** The Corporate Risk Register will be reviewed regularly by the Audit & Risk Committee and annually by the Authority.
- **Integration:** Risk management is embedded in strategic planning, project delivery, procurement, and performance monitoring of WRWA.

3. Risk Identification

Risks are identified through:

- Audits – both internal and external.
- Performance reviews of both colleagues and our contractor.
- Stakeholder feedback and public complaints.
- Constituent borough feedback and / or policy changes.
- Regulatory / legislative changes.
- Workshops with operational teams and contractors.
- Incident reports and near-miss analysis.

WRWA risks are categorised as follows:

- **Strategic** (e.g. policy shifts, climate targets)
- **Operational** (e.g. service disruption, contractor failure)
- **Financial** (e.g. budget pressures, market volatility)
- **Compliance** (e.g. legal breaches)
- **Reputational** (e.g. public trust, media scrutiny)

4. Assessment / scoring of Risk Using 5x5 Matrix

Each risk is scored based on:

Likelihood	Impact
1 – Rare	1 – Insignificant
2 – Unlikely	2 – Minor
3 – Possible	3 – Moderate
4 – Likely	4 – Major
5 – Almost certain	5 – Failure

Risk Score = Likelihood × Impact

- **Low (1–7):** Acceptable with routine monitoring
- **Medium (8–16):** Requires mitigation and oversight
- **High (17–25):** Immediate action and escalation to WRWA Leadership Team and communicated to boroughs where appropriate

5. Risk Mitigation & Control

For each risk, the register includes:

- **Initial risk score:** based upon the table above
- **Risk Owner:** Named individual responsible for managing the risk
- **Control measures and actions:** Details of existing measures and planned interventions or improvements
- **Residual risk score:** Residual risk level based upon the control measures and actions being implemented
- **Timeline:** Deadlines for mitigation steps

6. Monitoring & Reporting

- Monthly operational risk updates are given to the WRWA leadership team, where necessary the corporate risk register is updated.
- Annual assurance report to the authority and external auditors
- Department and project risk registers are reviewed and reported to the WRWA management team monthly.

7. Culture & Continuous Improvement

- WRWA will promote a “no surprises” culture internally and with its constituent boroughs.
- WRWA will encourage reporting of near misses and emerging risks arising from its operation, those of its contractor and those of its constituent boroughs.
- WRWA will embed risk awareness in induction and training.
- WRWA benchmark against other London authorities and national best practice on the management of risk.

8. Escalation from department / project risk registers to the corporate risk register

Each department and / or project will compile their own risk management matrix based upon on the methodology prescribed above.

Any risk rated “red” at residual risk score will be considered by the WRWA leadership team for escalation to corporate risk register.



Western Riverside Waste Authority - Corporate Risk Register

Reviewed (Date):	Aug-25
Reviewed by:	Andrew Walster
Version:	1
Document sensitivity:	Commercially Confidential

Risk No	Risk Description, including financial risk (if known):	Risk Score			Risk Control Measure / Action:	Date action is due	Residual Score			Risk Owner
		Likelihood Score (1-5)	Impact Score (1-5)	Risk Score (= LxI)			Likelihood Score (1-5)	Impact Score (1-5)	Risk Score (= LxI)	
CR1a	CR1 Loss of key sites: Due regulatory breach or statutory nuisance complaint, e.g. noise, odour, health and safety breach etc. Financial risk could be could be significant, if closure remains in place and alternative provision needs to be found. Risk Category - COMPLIANCE	5	5	25	Cory are contractually and legally required to work within the conditions of the site permits and the prevailing law. This includes a time period for any rectification of a breach. Short-term diversion of waste can be dealt within existing Cory Business Continuity Plan. Business Continuity Plan for diversions beyond 48 Hours requested from Cory for consideration and approval by WRWA. WRWA and Cory work in partnership to ensure that any effects of the waste management operation minimises the impact on our neighbours.	On-going	3	5	15	Managing Director
CR1b	CR1 Loss of key sites: MRF, transfer stations, EfW or other key infrastructure are unavailable because partial or total loss due to fire or other physical catastrophic loss. Assumed loss is temporary whilst the facilities are rebuilt (6-18 months). Risk Category: OPERATIONAL	5	5	25	Investment in fire suppression equipment by Cory has been made and regular monitoring of hot spots in stored waste is undertaken. The disposable VAPE ban has now come into force and separate collection of electrical items will help mitigate likelihood, however the prolific use of batteries in the waste stream means that the likelihood remains high. Joint Municipal Waste Management Strategy has specific actions for joint communication on the disposal and handling of waste.	On-going	4	5	20	Director of Waste Management
CR1c	CR1 Loss of key sites: MRF, transfer stations, EfW or other key infrastructure are unavailable because of factors external to the WRWA. e.g. contractors operational performance, unplanned or uncommunicated highway maintenance to critical road infrastructure. Period of loss is expected to be individual days or weeks. Risk Category: OPERATIONAL	3	5	15	The WMSA contract with Cory prescribes detailed measurement of the contractors performance and has mechanisms to resolve poor performance. Unforeseen highway issues are managed through clear communication between WRWA and constituent boroughs and Business Continuity Plans are implemented where necessary. Planned maintenance of road infrastructure is clearly communicated by individual highway authorities to WRWA to allow sufficient planning time to place. However, limited crossings of the Thames and the capacity of London highway networks means that the likelihood remains high despite mitigation.	On-going	2	5	10	Director of Waste Management

CR2	Energy from Waste is to be included within the UK's Emissions Trading Scheme (ETS) which has the potential to increase costs to local authorities. Quantum of cost is currently unknown, however, it could represent a significant financial risk in excess of c.£6m per annum. Risk Category: FINANCIAL	5	5	25	The true financial impact of ETS remains significantly uncertain and final guidance is awaited from Government. Currently it is proposed that ETS will be implemented from January 2028, with sampling taking place from 2026 onwards. All London waste disposal authorities are continuing to lobby on the detrimental financial impact of ETS to Local Authority funding. The implementation of the Joint Municipal Waste Management Strategy will help reduce the amount of waste in the residual stream that counts towards ETS costs. In addition, the national introduction of deposit return schemes, Extended Producer Responsibility (EPR) and simpler recycling should also reduce the level of waste in the residual stream that will count towards ETS costs. However, these alone will not mitigate an ETS risk for WRWA and its constituent boroughs. The current carbon capture scheme proposed by Cory, whilst, if successful, it will remove the Carbon Dioxide from the EfW flue gases it doesn't currently financially mitigated WRWA and the constituent boroughs from the ETS charge. WRWA continue to compile waste composition data to inform the implementation of our future waste management plans to minimise the future financial impact of ETS on WRWA and its constituent boroughs.	On-going	5	5	25	Managing Director and Treasurer
CR3	Inability to maintain in year budgetary control due to excessive market volatility of recycling and / or electricity income. Risk Category: FINANCIAL	3	5	15	WRWA holds sufficient financial reserves for both of these outcomes. Reserve levels are reviewed annually as part of the budget setting process. The existing contract for recycling income protects against the authorities costs increasing beyond the recycling gate fee. However, electricity income volatility remains managed through the WRWA reserve position.	Annually	1	5	5	Managing Director and Treasurer
CR4	Primary contractor (Cory) are unable to fulfil their contract due to financial uncertainty. Risk Category: FINANCIAL	3	5	15	Cory's financial position is kept under review Including review of financial and other covenants within the WMSA. The WMSA also allows for the WRWA to "step in" to key infrastructure operated by Cory (such as the EfW) in the event of contractor failure.	On-going	1	5	5	Managing Director and Treasurer
CR5	Waste is treated outside of the contractual provisions prescribed within the WMSA. Financial impact is variable, but could be as high as c.£10m per authority. Risk Category: FINANCIAL	3	5	15	WRWA and the constituent authorities work jointly to minimise the likelihood of this risk occurring by the working to co-design changes to service provision and the adoption of a Joint Municipal Waste Management Strategy. Contractual requirements are communicated annually within the levy letter to the boroughs.	On-going	1	5	5	Managing Director and Clerk
CR6	Signiant further change in waste management legislation or failure to respond to a change in a timely manor. Leaving the WRWA non compliant with the current legislation or facing significant costs to implement the legislative change through the WMSA. Financial value unknown. Risk Category: STRATEGIC	3	5	15	Regular review of legislative changes, including, where necessary the lobbying of government on future and emerging legislation. Fostering a proactive working relationship with the primary contactor (Cory) to minimise the impact of legislative changes on constituent authorities.	On-going	1	5	5	Managing Director and Clerk

CR7	Failure to maintain a suitable and sufficient level of competent officers in the WRWA to maintain the existing WMSA, to lead on the future procurement of services and to manage a future capital investment programme. Risk Category: OPERATIONAL	3	5	15	The WRWA is restructured to provide stability across three main work areas of: contract management, procurement and capital infrastructure development. Enhanced levels of partnership working between the WRWA and the constituent councils will provide further resilience in key technical disciplines.	On-going	1	5	5	Managing Director and Clerk
CR8	Lack of competition in the Greater London waste management market leads to a poor procurement outcome for services beyond 2032. Financial impact is unknown, however, this could be significant if there is market failure and / or little competition during the next procurement process. Financial impact is unknown, but is likely to be significant and be in excess of £100m over the lifetime of a contract. Risk Category: FINANCIAL	4	5	20	The WRWA are working with constituent boroughs on additional early market engagement to stimulate further interest in tonnages from WRWA. The Recent East London Waste Authority (ELWA) procurement would suggest that increased market appetite for the WRWA tonnages is there. The emerging procurement strategy is seeking to address the lack of competition in the market.	On-going	4	5	20	Managing Director and Clerk
CR9	Delay in the delivery of key infrastructure due to delays in the planning or permitting processed. Financial impact is unknown, but is likely to be significant. Risk Category: FINANCIAL	4	5	20	Early engagement has already with both planning and permitting authorities will be programmed for the fourth quarter of 2025. Once plans are at an appropriate stage early engagement with neighbouring communities will also take place.	On-going	3	5	15	Managing Director
CR10	Land assembly for future capital development at either Smugglers or Cringle is not possible. Financial impact is unknown, but is likely to be significant. Risk Category: FINANCIAL	5	5	25	Early engagement with land owners has taken place. Contingency planning is also part of the planning and procurement processes.	On-going	2	5	10	Managing Director
CR11	Reduced appetite in the insurance market means that insurance for the WRWA operations is unobtainable: a) Primary contractor is unable to obtain cover. b) WRWA are unable to obtain cover. Financial impact is unknown, but is likely to be significant. Risk Category: FINANCIAL	4	5	20	The current insurance market nationally for waste management facilities has a limited number of suppliers following a series of high value claims in the wider waste management industry. Locally WRWA have adopted the following control measures: a) WRWA commissions an annual audit of the primary contractors insurance cover to confirm that relevant cover is in place. b) WRWA's own cover is subject to regular procurement via brokers to obtain cover for their own non-operational building.	On-going	3	5	15	Managing Director

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Public report 25-24

WRWA Authority Meeting

14th Oct 2025

Report of:
Managing Director

Boroughs affected: All

Title:

WRWA Strategy and Operating Model Review Phase 1 and Phase 2 – implementation of recommendations

Executive summary:

At its meeting on the 2nd October 2024 the Authority considered the report by the consultancy firm Inner Circle Consulting (ICC). ICC's report consisted of a review of the Authority and proposals for a future strategy and operating model. The Authority resolved to accept the recommendations of both reports in their entirety.

This report provides the Authority with an update on progress against the 44 actions listed in both phases of the ICC report and seeks approval to close 17 actions as complete. A further update report will be presented during the 2026/27 municipal year to close out those actions that remain on-going.

Recommendations:

The Authority is requested to:

1. Approve the closing out of 17 actions from both phases of the ICC report as described in section 2 of this report.
2. Identify any areas where additional information is required (if any).
3. Request that officers prepare a further report in the 2026/27 municipal year to close off any remaining actions from both phases of the original ICC report.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Summary of ICC Progress Oct 2025 – Phase 1 Recommendations.

Appendix 2 – Summary of ICC Progress Oct 2025 – Phase 2 Recommendations.

Background papers:

Paper No. 24-26 - WRWA Strategy and Operating Model Review Phase 1 and Phase 2 reports by ICC. Considered at the Authority Meeting on 2nd October 2024.

Other useful documents

None

Has it or will it be considered by the Audit and Governance Committee?

No

Has it or will it be considered by any constituent Council or other body?

No

Report title: WRWA Strategy and Operating Model Review Phase 1 and Phase 2 – implementation of recommendations

1. Context (or background)

- 1.1. The Western Riverside Waste Authority (WRWA) was formed to discharge the operational functions of waste disposal for the areas of the Borough Councils of Hammersmith and Fulham, Kensington and Chelsea, Lambeth and Wandsworth, pursuant to the Local Government Act 1985 and the Waste Regulation and Disposal (Authorities) Order 1985.
- 1.2. In 2002 the Authority concluded a procurement exercise for a single provider, strategic waste management contract with Cory Environmental. Where all waste management services are provided by the contractor for a gate fee and financial / technology risks to the Authority and its Constituent Borough Councils are minimised. This contract was for the duration of 30 years and will end in 2032.
- 1.3. Since 2002 the Authority has not been subject to any external review process, beyond that provided by its annual external audit. Therefore, in 2023/24 the Authority commissioned a review of both its strategy and operating model by the external consultancy firm Inner Circle Consulting (ICC). This review was conducted over two stages and concluded in the summer of 2024. The resulting recommendations were considered and adopted by the Authority at their meeting on 2nd October 2024.
- 1.4. This report seeks to update the Authority on the progress made against the recommendations made in ICC reports and seeks approval to close off a number of the recommendations that have been completed.

2. Options considered and recommended proposal

- 2.1. Progress so far means that 17 of the 44 recommendations in the ICC phase 1 and phase 2 reports are considered completed.
- 2.2. A further 21 of the 44 recommendations are considered to be on track to be delivered during the 2025/26 municipal year.
- 2.3. The remaining 6 actions are considered to be on track to be delivered during the 2025/26 municipal year, however, a key action for their delivery is yet to commence.
- 2.4. No recommendations are considered at this time to be off target.
- 2.5. A full breakdown of each recommendation and the actions taken to date or proposed is given in Appendices 1 and 2. A summary of progress against recommendations for each ICC report is given in table 1 below.
- 2.6. The Authority is therefore asked to consider the progress to date.

Table 1 – summary of progress against ICC recommendations by report phase

	ICC report phase 1	ICC report phase 2
Total number of recommendations	11	33
Recommendation considered complete	2	15
Recommendation considered on track for delivery	8	13
Recommendation considered on track for delivery, but with an action still to commence	1	5
Recommendation considered to be off track for delivery.	0	0

3. Results of consultation undertaken

None

4. Timetable for implementing this decision

ICC recommendations that are not already closed off as complete will be actioned and progress will be considered in the 2026/27 municipal year.

5. Comments from Treasurer**5.1. Financial Implications**

The implementation of the proposals will be managed within the current net approved Levy budget of £4.447m for 2025/26. Any other costs for example, the setting up of the Audit Committee (including associated fees of independent member) and other expenditure with regard to remuneration for Board Members will be reported and included in the Budget for 2026/27 (will be presented for approval in February 2026).

5.2. Legal Implications

The Clerk has been consulted in the drafting of this report and any comments incorporated.

6. Other implications

6.1. How will this contribute to the delivery of the Joint Waste Strategy? (<https://wrwa.gov.uk/strategy/>)

The Joint Municipal Waste Management Strategy (JMWMS) adopted by the Authority and its Constituent Borough Authorities sets challenging targets for all parties in a time of constrained resources for London Boroughs. It is therefore imperative that the WRWA is both fit for purpose and in a position to deliver the jointly agreed actions of the JMWMS. In addition, the Authority needs a future governance model that will allow it to deliver the procurement of waste management services beyond 2032.

The implementation of the ICC recommendations begins the process of delivering on the Authority structure and behaviours needed to support the JMWMS.

6.2. How is risk being managed?

WRWA has an adopted risk management and process, including the production of a corporate risk register that is regularly reviewed. In addition, the authority's governance arrangements are subject to external scrutiny through its annual audit process, with any findings / recommendations being reported to both the Audit and Governance Committee and the Authority meetings on a regular basis.

6.3. What is the impact on the organisation?

The future structure, governance and corporate behaviours of the Authority are set by the implementation of the recommendations given in both phases of the ICC report. The impact on the Authority is there anticipated to be a fundamental change that produces an Authority that is fit for the challenges that lie ahead.

6.4. Equalities / EIA?

None

6.5. Implications for (or impact on) climate change and the environment?

None

6.6. Implications for partner organisations?

None

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Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Rachel Espinosa	Interim General Manager	10 th Sept 25	11 th Sept 25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	16 th Sept 25	23 rd Sept 25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	16 th Sept 25	23 rd Sept 25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	16 th Sept 25	23 rd Sept 25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	16 th Sept 25	23 rd Sept 25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	10 th Sept 25	11 th Sept 25
Hugh Peart	WRWA - Clerk	10 th Sept 25	11 th Sept 25
Sukvinder Kalsi	WRWA - Treasurer	10 th Sept 25	19 th Sept 25

This report is published on the authority's website: [Meetings - WRWA](#)

ICC – Phase 1 recommendations

ICC Ref	ICC priority	ICC Recommendation – WRWA Vision and Culture	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Status
V1	1	Develop a clear and explicit organisational vision focusing on waste, environmental stewardship, and long-term sustainability.	- JMWMS adopted by WRWA and all Constituent Boroughs. - WRWA corporate plan will be produced to support the delivery of the JMWMS.	On-going	
V2	1	Build a culture of trust across the WRWA partnership through strategic communication.	- Regular pattern of meetings / briefings established with WRWA and Constituent Boroughs: - CEO and WRWA MD to cover strategic vision and risk management - Strategic Director and WRWA MD, implementation of the strategic vision - Technical Officer and WRWA senior officer meeting - Recruitment of the WRWA communication officer is underway.	On-going	

ICC – Phase 1 recommendations

ICC Ref	ICC priority	ICC Recommendation – WRWA Governance	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Status
G1	1	Establish clearer governance structures appropriate to the significant areas of work currently underway.	- Managing Director appointed. - Separation of the Clerk and Monitoring Officer roles. - Establishment of the Audit and Governance Committee. - Future working group structure for officers and members on key topics, e.g. site strategy, procurement, etc.	On-going	
G2	1	Establish clearer codes of engagement across the partnership, with a focus on ensuring collaborative working.	- Initial workshop of constituent authorities held in 2024. - A proposed that a joint engagement agreement is developed with the WRWA and Constituent Boroughs.	On- going	

ICC – Phase 1 recommendations

ICC Ref	ICC priority	ICC Recommendation – WRWA Organisation	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Status
O1	1	Review and improve the current organisational structure and explore opportunities for building inhouse capabilities.	WRWA staffing proposal currently in consultation to strengthen inhouse capabilities and provide a structure that is fit for purpose.	On-going	
O2	2	Explore opportunities to upgrade internal systems and processes.	- Reporting and briefing processes have been updated and implemented. - ICT systems reviewed as part of regular procurements.	Yes	
O3	3	Strengthen in-house capabilities via enhancing the WRWA's people strategy.	In-house capabilities are being strengthened through the implementation of the new team structure.	On-going	
O4	3	Build organisational readiness for change.	- Readiness for change is built through the implementation of the new team structure, and - Work on organisational planning, corporate behaviours and culture is planned for the 3rd and 4th quarters of 2025/26.	On-going	

ICC – Phase 1 recommendations

ICC Ref	ICC priority	ICC Recommendation – WRWA General Manager Role and JD	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Status
GM1	1	The General Manager role to be superseded and replaced with the creation of a new Managing Director position, with recruitment focusing on strategic leadership of the WRWA.	Managing Director appointed and started on the 7th July 2025	Yes	

ICC Ref	ICC priority	ICC Recommendation – Stakeholder Management	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Status
SM1	2	Enhance collaboration with external partners for resource sharing and identify best practices.	- Collaboration with other WDAs is proposed, including resource sharing. - Engineering resource between WRWA and NLWA already in place. - Further soft market testing is proposed to gauge further market interest.	On-going	
SM2	3	Extend communication with partners and proactive outreach initiatives to raise public awareness of environmental sustainability.	- Recruitment of the WRWA communication officer underway. - A request to share resource and best practice with NLWA made.	On-going	

Progress risk key and action summary:

Key	No of action in this category
Off target	0
On target – action outstanding or not started	1
On target	8
Delivered / completed	2

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ICC – Phase 2 recommendations

No	ICC Recommendation – Statutory Roles	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
SR1	Restructure the role of Clerk to have a separate Monitoring Officer.	Clerk and Monitoring Officer role separated in the Rules of the Authority (for approval at the October Authority meeting).	Yes	
SR2	Maintain the Statutory Officers as appointments that are drawn from within the Constituent Councils.	- Noted within the process for the Clerks appointment. - Managing Directors proposal to time limit to Clerk's term with maximum number of terms to be served. With extension or not to be decided by the board. - Initial recruitment will allow the incumbent post holder to apply.	On-going	
SR3	The Statutory Officer roles should be made available to officers from the Constituent Councils who are in tiers 1-3 of the Consistent Council's structure.	When a statutory officer role becomes available Constituent Councils will be notified of the vacancy.	Yes	
SR4	When appointing officers to the role of a Statutory Officer, consideration should be given to ensuring a diversity of officers across the Constituent Councils. This consideration should not come at the expense of appointing the most suited candidate for the role.	Will be considered in recruitment.	Yes	

ICC – Phase 2 recommendations

No	ICC Recommendation – Governance	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
G1	Consideration be given by the Board on whether the recommended new subcommittees have decision-making powers.	Section 40 of the Authority’s Standing Orders already allows for the Committees of the Authority to make decisions.	Yes	
G2	Establish a Programme Subcommittee (or Working Group). <i>Source of evidence: Governance Review</i>	Authority work programme is already considered at every Authority meeting.	Yes	
G3	Schedule briefings for members based on requests made at Board meetings based on the forward plan. <i>Source of evidence: Governance Review / ICC Phase 1 Report</i>	- Regular schedule of briefings in diaries. - Ad-hoc briefings on specific topics arranged as and when needed.	Yes	
G4	Establish an Audit, Finance and Risk Subcommittee (or working group) <i>Source of evidence: Governance Review / ICC Phase 1 Report</i>	Committee established	Yes	
G5	Establish two Chair’s Briefings <i>Source of evidence: Governance Review / ICC Phase 1 Report</i>	Briefings in diaries	Yes	

ICC – Phase 2 recommendations

G6	Revamp the Induction Programme <i>Source of evidence: Governance Review / ICC Phase 1 Report</i>	• Induction programme has been reviewed. • First elected members are now in receipt of the revised programme.	Yes	
G7	Consider a new meeting report template that will allow Members to meaningfully contribute to discussions <i>Source of evidence: Governance Review</i>	• New meeting report template that mirrors the constituent authorities and best practice produced. • First use at the October board.	Yes	

No	ICC Recommendation – Organisation (Skills and Capabilities)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
SC1	Develop and implement the initial recommendations for the Management Tier.	• Management restructure currently out for consultation.	On-going	
SC2	Continue to recruit to vacant positions in the Education Team.	• Education team is at its full compliment	Yes	
SC3	Enhance skills areas identified, either through recruitment, or through expanding the SLAs with Constituent Councils.	• To be implemented through the management restructure above.	On-going	
SC4	Enhance business and people policies to maintain best practice.	• Regular policy review undertaken. • Further review to update policies on the basis of the new WRWA management structure. • Schedule of delegation has been reviewed and changes are proposed at the October 25 meeting.	On-going	

ICC – Phase 2 recommendations

No	ICC Recommendation – Organisation (Governance and Policy)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
GP1	Consolidate Governance documents, establish digital storage and action tracking systems for Board and Management meetings.	- Digital storage already in place. - Action tracking to be hosted by the authority that provides the deputy clerk on their committee information management system.	On-going	

No	ICC Recommendation – Organisation (Procurement and Contracts)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
PC1	Review the OBC development process to ensure efficiency with limited resources.	- OBC process is currently under review as part of the Managing Director's initial work programme in the Authority. - Initial assumptions will continue to be challenged to allow for widest range of future procurement options.	Yes	

ICC – Phase 2 recommendations

No	ICC Recommendation – Organisation (Strategy and Planning)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
StP1	Areas of improvement are identified in KPIs and benchmarking to give a broader set of performance measures.	KPIs being developed for adoption at an Authority meeting in 2026	On-going	
StP2	Ensure in-house client skills are adequate for land and capital development commissioning.	- Officer management review has picked this up. - Engineering secondment from NLWA secured.	On-going	
StP3	Use the JMWMS process to maximise public engagement and social value.	JMWMS has now been adopted and published by all authorities and WRWA	Yes	

No	ICC Recommendation – Organisation (Tools Assets and Methods)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
TAM1	Upgrade and integrate software to create efficiency, improve coordination and address cyber security and resilience risks.	- ICT security upgrades have been made. - Consideration of an independent ICT review is being considered.	On-going	
TAM2	Adopt design thinking methods trialled in the workshops to drive collaboration and innovation.	A variety of methods are and will be adopted to drive collaboration and innovation going forward.	Yes	

ICC – Phase 2 recommendations

No	ICC Recommendation – Stakeholder Management (Strategy and Programme)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
SM1	Inclusive Educational Programme Development.	- Education programme reviewed for 2025/26. - Consideration is being given to how the barriers for schools in more challenging areas can be supported better.	On-going	
SM2	Revitalisation and Growth of the Education Programme.	Education programme under reviewed for 2025/26.	Yes	
SM3	Targeted Communication Strategy.	To be developed by new communication officer.	On-going	

No	ICC Recommendation – Stakeholder Management (Public Engagement and Communications Channels)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
PCC1	Enhance Social Media and Website Engagement.	To be picked up by the communications officer.	On-going	
PCC2	Educational Resources & Community Engagement.	To be picked up by the communications officer.	On-going	
PCC3	Tailored Communication Campaigns.	To be picked up by the communications officer.	On-going	
PCC4	Waste Reduction in Schools.	To be picked up by the communications officer.	On-going	

ICC – Phase 2 recommendations

No	ICC Recommendation – Stakeholder Management (Partner Collaboration)	Progress to date (October 2025)	Implemented (yes, no, on-going, etc.)	Risk Status
CB1	Strengthen Strategic Partnerships.	- Regular meetings and briefings in place from Authority Members to Technical Officers. - Enhanced charter of engagement between WRWA and constituent boroughs to be developed. - Joint working with other WDAs, GLA and wider networks.	On-going	
CB2	Enhance Recycling Operations with Cory Contractor.	- On-going dialogue on contractual arrangements with Cory for enhanced recycling options. Including simpler recycling. - WRWA are part of the DEFRA improvement action plan pilot for the Extended Producer Responsibility programme. - See CB4 below on contamination.	On-going	
CB3	Net Zero Action Plan.	- To be started in-line with the now adopted JMWMS. - Net Zero KPIs will appear for the Authority in the October performance report.	On-going	
CB4	Develop Contamination Management Plans.	- Sampling review has been concluded. - Implementation of the recommendations from the above is now underway. - Further work on borough contamination levels in progress.	On-going	

ICC – Phase 2 recommendations

Progress risk key and action summary:

Key	No of action in this category
Off target	0
On target – action outstanding	5
On target	13
Delivered / completed	15



Public report 25-25(A)

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

WRWA Authority Meeting

14th October 2025

Report of: Interim General Manager

Boroughs affected: All

Title:

WRWA Performance Report

Executive summary:

The purpose of this report is to provide the Authority with quarterly performance information of the delivery of services through the Waste Management Services Agreement (WMSA) and the implementation of the Joint Resources and Waste Strategy, including key performance metrics.

Recommendations:

The Authority is recommended, subject to the consideration of the additional confidential information contained in the corresponding private report, to:

- (1) Consider whether this report should be reported to the Audit and Governance Committee.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Joint Resources and Waste Strategy Quarterly Progress Report
Appendix 2 – WRWA Equalities, Diversion and Inclusion Data
Appendix 3 – Cory Equalities, Diversion and Inclusion Data

Background papers:

None.

Other useful documents

Joint Resources and Waste Strategy.

Has it or will it be considered by the Audit and Governance Committee?

No

Has it or will it be considered by any constituent Council or other body?

No

Report title: WRWA Performance Report

1. Context

- 1.1. This report provides quarterly performance information of the delivery of services through the Waste Management Services Agreement (WMSA) and the implementation of the Joint Resources and Waste Strategy, including key performance metrics.

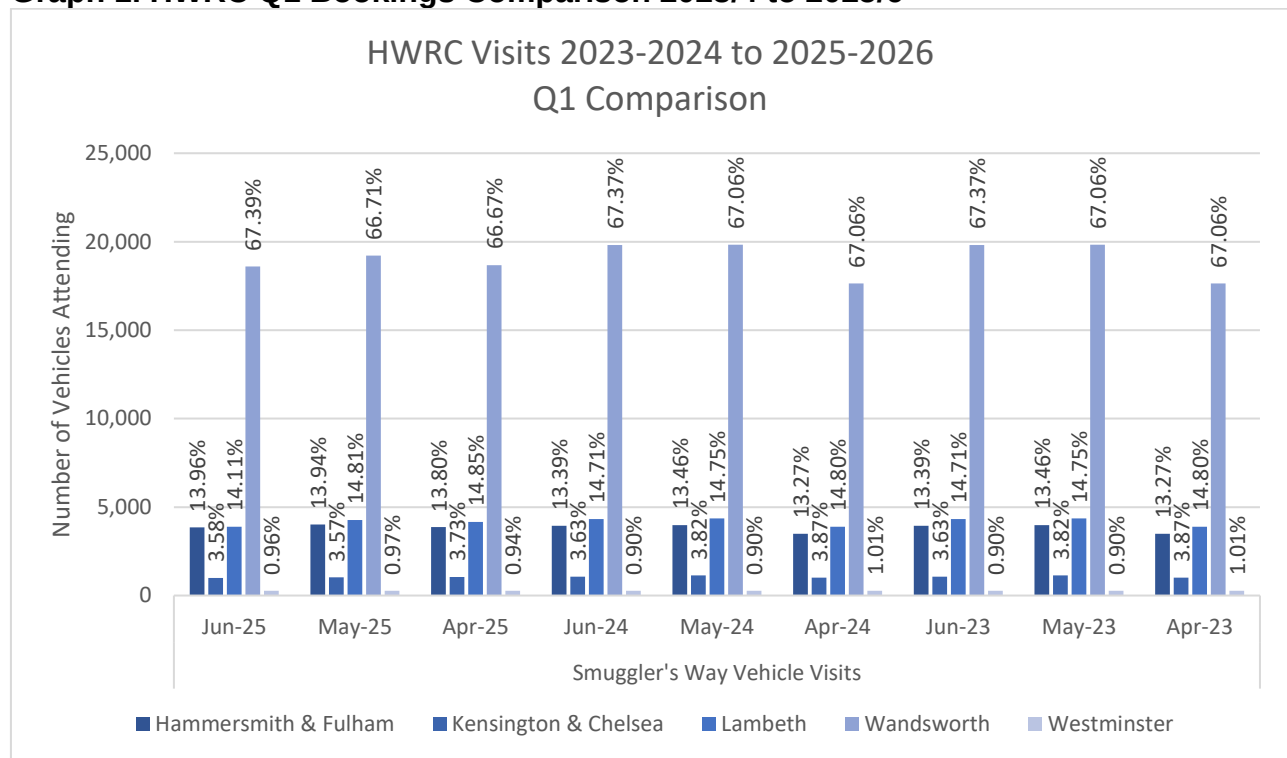
2. Performance Information

Operations

- 2.1. Since the last Authority meeting, Smugglers Way has experienced four interruptions to normal operations. On 2nd June 2025 a fire broke out in the MRF bunker, which meant the site was temporarily closed at approx. 3pm. All boroughs were notified to use Cringle Dock for the remainder of that day. Normal delivery patterns were established the following day. The cause of the fire was found to be a lithium-ion battery incorrectly placed in with the mixed recycling.
- 2.2. On 8th July 2025 operations were disrupted due to a failure with the grab crane in the MRF. All boroughs were notified at 7am that their mixed recycling deliveries were to be directed to Cringle Dock until further notice. The crane issue was resolved by midday and constituent councils were able to return to normal deliveries.
- 2.3. On 22nd July 2025 operations were disrupted following a breakdown of machinery in the MRF the previous evening and a portion of mixed recycling vehicles from both Lambeth and Royal Borough of Kensington and Chelsea were diverted to Cringle Dock. The issue was resolved during the day and normal delivery patterns were established the following day.
- 2.4. On 2nd August a snapped belt left the MRF operating at 50% capacity, therefore Lambeth recycling vehicles, along with four split back vehicles from the Royal Borough of Kensington and Chelsea were diverted to Cringle Dock. Normal delivery patterns were established the following day.

Household Waste Recycling Centre Use (HWRC)

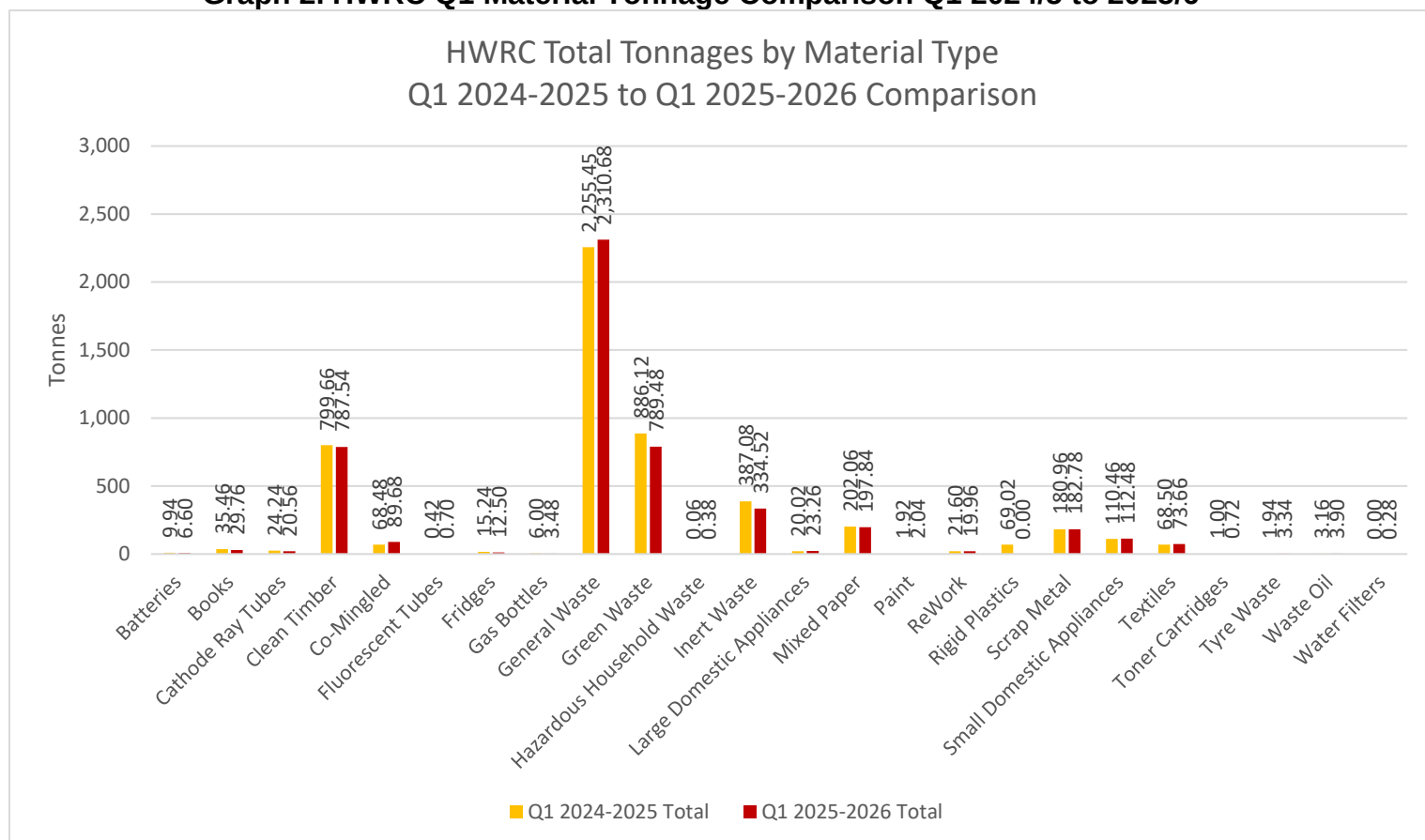
- 2.5. A total of 84,421 bookings were received for the HWRC during the first quarter of this financial year, April to June 2025/6. This represents a 1.02% decrease in bookings compared to the same period (Q1) for 2024/5, during which time 85,289 total bookings were received. Graph 1 below illustrates this on a Borough basis and includes bookings taken from Westminster residents.
- 2.6. The annual HWRC User Satisfaction Survey was open to the public until the 12th September 2025, results of which will be analysed and presented to Members in the December Authority Report.

Graph 1. HWRC Q1 Bookings Comparison 2023/4 to 2025/6

PERFORMANCE MONITORING (Q1 WASTE TONNAGES)

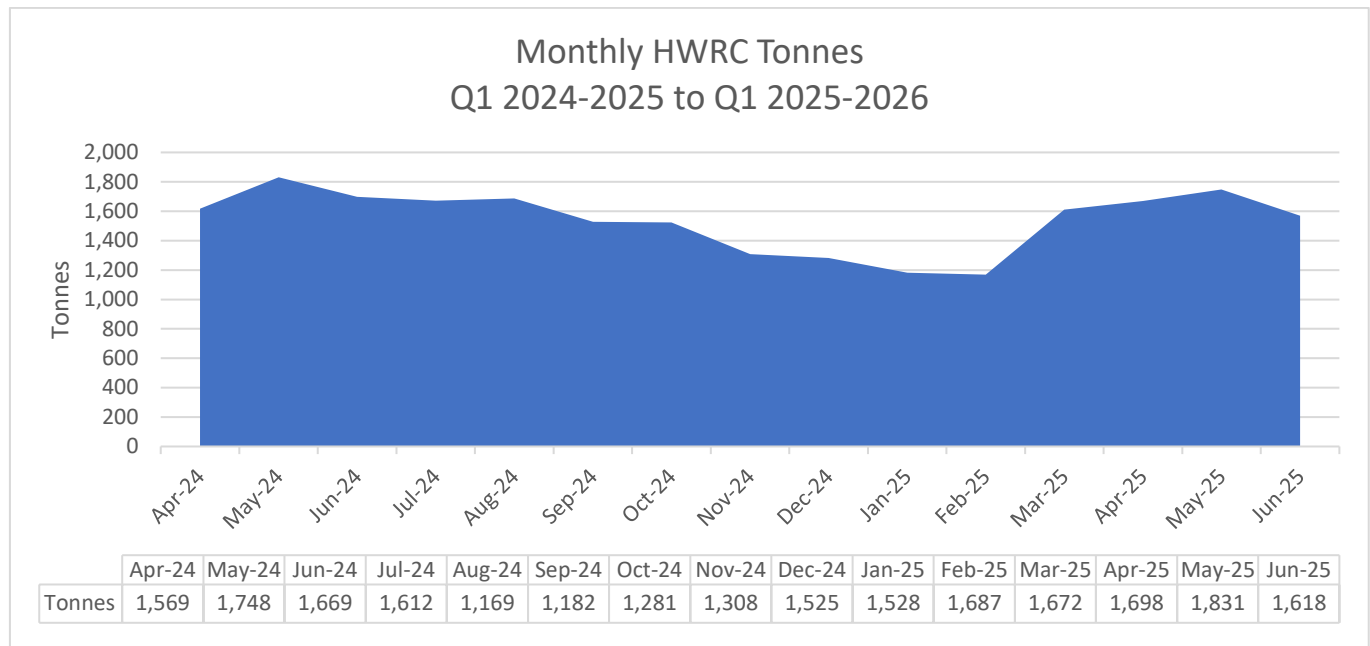
Household Waste Recycling Centre

- 2.7. In terms of waste and recycling delivered to the HWRC, in Q1 2025/6 a total of 4,986.18 tonnes was received. This represents a 3.13% decrease when compared to the same period (Q1) in 2024/5, during which time 5,147.19 tonnes was received.
- 2.8. Graph 2 below shows tonnage for each HWRC material, comparing Q1 2025/6 to Q1 2024/5. Broadly the tonnages received this year are consistent for the amount received in the same period last year. General (residual) waste is the largest single waste stream and tonnages were slightly higher this quarter compared to last year, however garden and inert wastes are lower. Officers track tonnages throughout the year to understand and report on changes.

Graph 2. HWRC Q1 Material Tonnage Comparison Q1 2024/5 to 2025/6

- 2.9. Graph 3 below provides the tonnages received at the HWRC on a monthly basis throughout the full year of 2024/5 and including Q1 of 2025/6. The pattern of deliveries illustrates the seasonal changes that occur throughout a typical financial year. Generally, tonnages received are higher during the spring and summer as more DIY, home improvements and gardening takes place, increasing waste from these activities.

Graph 3. HWRC Total Tonnage by Month 2024/5 to 2025/6



Waste and Recycling Collections

2.10. The total waste delivered to WRWA facilities in Q1 2025/6 is displayed in Graph 4 below on a by Borough basis. Total delivered waste is compared to Q1 of the previous year 2024/5.

2.11. The analysis shows that general (residual) waste tonnages delivered are down in Q1 when compared to the same period last year by the following amounts:

Table 1. Residual Waste Tonnages Received

Borough	Tonnes Q1 2024/5	Tonnes Q1 2025/6	% Change
Hammersmith & Fulham	12,661.64	12,181.56	-3.79%
Kensington and Chelsea	13,671.54	13,314.69	-2.61%
Lambeth	21,963.48	20,471.29	-6.79%
Wandsworth	19,023.46	17,891.42	-5.95%

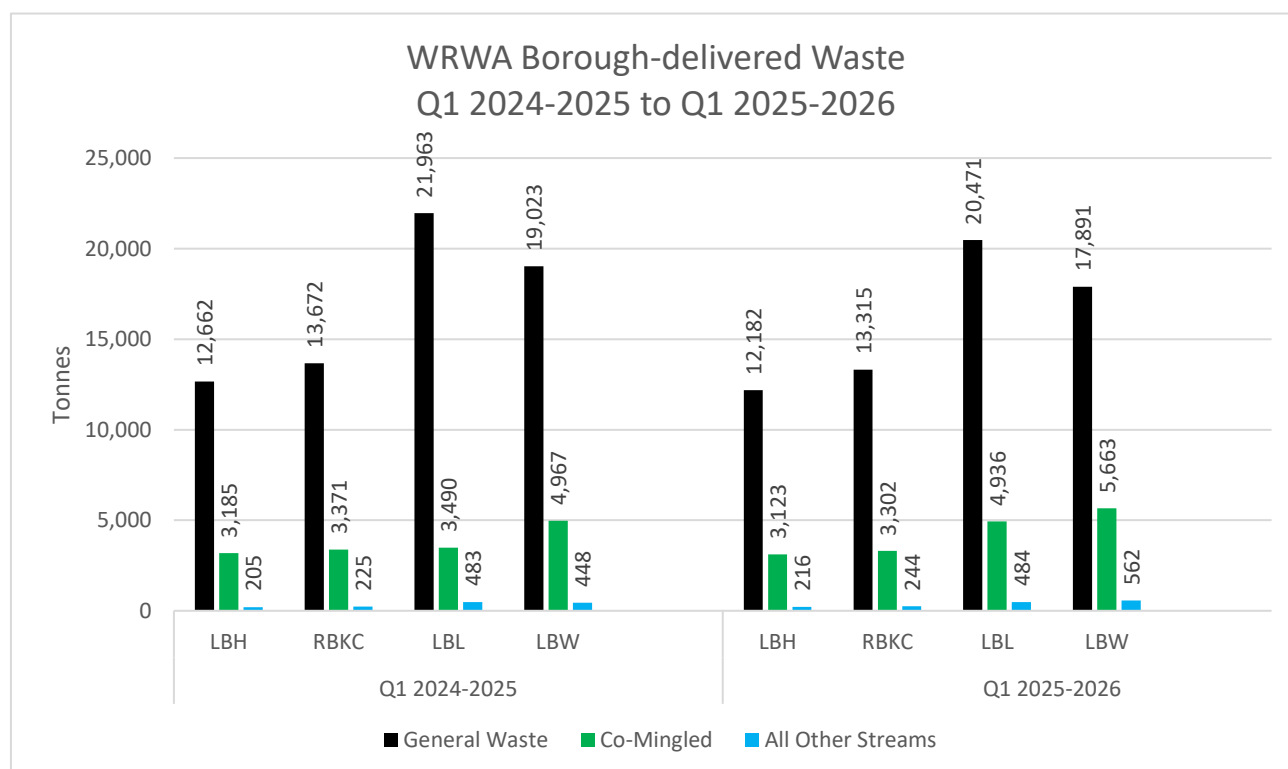
2.12. Dry mixed recycling collection tonnages for Q1 2025/6 are improved on the same quarter in 2024/5 for two Boroughs but down for the remaining two Boroughs as follows:

Table 2. Co-Mingled Recycling Tonnages Received

Borough	Tonnes Q1 2024/5	Tonnes Q1 2025/6	% Change
Hammersmith & Fulham	3,185.46	3,122.52	-1.98%
Kensington and Chelsea	3,371.44	3,302.02	-2.06%
Lambeth	3,490.30	4,935.74	+41.41%
Wandsworth	4,966.68	5,663.04	+14.02%

2.13. 'All other streams' comprises all delivered waste types aside from general waste and co-mingled recycling.

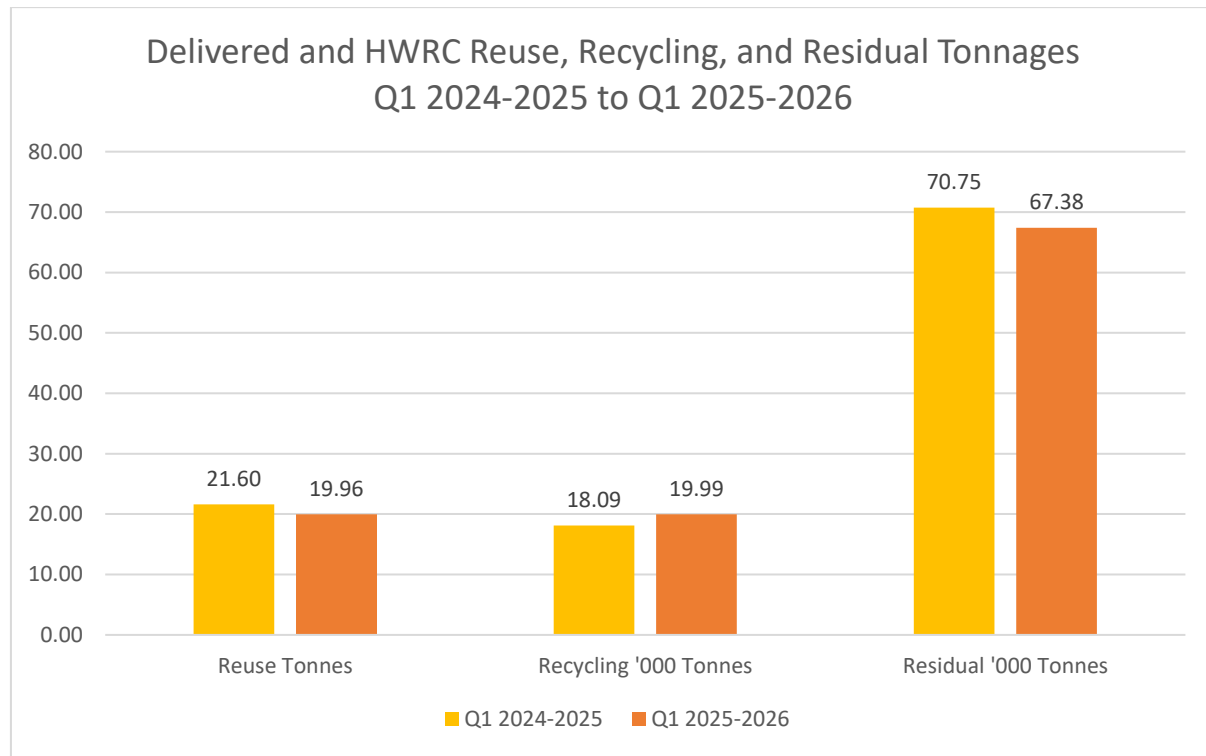
2.14. It should be noted that these metrics do not reflect the total Local Authority Collected Waste of the four Councils as reported to Waste Data Flow. The Councils are able to divert recycling materials (other than co-mingled recycling) to other outlets and the data related to those tonnages will be reported in the Quarter 2 Performance Report.

Graph 4. Q1 Total Delivered Waste Tonnages Comparison 2024/5 to 2025/6

2.15. The combined tonnages for all Borough deliveries and HWRC materials is displayed in Graph 5 below, including tonnes sent for reuse. There was a small decline in reuse performance of 1.65 tonnes (-7.65%) in Q1 2025/6 when compared to Q1 2024/5. Residual saw an overall decrease of -4.76% (3,367.57 tonnes), while recycling

increased by 10.51% (1,900.72 tonnes).

Graph 5. Reuse, Recycling and Residual Tonnages Q1 2024/5 to Q1 2025/6



Joint Resources and Waste Strategy Implementation

2.16. The Authority is currently in the implementation phase of the Joint Resources and Waste Strategy. Following endorsement at the June 2025 Authority meeting the Joint Resources and Waste Strategy and supporting documents (including a non-technical summary) have now been published online: <https://wrwa.gov.uk/strategy/>

2.17. Work continues on strategy implementation, with year one focussed on selected priority projects that will support delivery of the Strategy Action Plans and can be progressed within current budgets. Appendix 1 contains the quarterly progress against priority actions.

2.18. A trial is underway to separate plastic film in the Materials Recovery Facility, through manual picking methodology, utilising the LDPE line. The trial is providing essential operational data prior to the requirement to recycle this material as part of Simpler Recycling, by 31st March 2027. The trial has increased the volume of materials to date from approximately one bale of film produced per day to three bales. Feedback from the reprocessor indicates that the material meets their specification.

2.19. Cory collates and measures greenhouse gas emissions data related to the residual waste treated through energy from waste Cory and emitted through the operations of

the two waste transfer stations and transportation of materials. The Authority monitors emissions as part of implementing the Strategy Action Plan to achieve Net Zero. Table 3 below sets out the emissions data provided by Cory for Q1 of 2025/6. The Authority will be seeking to see emissions reduce over time.

Table 3. Greenhouse Gas Emissions for Waste Received and Processed Q1 2025/6

Greenhouse gas emissions	Unit	Q1 2025
Scope 1 – total	tCO ₂ e	61,852
Scope 1 – waste processed through Riverside 1 (fossil)	tCO ₂ e	61,168
Scope 1 – combustion of natural gas	tCO ₂ e	15
Scope 1 – combustion of gas oil for site and transport purposes	tCO ₂ e	661
Scope 1 – combustion of HVO for site and transport purposes	tCO ₂ e	8
Scope 2 – location based	tCO ₂ e	263
Scope 2 – market based	tCO ₂ e	0
Total gross Scope 1 and Scope 2 emissions	tCO ₂ e	62,115

Education Programme

2.20. The end of year statistics for educational visits and adult tours to the Smugglers Way Transfer Station and Materials Recovery Facility for the previous academic year 2024/25 are set out in the table below.

Table 1. Smugglers Way Visitor Numbers 2024/25 Academic Year

Schools Visits	Number of Visitors
98 sessions	2,107 children 364 adults (accompanying children)
Adult Resident Tours	Number of Adults
37 of which 12 were dedicated WRWA resident tours	315
1 outreach talk	40

2.21. The Education Team has run a series of Repair Workshops with year 6 school children, encompassing 30 children per workshop. The team is currently running on average 1 dedicated adult resident tour per month.

2.22. In addition, the WRWA team hosts tours as requested from the Constituent Councils and external organisations. In 2025, the team has hosted visits from the following:

- a) Hammersmith and Fulham Council Climate Team
- b) Wandsworth Council Planning Team
- c) Royal Borough of Kensington and Chelsea Elected Members
- d) Chartered Institution of Wastes Management
- e) New Zealand Government
- f) Bangladesh Government
- g) Fever-Tree Drinks company

2.23. For the current academic year, school booking slots for September 2025 are full and October-November bookings are filling up.

2.24. Smugglers Way Waste Transfer Station took part in the London Open House event for the first time, offering scheduled tours on the 17th and 18th September to see the Transfer Station in action. A total of 32 bookings were received across the two days.

Equality, Diversity and Inclusion

2.25. The Authority's Equality, Diversity and Inclusion ("**EDI**") Policy requires that the Authority reviews its implementation annually and each key area is reviewed below.

Recruitment, Selection, and Promotion

2.26. The Authority aims to encourage the highest quality candidates from all backgrounds to apply and ensures equal and fair treatment throughout the recruitment process.

2.27. The Authority has recruited to permanent positions of Managing Director, Administrative Assistant, Performance Information Officer and Education Officer since the last review of the EDI Policy in November 2024. EDI was clearly signposted as part of the recruitment processes and the Authority is also a Disability Confident employer.

2.28. The 2021 Census data for Western Riverside as a whole was used to compare information gathered on EDI monitoring forms during each recruitment exercise. The data is indicative only as it is limited to those that did submit monitoring forms. From the EDI monitoring information provided by candidates, the analysis demonstrates:

- When compared to WRWA's profile of 53% female, 47% male, the Education Officer role attracted a higher proportion of females (67%);
- The Administrative Assistant applicants broadly reflected the female population (51%);
- The Performance Information Officer reflected a higher proportion of male applicants (59%);

- The majority of applicants for the Education Officer, Administrative Assistant and Performance Information Officer were within the age range 25-34, which represents the largest category in the WRWA area (25.8%);
- Whilst not reflecting the exact figures, the applicants reflected the diversity of ethnic groups in the WRWA area;
- Broadly the percentages show a higher number of 'Asian or Asian British' applicants and a lower number of 'White' applicants than that of the local population which is 10.3% and 62.5% respectively.

2.29. WRWA's EDI monitoring data is shown in Appendix 2.

EDI training

2.30. An EDI training session, run by Wandsworth Council's Learning and Development team took place on Monday, 14th July 2025. The training serves as part of an induction for new members of staff but also as a mandatory refresher for current members of staff. It was agreed to set up a working group during the session and progress on this will be reported in future Performance Reports.

Procurement and Supply Chain Diversity

2.31. Contractors and suppliers that supply significant levels of services or goods to the Authority must provide evidence in annual equality, diversity, and inclusion reports to the Authority. Members will find the evidence supplied by Cory in September 2025, attached as Appendix 3 to this report.

Constituent Council New Recycling Initiatives

2.32. At the meeting of the Authority on 22nd September 2010 (Paper No. WRWA 669A) Members instructed the Clerk to write to each of the constituent councils to inform them that, in future, should they wish to make arrangements themselves to recycle any significant tonnage of waste then, in accordance with Section 48 of the Environment Protection Act 1990, they must, as soon as reasonably practicable, notify the Authority in writing. The Authority will then approve or object to any such proposal at its next available meeting. The Clerk wrote to the constituent councils, as instructed, on 27th October 2010.

2.33. The constituent councils have not formally notified the Authority of any new initiatives since the previous Authority meeting.

3. Results of consultation undertaken

3.1. No specific consultation has been undertaken on this report. However, the Household Waste Recycling Centre annual user satisfaction survey is currently underway.

4. Timetable for implementing this decision

4.1. None.

5. Comments from Treasurer

5.1. Financial Implications

There are no additional or specific matters to report as such (monitoring of the performance is undertaken by staff funded from the approved budgets for 2025/26). All the associated financial details are included in the mid-year financial performance report for 2025/26 (see separate report on this Agenda).

5.2. Legal Implications

The Clerk has been consulted in the drafting of this report and any comments have been incorporated.

6. Other implications

6.1. How will this contribute to the delivery of the Joint Waste Strategy? (<https://wrwa.gov.uk/strategy/>)

This performance report provides quarterly monitoring information on the implementation of the Joint Resources and Waste Strategy. It therefore gives an indication of how the Action Plans are being delivered, prior to adoption of formal key performance indicators by the Authority.

6.2. How is risk being managed?

WRWA has an adopted risk management and process, including the production of a corporate risk register that is regularly reviewed. In addition, the Authority's operational and contractual arrangements are subject to external scrutiny through its annual audit process, with any findings / recommendations being reported to both the Audit and Risk Committee and the Authority meetings on a regular basis.

6.3. What is the impact on the organisation?

None.

6.4. Equalities / EIA?

No EQIA has been conducted for this report, however in the development and consultation of the Joint Resources and Waste Strategy, the draft Strategy was subjected to a full Equalities Impact Assessment.

6.5. Implications for (or impact on) climate change and the environment?

All four Constituent Councils have declared climate emergencies. Implementation of the Action Plans built into the Joint Resources and Waste Strategy aligns with and supports the strategic objectives to reduce waste and minimise the Authority's impact on the environment.

6.6. Implications for partner organisations?

Effective performance management of the Authority's services and strategies supports and is key to the successful delivery of the Constituent Councils' corporate strategies.

Report author(s):

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Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Andrew Walster	Managing Director	10 th Sept 25	16 th Sept 25
Steven Ford	Operations Manager	10 th Sept 25	16 th Sept 25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	16 th Sept 25	22 nd Sept 25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	16 th Sept 25	19 th Sept 25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	16 th Sept 25	19 th Sept 25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	16 th Sept 25	22 nd Sept 25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	10 th Sept 25	16 th Sept 25
Hugh Peart	WRWA - Clerk	10 th Sept 25	11 th Sept 25
Sukvinder	WRWA - Treasurer	10 th Sept 25	19 th Sept 25

This report is published on the authority's website: [Meetings - WRWA](#)

Joint Resources and Waste Strategy Implementation Performance Monitoring Report 2025/6

Progress by priority project theme:

Performance Monitoring Report – Priority Projects – Q2 2025			
Priority Project	Owner	Progress to date	RAG
Reducing Contamination	WRWA and Constituent Councils	A review of the approach to MRF sampling has been conducted by an external consultant. A report has been issued, reviewed and circulated between the Constituent Councils and Cory. Next steps are to convene a joint meeting to discuss the report findings and confirm an agreed approach including the development of supporting communication materials for training.	A
Maximising recycling	WRWA	The flexible plastics material trial at the MRF is ongoing. Flexible plastics remain a non-target material and communications reflect this. The volume of plastic film has increased significantly (1 bale to 3 bales per day), and output material continues to meet specification with market outlets. Work under the Defra Improvement Action Plan Pilot is progressing. As part of the pilot, meetings have been conducted and requested data provided. A thorough review of the MRF & HWRC has taken place by external consultants with findings due to be reported to Defra in due course.	G
Increasing Reuse	WRWA and Constituent Councils	The Rework E-commerce site has been launched and is being signposted by the Authority. A letter of support has been submitted for Rework's Circular Electrical Fund bid. Discussions are ongoing with boroughs to support Mobile HWRC events with the aim of maximising recycling, reuse and understanding potential operational constraints and future opportunities.	G
Optimising Data	WRWA and Constituent Councils	Introduction meetings held with other London WDAs to share	G

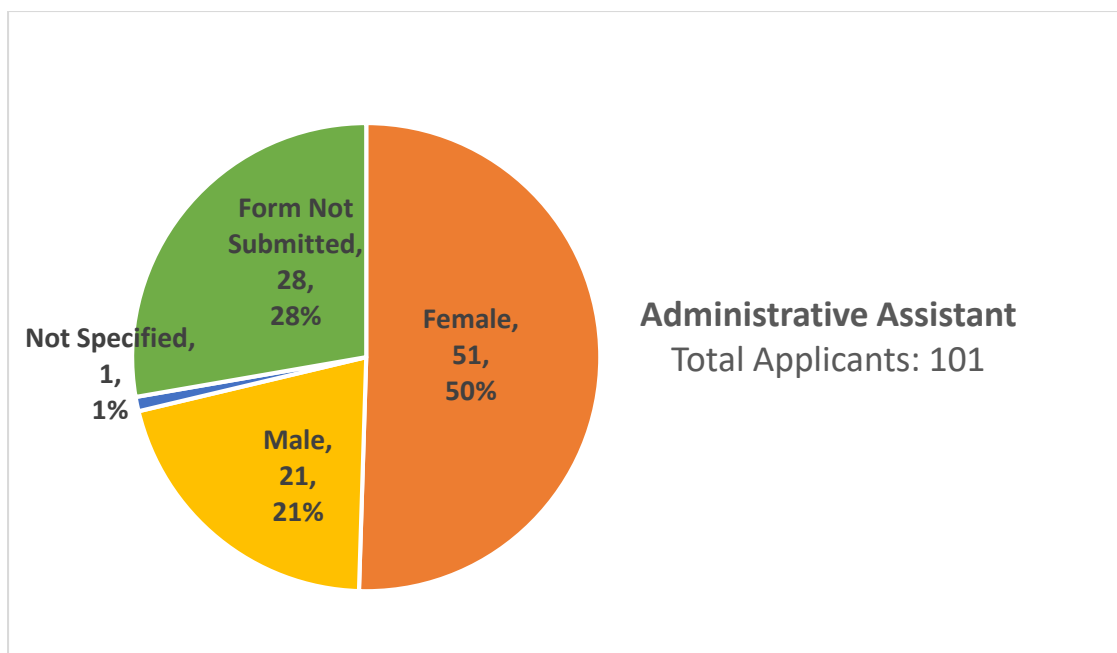
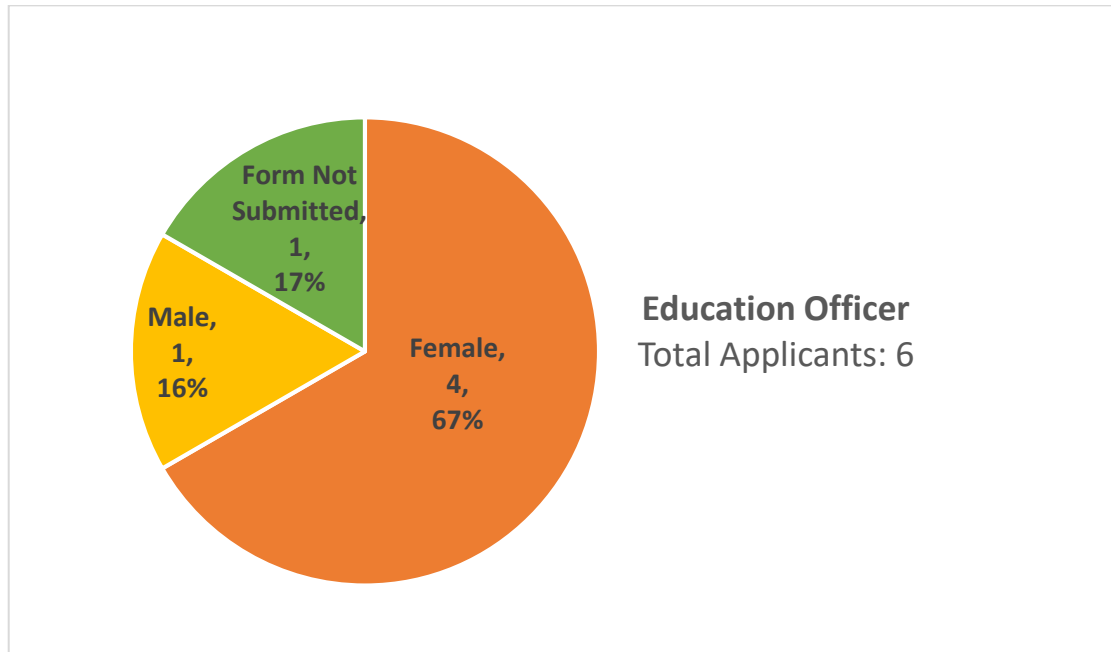
Performance Monitoring Report – Priority Projects – Q2 2025			
Priority Project	Owner	Progress to date	RAG
		knowledge and assumptions on future waste arisings.	
Education	WRWA and Constituent Councils	See Education update in Performance Report.	G

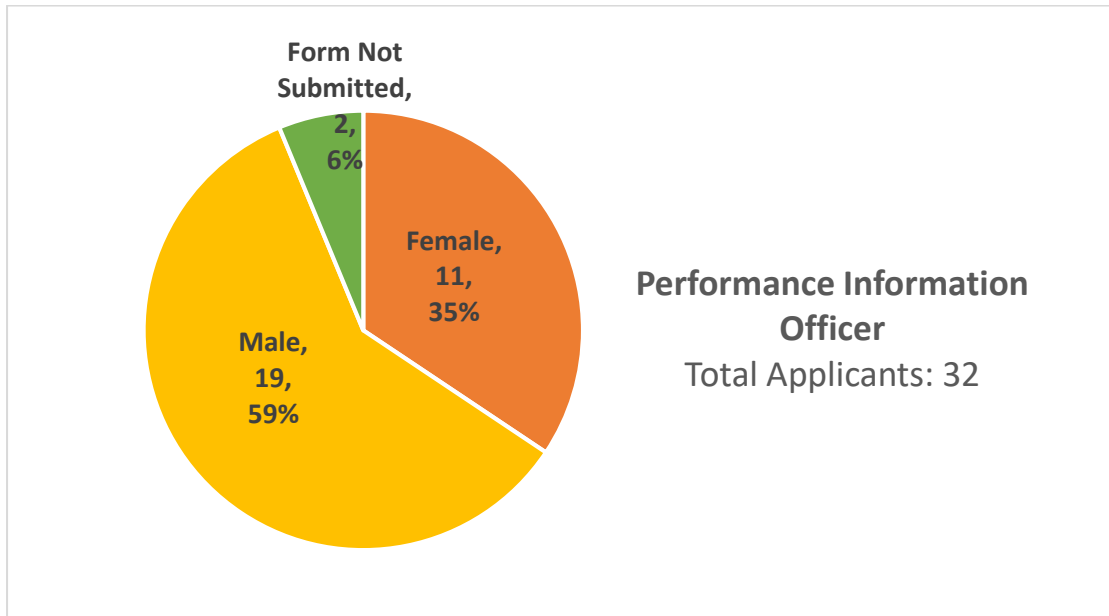
Item 9 - Appendix 2

WRWA Equalities, Diversity and Inclusion Data
Performance Report 2025/6

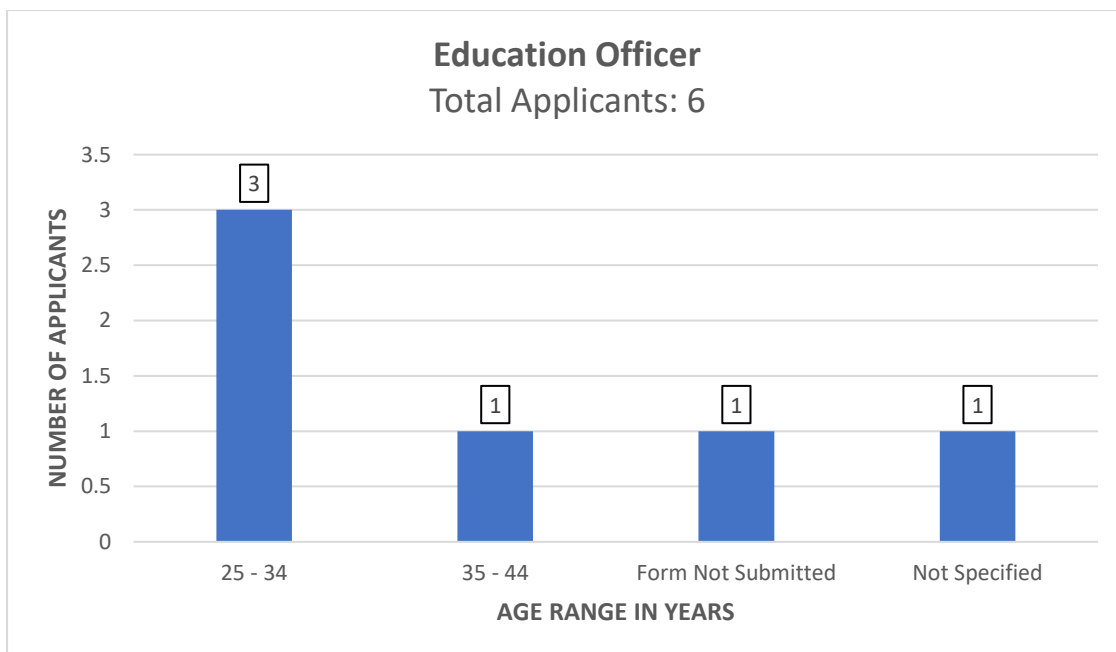
Progress by priority project theme:

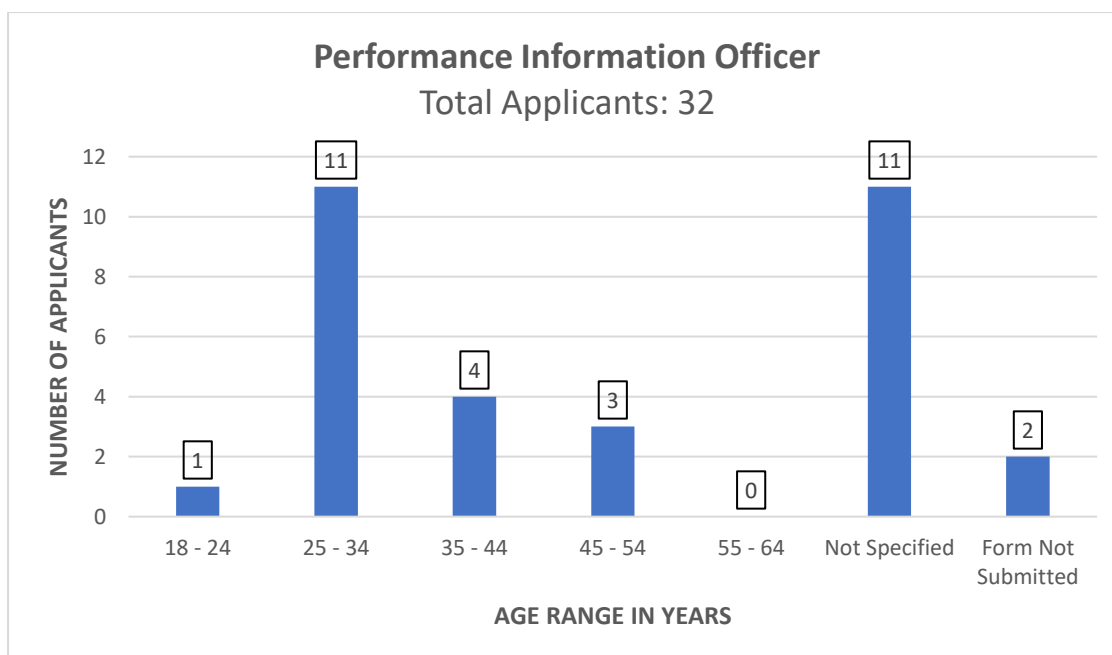
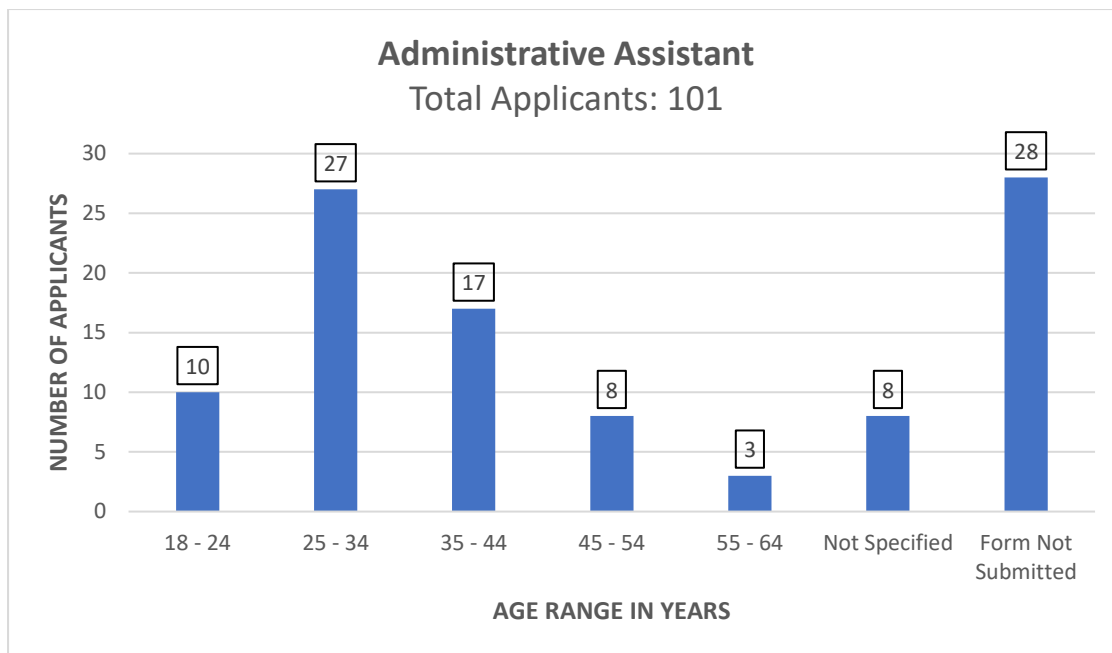
Sex of Applicants



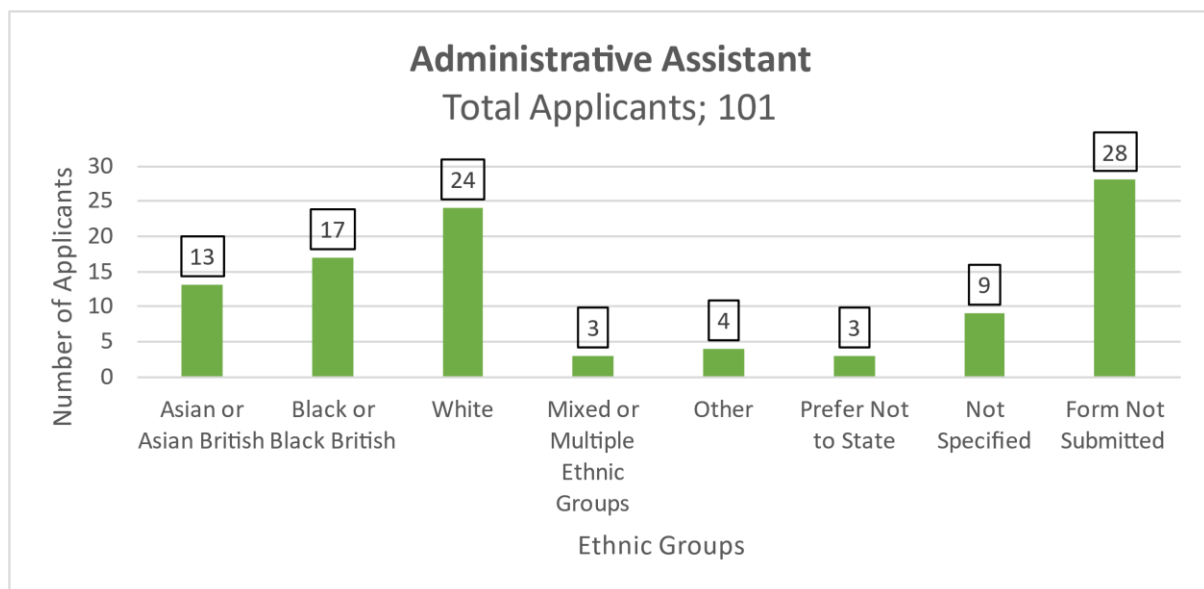
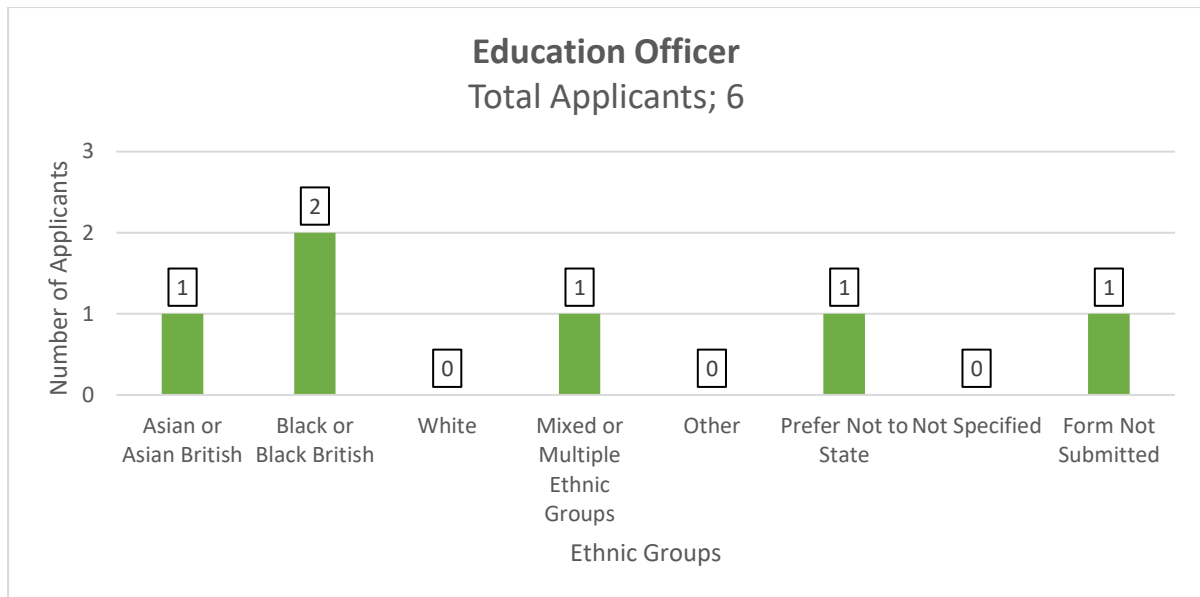


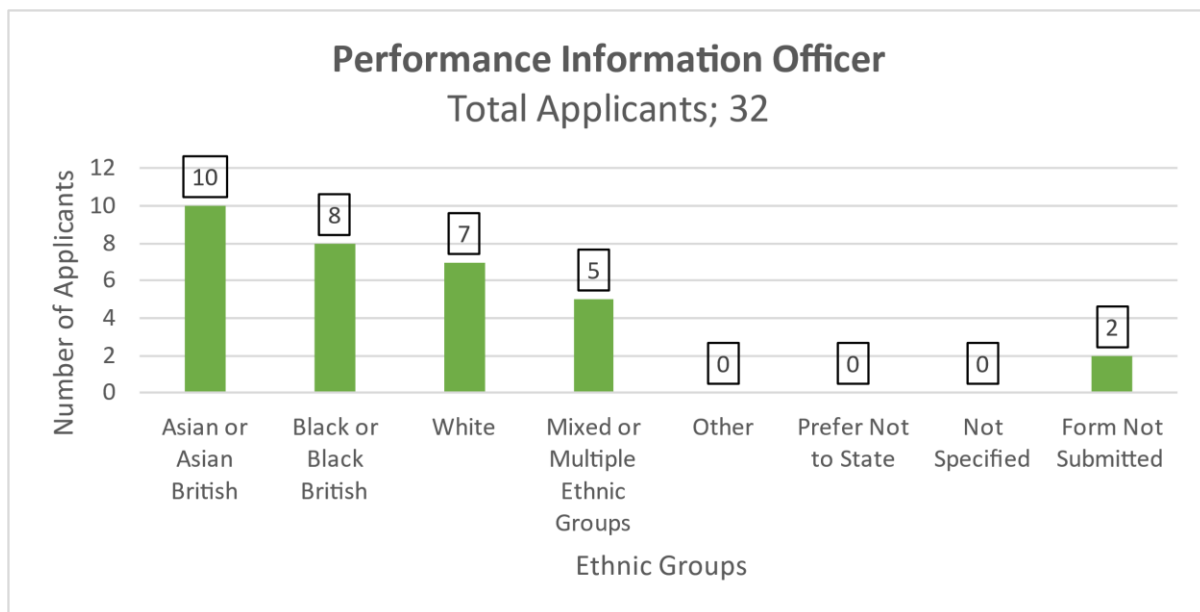
Age of Applicants





Ethnicity





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CORY GROUP

Equality, Diversity, and Inclusion Report for Western Riverside Waste Authority.

Introduction

This report, covering the period from late 2024 to date, is the fifth instalment from Cory on the topic of Equality, Diversity, and Inclusion (EDI). The aim of the report is to offer an update on our progress over the past year and outline our ambitions for the next 12 months in this field. Cory's ongoing commitment to fostering an inclusive and diverse workplace remains at the forefront of our efforts.

We take immense pride in our people, culture, and employment practices. Thanks to the dedication and continuous development of our workforce, we continue to enjoy high employee retention rates, with the average length of service among employees now approaching 15 years. We are looking forward to welcoming a further two employees to a celebratory lunch in Q4 2025 to mark their 20 years of service with us – in doing so, joining a growing band of extremely long serving employees.

While this longevity is a testament to our positive work environment, there are limited opportunities for significant changes to the diversity of our workforce, compared to organisations with higher turnover rates.

Regardless of this, we remain committed to proactively advancing diversity and inclusion within the Cory Group, recognising that demographic changes will take time but are essential for our future.

Our Employees

Cory's ongoing reputation as a place where employees not only want to work, but also choose to build long-term careers is evidence of our positive working environment. Our success as a Group is built on the exceptional skills and dedication of our employees. The high levels of service we consistently provide to the Authority are directly attributable to their talents and hard work.

We recognise that a diverse, engaged workforce, operating within an inclusive culture, is key to the success of both our employees and the Group as a whole. This commitment is encapsulated in one of our core values: "One Team."

We do not rest on our laurels or 'mark our own homework' - our activities are monitored and audited by various independent external bodies, including, Investors in People, GRESB and BSI.

Governance and Oversight

To build, maintain, and develop our inclusive culture, Cory employs a range of strategies and tactics. These range from positive encouragement and team-building initiatives to robust processes and procedures. Our Executive Team is deeply committed to fostering these values and ensuring that any behaviour or conduct inconsistent with these standards is met with a zero-tolerance approach.



The skills and the competence of our employees are governed by our industry leading Competency Management System which identifies the core skills and competencies required by all relevant employees' on the Authority's sites. This ensures that not only are their skills and competencies up to date, but that there is a clear and articulable plan for each employee to ensure that their development is full considered.

Cory not only complies with the Authority's Equality, Diversity, and Inclusion objectives but also embraces their intentions and spirit. This commitment is reflected in numerous areas, many of which the Authority is already familiar with through previous reports and daily interactions.

While some aspects may be familiar, they remain fundamental to the successful operation of the Cory Group and have been expanded upon in this report.

Recruitment, Selection, and Promotion

Our recruitment, selection, and promotion decisions are grounded in the principles of ability, performance, and potential. It is in our best interest to ensure that roles are filled from the widest talent pool possible.

We have established robust policies and procedures to protect the integrity of our recruitment, selection, and promotion processes. These are not only governed by the relevant legislative framework, including the Equality Act, the Asylum and Immigration Act, and the Rehabilitation of Offenders Act, but they also exceed the minimum statutory requirements. Our policies provide comprehensive guidance to ensure that best practices are followed.

All managers involved in these processes receive training in the core competencies required, emphasising the importance of transparency, fairness, and thorough documentation. These processes are supported and overseen by our HR Team, ensuring all roles are advertised appropriately and reasonable adjustments are made for candidates with disabilities.

Since the last report, our Recruitment & Apprentice Manager has taken formal oversight of recruitment across the group. Having a dedicated Recruitment Manager ensures that there is a consistent process, and we can recruit from the most diverse candidate pool available. They are also able to identify skills gaps and suggest alternative recruitment methods, notably increasing our apprenticeship uptake.

Learning and Development

Cory continues to take a personalised approach to learning and development. Each year, every employee's development plan is carefully mapped out and agreed upon in consultation with the employee, their line manager, and the Learning and Development Department. This approach ensures that every employee has the opportunity to develop and reach their full potential. This process is tailored by role to ensure that it is appropriate for all employees at all levels and stages of their careers.

Moreover, our Learning & Development Department actively considers and discusses the development needs of all employees, ensuring they receive the support they need.

Cory also offers targeted training in areas of equality, diversity, and inclusion, both for specific activities like recruitment and as part of our general training programs. Further details of the cultural awareness program we ran is detailed in a latter section.

Procurement and Supply Chain Diversity

Our commitment to diversity and inclusion extends beyond our own operations. Cory is committed to ensuring that our procurement and supply chain activities are aligned with our own vision, values company policies and procedures and positions, including but not limited to our Diversity and Inclusion Policy and Modern Slavery and Human Trafficking Statement.

One of our largest suppliers is ALS Managed Services who supply labour for the Material Recycling Facility. Cory has a bespoke agreement that governs this provision of labour which includes a strict set of key performance indicators that ALS are measured against.

ALS' Equality, Diversity, and Inclusion Policy includes a commitment to promote equality and diversity in all ALS' policies, practices, and procedures and in all areas where they have influence.

ALS always aim to recruit, train and promote the best person for the job and to create a working environment free from unlawful discrimination, victimisation and harassment in which all employees are treated equally and with dignity and respect.

To meet this objective, ALS has a policy of recruiting and developing people with suitable qualifications, experience, personal attributes, and potential into all roles, regardless of gender, marital status, sexual orientation, age, ethnic origin, colour, nationality, religion or disability of any kind.

Cory regularly meets with ALS to ensure that it is conforming to all its performance and contractual obligations, including in the field of equality diversity and inclusion.

Terms and Conditions

All terms and conditions available within the Group are operated in a fair and transparent way. All terms offered meet or exceed statutory requirements, and the Group has had no litigation related to employment matters amongst this Group of employees (or in fact Group wide) for many years.

All roles are graded by the HR Department using the Hay Job Evaluation system to ensure that the benefits, rewards, and pay are appropriate for the role. The Group's focus and recognition of the importance of this area is reflected by the existence of the REMCO Committee, which reports to the main Board, and maintains oversight and control.

The Group operates a range of policies that support employees in their personal and professional lives, including but not limited to:

- Flexible working
- Part Time and 'term time' working
- Enhanced maternity and paternity provisions
- Emergency leave policy for domestic difficulties

Since the last report we have added an Employee Welfare policy that summarises all we provide to support employees.

Our Policies are currently under a further review as we ensure that the forthcoming legislative changes are fully understood and captured.

Discipline and Grievance

The Group operates a zero-tolerance approach to bullying, discrimination harassment or victimisation. This is expressly covered in the Group's Disciplinary Policy. Any complaint of discrimination, victimisation and harassment will be dealt with swiftly and by an independent manager with the relevant skills and experience.

Disciplinary rules are enforced consistently across the whole group taking into consideration specific circumstances and facts. These processes are overseen by the HR Department who are professionally qualified to do so.

The HR Department are currently working on managerial training to ensure that all managers are well informed on how to work with HR in dealing with disciplinary and grievance matters swiftly and efficiently.

This commitment is highlighted by the confirmations statement to this effect being signed by the CEO

External Whistleblowing

The Group engages the services of See Hear Speak Up (www.seehearspeakup.co.uk) an independent third party whistleblowing service, this enables all employees to confidentially or anonymously if required report any wrongdoing or breaches of our policies or commitments. The service is set up to ensure that regardless of who the complaint is made against (up to and including CEO) there is an appropriate route for the concerns to be investigated.

This service is advertised throughout the Group's sites and can be used by anyone – not just employees.

The Group had zero reports to this service in the last 12 months

Monitoring and Evaluation

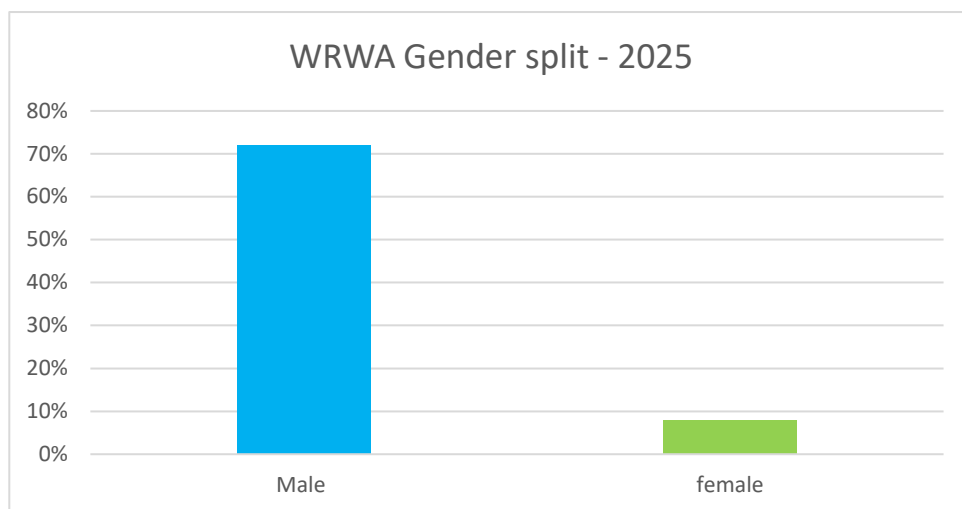
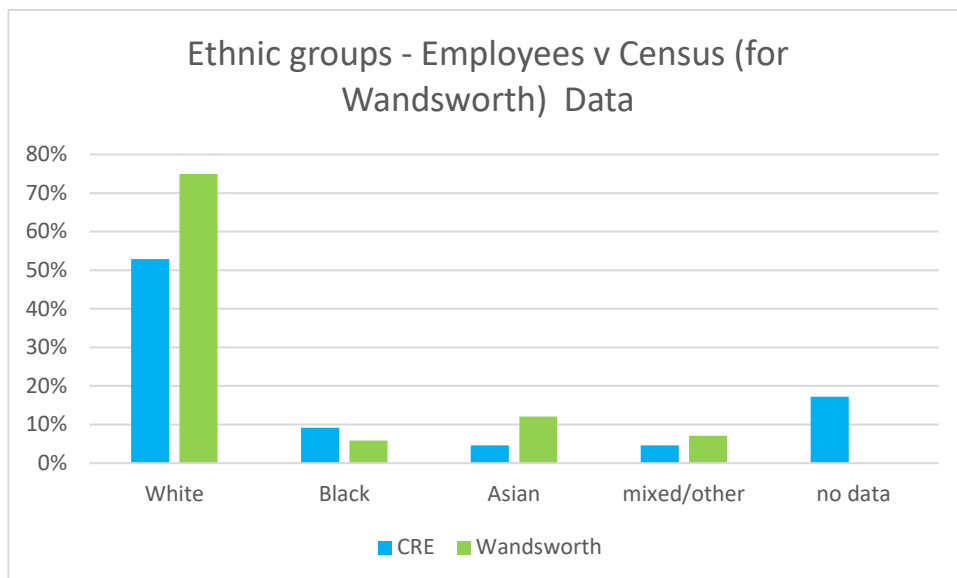
The Group regularly measures its core demographics, including but not limited to:

- Ethnicity
- Sex
- Age
- Sexual Orientation
- Levels of employees with a disability

The data is regularly reviewed at Executive Leadership Team level. We continue to compare against the demographics of the communities that we serve. As mentioned earlier in the paper due to the low levels of labour turnover, there are very slow-moving metrics.

In 2025, the Group continued to leverage Recuitee (its recruitment system) as a key platform for talent acquisition. By expanding our reach through this tool, we have been able to access a broader and more diverse candidate pool, particularly for hard-to-fill and specialist roles. Recuitee's collaborative hiring features and inclusive job advertising capabilities have supported our commitment to fair and equitable recruitment practices. This approach has contributed to improved representation across several underrepresented groups within our workforce.

As highlighted above these continue to change relatively slowly, although you can see there has been more significant movement in the Black and Mixed/Other groups than in recent years. Our gender split remains the same as 2023/4.



Board Oversight

The Group has a Board sub-committee, REMCO, which consists of the Chair, CEO, Director of HR and four shareholder Directors, which has corporate responsibility for all employment matters including Diversity, Inclusion and Equality. This committee meets at least twice a year and ensures that these matters are fully covered and considered at full Board level.

In addition to this the Group has sophisticated risk management processes that were implemented in collaboration with Marsh Risk Management Consulting Practice. The successful retention, recruitment and management is an express 'risk' that is identified. Within this risk, Diversity, Equality, and Inclusion are identified as a key component.

These risks are formally reviewed quarterly, by the risk management team which consists of the 'risk owner' – the Director of HR, and the head of Risk Management & Compliance. The risks and control measures are consistently reviewed, and their effectiveness is tested. The findings of these risk reviews are then reported, via the Board Audit and Risk committee.

This approach ensures that the Board has two formal routes, in addition to the numerous 'day to day' routes to monitor evaluate and provide oversight and governance to in this field.

External Evaluation

The Group continues to be regularly evaluated externally by Investors in People, GRESB, and formally audited by BSI for our performance in operating effective systems and processes to ensure that we are meeting the high standards that we set ourselves and the Authority demands. We would be happy to share the relevant parts of these reports with the Authority.

Performance against 2024/25 Targets

The Authority will recall that the Group set itself the following target for 2024/25 namely:

- Set up and roll out Cultural Awareness training across the business, capturing every employee.

I am pleased to confirm that significant progress has been made on this target, over 20 courses have been completed and visited each Cory site– including Cringle and Smugglers. The entire ELT has been through the course and attendance has been measured at almost 90% of other employees.

The feedback has been positive, and the conversations and challenges set by these conversations have, whilst difficult at times, been rewarding and some real changes in behaviour and actions have been noted. We shall run further courses in the coming months to ensure as many employees attend as possible.

Targets for 2025/26

- Monitor the Employment Rights Bill and implement all changes
- Increase engagement with Hirecracker and Fairer Chance to increase diversity in our hiring pools
- Monitor the Employment Rights Bill and implement all changes

The Employment Rights bill is likely to be the largest change in employment rights in a generation. The Group prides itself on ensuring that it meets and exceeds its statutory obligations. Therefore a lot of time and effort will be required to ensure that all of these changes are identified and the relevant actions identified and implemented. As an Investor in People, we do not anticipate many of the 'basic provisions' of the Act will impact us greatly, however we need to ensure full compliance.

- Increase engagement with Hirecracker and Fairer Chance to increase diversity in our hiring pools

Cory is committed to reaching marginalised groups and therefore will extend its relationship with Hirecracker to seek ways to engage more former service personnel into our workforce. It will also work with a Fairer Chance, a CIC that specializes in getting former offenders back into the workplace.

Conclusion

It is with a sense of satisfaction that the Group continues to welcome the Authority's interest and commitment in these areas and welcomes and encourages any feedback or areas of challenge so that we can continue to make strides to the best employer that we can. We acknowledge that we can always learn and make improvements, therefore any further engagement is welcomed.

Whilst we are proud of record and progress made and incredibly proud of our entire workforce, we recognise that only by continuing to seek to improve can we maintain the high standards that we set ourselves.



Toby Warren
Director of HR – Autumn 2025

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Public report 25-26

WRWA Authority Meeting

14th October 2025

Report of:

Treasurer

Boroughs affected: All

Title:

Financial Review of 2025/26 – Mid Year

Executive summary:

Strategic Operating Environment - the Authority's finances will be affected and influenced by the overall national fiscal financial policies (inflation/ interest rates), any existing and new legislation that may be implemented for the waste industry, in particular the Emissions Trading Scheme and Extended Producer Responsibility (EPR) and our contractual/ commercial arrangements with Cory.

At its meeting 11th February 2025, the Authority approved a **2025/26 Budget** based on the following key principles:

- a charge of £174 per tonne for domestic waste and a charge of £32 per tonne for recycling
- limiting the Levy (the element charged on borough property numbers) to a 4% increase
- 2.5% for pay and prices (in line with service contractual terms)
- £6.5m subsidy of Apportionment of Waste Disposal Costs (AWDC) rates to be funded via the EPR Grant (thereby protecting our Reserves)
- the current charging methodology for the AWDC/ Levy charges is extended for 2025/26.

This report presents the quarter 2 financial position for the Authority along with the forecast position for the year end. The review of this position during 2025/26 indicates that there are some variations, and the overall position is summarised in the table below, with the details set out in Appendices A and B).

Explanation	£000
Net Approved Budget (before use of subsidy)	6,498
Effect of electricity pricing on AWDC (current estimate)	3,570
Unbudgeted Triad Income (Levy Account)	-1,733
Additional Investment Income/ Interest (Levy Account)	-687
Underspend on Operating Expenditure (Levy Account)	-113
Use of Reserves	-1,037
Net Position	6,498

Reserves – the Authority’s reserves at the end of March 2025 totalled £34.183m (detailed in paragraph 3.10) and these *may* reduce to £32.146m at the end of March 2026. The potential reduction of £2.037m representing £1m repayment of the PWLB loan (as expected) and £1.037m potentially caused by adverse electricity prices.

Recommendations:

The Authority is recommended to:

- 1) Review the analysis, forecast outturn and reserves position for 2025/26 (Appendices A & B).

List of Appendices included:

The following appendices are attached to the report:

Appendix A – Projected AWDC Costs and Income 2025/26

Appendix B – Projected Levy Cost 2025/26

Background papers:

Paper No. WRWA 25-03 Report of the Treasurer on the Authority’s Budget and Levy for 2025/26 and the prospects for 2026/27 and beyond.

Other useful documents

None.

Has it or will it be considered by the Audit and Risk Committee?

No.

Has it or will it be considered by any constituent Council or other body?

Yes.

Report title: Financial Review of 2025/26 – Mid-Year

1. Context (or background)

- 1.1. The majority of the Authority's costs are driven by the weight and composition of waste collected and delivered by constituent councils. These are recharged to the constituent councils at a specified rate per tonne set when the budget is produced each year which reflects the estimated cost to the Authority under the disposal contract with Cory. The basis of this recharge is set out in an agreement between the constituent councils and the Authority dated 12th February 2009 (see Paper No. WRWA 629). The Authority and constituent councils agreed to an extension of the current agreement from April 2017 for a period of a further eight years until March 2025.
- 1.2. For 2025/26 the agreement was extended by one year to allow further time to evaluate options for apportionment that all constituent councils could agree on. Section 151 Officers were consulted on this proposal (one year extension) and were in agreement.
- 1.3. For 2026/27 any future agreement needs to be agreed by all constituent councils and if agreement cannot be reached a statutory charging mechanism (default basis) will be applied. S151 Officers of all constituent councils will continue to be consulted on new charging mechanism options with a decision still to be made in advance of final budget setting in February 2026.
- 1.4. The General Running Costs of the Authority comprises all costs which are not allocated to the individual waste streams and include the cost of Household Waste and Recycling Centre (HWRC) waste and Authority overheads, including Business Rate costs. These costs are apportioned as a residual Levy among constituent councils on the basis of their Council Tax bases. This basis of charge is set out in The Joint Waste Disposal Authorities (Levies) Regulations (England) 2006.

2. Options considered and recommended proposal

- 2.1. The Authority is recommended to review the analysis of expenditure and income (and the subsequent effect on Reserves) so far in 2025/26 with this report representing actual spend and income received to the end of August 2025 forecast to March 2026.

3. Results of consultation undertaken

Forecasting of 2025/26 Outturn

Key Assumptions

- 3.1. Inflation levels – A complex mix of indices make up each element of contractual disposal rates per waste stream. The 2025/26 budget was set on an assumed rate of £174 for general waste sent to the EfW plant (derived from a gross budget of £191.2 (£1.2 of that being electricity charges) less £17.02 subsidy), and £32 for co-mingled recycle (derived from a gross figure of £62.7 offset by £30.7 recycling subsidy).

- 3.2. Electricity sold at Belvedere EfW plant – Under the contract, electricity prices form part of the General Waste rate. The Authority receives income from the electricity generated if the market price exceeds a set 'threshold' (uplifted under the terms of the contract, currently £86.92 per MWh in 2025/26). However, below this threshold the Authority incurs a charge (above a floor currently £57.85 per MWh in 2025/26). Electricity rates are variable depending upon the market price achieved for the energy. The energy portfolio is managed via a Power Purchase Agreement with an energy provider who strive to achieve the best value via a mixture of selling in advance at a closed price and achieving an 'open' value based upon the day ahead price within the market. The 2025/26 budget was set on an assumed average energy rate of £85 per MWh across the year.
- 3.3. Tonnage levels – These are normally based on current trends.
- 3.4. Contamination levels in the recycle.
- 3.5. Legal and consultancy costs in relation to discussions with regard to Cringle development, the Joint Waste Management Strategy and future procurement strategy.

Trends and Issues

- 3.6. When setting the budget both the general waste rate and the co-mingled rate for 2025/26 were subsidised (via the EPR Grant rather than reserves) as follows:

	Council charge per tonne	Subsidy per tonne	Subsidy £000
General Waste	£191.00	£17.20	£4,558
Co-mingled Recyclables	£62.67	£30.67	£1,940
Total Grant use			£6,498

- 3.7. The position for the year is outlined in the Financial Summary at Appendix A which demonstrates the latest forecast for 2025/26. The original budget for AWDC rates income for 2025/26 and the Annual Levy for each borough is shown below:

	Original Budget			Latest Estimates		
	AWDC Charges £'000	Annual Levy £'000	Total £'000	AWDC Charges £'000	Annual Levy £'000	Total £'000
Hammersmith & Fulham	9,499	869	10,368	9,999	869	10,868
Kensington and Chelsea	10,421	970	11,391	10,078	970	11,048
Lambeth	16,349	1,165	17,514	15,636	1,165	16,801
Wandsworth	14,287	1,443	15,730	14,122	1,443	15,565
Total	50,556	4,447	55,003	49,835	4,447	54,282

3.8. Whilst it can be seen that there is movement at this point in the year, the variables with the position above reflects the following key differences compared to the original budget:

- a) Decreased energy income
- b) Tonnage variance
- c) Anything else.

3.9. Based on the current Q2 forecast the Authority may need to use additional Reserves of £1.037m in additional to usage of the EPR Grant and assumed Triad income received. Further forecasting of 2025/26 expenditure and income will occur at Q3 before the final budget is set in February 2026 and adjustments made where appropriate to maintain stable prices for the constituent councils in future years. The final decision on this will be made at the 2026/27 budget setting meeting.

3.10. The reserves outlook is previously discussed in the final paragraph 4 of the executive summary and detailed further in the below table. Whilst reserves are forecast to drop further than forecast in February 2025, this is still higher than the February 2024 forecast due to the reduced subsidy (and reserves usage) needed in 2024/25.

	1 st April 2025 Budget	1 st April 2025 Actual	1 st April 2026 Forecast
	£0	£0	£0
General Fund Reserve	4,479	4,479	4,479
Stabilisation Reserve	13,871	16,654	15,617
Capital Reserve	10,000	10,000	10,000
Loan Repayment Reserve	1,000	1,000	0
Recycling Reserve	250	250	250
Pension Liability Reserve	1,800	1,800	1,800
Total Usable Reserves	31,400	34,183	32,146

2026/27 and beyond

3.11. Budget planning has commenced in September 2025, and the Authority is expecting to have a better view of future energy prices in particular over the coming months. Initial proposals for budget setting will be presented to the Authority in December 2025 with final budget setting the following February 2026. Budgets will be set on end on the December data in contrast to end of November data as has been used in prior years. Constituent councils and respective S151 officers will be consulted in advance of the Authority meetings.

3.12. HWRC and Authority overheads (that calculate the levy charge) are apportioned among constituent councils on the basis of their Council Tax Bases as required by statute. The current agreement ends on 31st March 2026. Initial modelling has been presented to S151 Officers of constituent councils in September 2025 with further evaluation of options for apportionment to continue through the autumn. The aim is for all constituent councils to agree the apportionment method in advance of the

December 2025 Authority meeting. If an agreement cannot be reached the statutory charging mechanism (default basis) will be applied.

4. Timetable for implementing this decision

4.1. The following data or decisions will be presented at future Authority meetings:

December 2025

- Draft budget 2026/27 and 2027/28
- Outcome of levy charging mechanism consultation

February 2026

- Final budget 2026/27 and forecast budget 2027/28
- Q3 forecast for Outturn 2025/26
- Confirmation of levy charging mechanism (deadline 13th February 2026).

5. Comments from Treasurer

5.1. Financial Implications

As noted throughout the paper.

5.2. Legal Implications

None

6. Other implications

None to be reported as part of the mid-year review.

Report author(s):

Name: Sukvinder Kalsi

Title: Treasurer

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Enquiries should be directed to the above person

Contributor/approver name	Title / authority	Date doc sent out	Date response received or approved
Contributors:			
Alicia Attoe	WRWA Deputy Treasurer	15/9/25	15/9/25
Constituent authority comments sought: (officers)			
Bram Kainth – <i>Executive Director of Place</i>	London Borough of Hammersmith and Fulham	19/9/25	23/9/25
Beau Stanford-Francis – <i>Executive Director for Environment and Neighbourhoods</i>	Royal Borough of Kensington and Chelsea	19/9/25	23/9/25
Venetia Reid-Baptiste – <i>Corporate Director of Residents and Enabling Services</i>	London Borough of Lambeth	19/9/25	23/9/25
Paul Chadwick – <i>Executive Director of Environment and Community Services</i>	London Borough of Wandsworth	19/9/25	23/9/25
Names of approvers: (officers)			
Andrew Walster	WRWA - Managing Director	16/9/25	16/9/25
Hugh Peart	WRWA - Clerk		
Sukvinder Kalsi	WRWA - Treasurer	17/9/25	17/9/25

This report is published on the authority's website: [Meetings - WRWA](#)

Projected AWDC Costs and Income

<u>Direct Tonnage costs (AWDC)</u> (tonnage assumed to remain constant)	2025/26 Budget	Forecast	Variance
	£000	£000	
<u>Operating Expenditure</u>			
General Waste	52,325	53,847	1,522
Co-mingled Recyclate	3,965	4,524	559
Other	764	1,532	768
	57,054	59,303	2,849
<u>Direct Tonnage Income (AWDC)</u>			
General Waste			
Hammersmith & Fulham	-8,488	-8,236	252
Kensington and Chelsea	-9,590	-9,236	354
Lambeth	-15,298	-13,898	1,400
Wandsworth	-12,745	-12,178	567
Co-mingled Recyclate			
Hammersmith & Fulham	-451	-398	-53
Kensington and Chelsea	-429	-421	8
Lambeth	-445	-742	-297
Wandsworth	-700	-767	-67
Contamination			
Hammersmith & Fulham	-440	-408	32
Kensington and Chelsea	-267	-276	-9
Lambeth	-385	-760	-375
Wandsworth	-553	-814	-261
Other			
Hammersmith & Fulham	-119	-957	-837
Kensington and Chelsea	-135	-145	-10
Lambeth	-221	-236	-15
Wandsworth	-289	-363	-74
	-50,556	-49,835	721
AWDC (surplus)/ deficit	6,498	10,068	3,570

Tonnage assumptions in the above:

		2025/26	
	Budget	Forecast	Variance
General Waste (excl contaminated)			
Hammersmith & Fulham	48,401	47,337	-1,064
Kensington and Chelsea	54,684	53,078	-1,606
Lambeth	87,233	79,870	-7,363
Wandsworth	72,673	69,987	-2,686
HWRC	8,393	8,716	323
Total	271,384	258,988	-12,396
Co-mingled Recyclate			
Hammersmith & Fulham	13,975	12,435	-1,540
Kensington and Chelsea	13,314	13,147	-167
Lambeth	13,789	23,200	9,411
Wandsworth	21,693	23,957	2,264
HWRC	284	429	145
Total	63,055	73,168	10,113

Appendix B

Levy Cost

	2025/26 Budget	2025/26 Forecast	2025/26 Variance
	£000	£000	£000
Employees	851	897	46
LPFA Levy	-35	-35	0
Business Rates	1,225	1,217	-8
Administration & General -Legal/ Consultancy Costs	900	873	- 27
Administration & General - Other direct costs	285	374	89
WBC Financial support	85	65	-20
LBC Admin support	32	32	0
External Audit	73	73	0
HWRC site Tonnage and running costs	2,633	2,422	-211
Capital Financing	0	18	18
Total Cost	6,049	5,936	113
Miscellaneous Income*	-1,061	-1,748	-687
Triad Income 2024/25	-	-1,733	-1,733
REP land payment	-116	-116	0
Deferred Income	-425	-425	-425
Transfer from Reserves	0	0	0
Levy Income	-4,447	-4,447	-4,447
Total Income	-6,049	-8,469	-2,420
Levy (surplus)/ deficit	0	(2,533)	(2,533)

* Breakdown of Miscellaneous Income:

	£000	£000	£000
CCLA and Wandsworth Holding Investment	-593	-1,274	-681
Westminster	-277	-286	-9
Feather's Wharf (rental income)	-159	-159	0
Vale Street	-25	-20	0
Other	-7	-9	-2
	-1,061	-1,748	-687

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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