

6. Relationship with LondonEnergy Ltd

- 6.1** This year was the first full year since the company formerly known as LondonWaste Ltd was rebranded to LondonEnergy Ltd (LEL) in September 2017. This change was intended to provide a visible indication of a cultural change in the company, responding to meet the challenges of delivering London's circular economy. An example of this has been the development of LEL's graduate training programme. Seven graduates were recruited in Autumn 2017, and six graduates were recruited in Autumn 2018. Members of the latter cohort were invited to present to the Authority meeting in December 2018.
- 6.2** The Authority is the sole owner of LEL. A Shareholder Group, comprising the Authority Chair and Vice Chairs supported by Authority officers oversaw the Authority's interest in the Company. LEL Directors have prepared their own annual report to the Authority, which is presented to the Authority at the AGM and available separately on the Authority's website - nlwa.gov.uk/governance-and-accountability/authority-meetings/.
- 6.3** A major operational development affecting LEL in 2018 was that on Friday 4 May a contractor undertaking minor grounds work at the EcoPark caused a loss of power to the whole plant and a shutdown of all boilers and turbines. When the power was restored a turbine was unable to operate. The turbine had to be removed from the site for inspection. While repairs were undertaken the turbine remained out of operation for the remainder of the year. This placed increased emphasis on LEL to manage use of the EcoPark plant effectively.
- 6.4** The company's turnover was £65,696,000, arising principally from:
- contracts with the Authority for the disposal of waste;
 - sales of electricity;
 - some contracts with other waste disposal authorities for treatment of their waste; and
 - operating reuse and recycling centres (RRCs) under contract to the Authority.
- 6.5** Notwithstanding the loss of a turbine, as noted above, for part of the year, LEL increased the proportion of waste it received that was recycled or converted to electricity to 96.5% (95% in 2017).
- 6.6** LEL made a profit before tax of £1,363,000 and an overall profit after tax of £977,000 for the 2018 year.
- 6.7** In December 2018 Authority members announced an agreement that they are looking forward to working with LEL towards a contract to manage the waste collected by the seven north London boroughs and to operate a replacement energy recovery facility (ERF) at the Edmonton EcoPark, which is being developed under the North London Heat and Power Project. The project is described in more detail in section 7.