

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:** GOVERNANCE OF LONDONENERGY LTD

**REPORT OF:** MANAGING DIRECTOR

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 24 APRIL 2025

**SUMMARY OF REPORT:**

This provides a regular report on the Governance of LondonEnergy Ltd. The Authority is the 100% shareholder of the company. This report covers the company's performance from January to February 2025.

**RECOMMENDATIONS:**

The Authority is recommended to note the comments on the Company's performance and activities in the January/February 2025 Report.

**SIGNED:** .....  ..... Managing Director

**DATE:** 10 April 2025

## **1. INTRODUCTION**

- 1.1. Following decisions made at the February 2010 meeting of the Authority covering a range of issues connected with the control of LondonEnergy Ltd (LEL) by the Authority, this is the regular report to update Members on the governance of the Company and its financial performance.
- 1.2. The Authority is the 100% shareholder of LEL. The Authority officer team manage a close relationship with LEL, providing both challenge and support - and ensuring both organisations act in alignment to deliver sustainable waste disposal services. The LEL Executives and Board have the key responsibility to deliver their services and to operate in a safe, sustainable and cost-effective manner.

## **2. QUARTERLY REPORTS**

- 2.1. LEL provides quarterly reports to the Authority covering the financial performance of the Company and the main operational issues experienced. This provides shareholder information to enable Members to be briefed on key information concerning the operation of LEL. The report covering the period January and February 2025 is at Appendix A.
- 2.2. The Energy from Waste (EfW) facility exceeded its operating budget capacity during this period. The facility treated 91k tonnes of residual waste against a budget of 88k tonnes. This was primarily due to there being fewer service interruptions than expected in these two months.
- 2.3. There were no planned outages on the boilers within the Energy Centre during the period.
- 2.4. While there were no significant unplanned outages in this period, LEL did experience roller grate failures on boilers 1, 4 and 5. LEL are investigating the causes of these failures to determine whether changes should be made to operations or if there are issues with the quality of the grates.
- 2.5. The percentage of materials recycled at Reuse and Recycling Centres averaged 70% in January and February 2025 (on a weighted average basis), this is a strong performance at this quieter time of the year.

## **CAPITAL PROJECTS**

- 2.6. Following the energy from waste facility condition survey which reported in 2023, the LEL budget for 2025 includes £5.7m of capital projects to support the resilience of the plant (in 2024 this was £7.3m). The most significant of the 17 projects planned for this year are detailed below. Given the anticipated need to maintain the existing facility longer than previously planned, LEL have re-engaged Ramboll to

conduct a risk-based review of what further capital investment must be delivered before the planned end of life date. Given the limited life of the existing Energy from Waste plant, all project costs are treated as an expense, rather than capitalised. The largest investments relate to:

2.6.1 Boiler refurbishment for boilers 2 and 4 – value £1.4m. This is the final year of a 2-year project which is a once-in-a-generation investment and therefore LEL should be able to return to normal boiler outage programmes from next year.

2.6.2 Flue gas treatment structural repairs and replacement - £1.0m

2.6.3 Effluent treatment plant - £0.5m

2.6.4 Bottom ash conveyor steelwork – value £0.5m

### **3. HEALTH AND SAFETY**

3.1 The Board of LondonEnergy Ltd is legally responsible for Health and Safety matters and closely monitors the Company's performance. The report at Appendix A sets out the continued improvements which have been achieved in reducing the accident frequency rate by employees and contractors in the last year. This is welcome progress but requires continued drive and initiative to maintain high levels of safety management.

### **4. PUBLIC RELATIONS**

4.1. There were eleven compliments and five complaints, for the period January to February 2025. The compliments praised fast service, helpful staff, well-organised sites, and the ability and ease for recycling a wide range of materials. The complaints were in relation to a safety incident involving a wooden pole, a van being denied entry at the Edmonton EcoPark, a slip and fall at the King's Road Recycling Centre, as the lack of readily available first aid on site, unsafe driving of a Company lorry at Hornsey Street and a report on staff conduct. Complaints were investigated and were either resolved in a satisfactory manner or in the process of being resolved. Updates of actions taken are communicated to the complainants where details are provided.

### **5. LONDONENERGY LTD BOARD**

5.1 The following directors served during the period:

Don Lloyd (Non-executive Director) Chair

Ulla Rottger (Non-executive Director)

Martha Desmond (Non-executive Director)

Clyde Loakes (Non-executive Director)  
Peter Zinkin (Non-executive Director)  
Rebecca Rennison (Non-executive Director)  
Rowena Champion (Non-executive Director)  
Mike Hakata (Non-executive Director)  
Ian Williams (Non-executive Director)  
Craig Miller (Non-executive Director)  
Martin Capstick (Non-executive Director)  
James Kendall (Managing Director)  
Justin Price (Finance Director)

The Company Secretary remains as Kathy-Ann Pearce

## **6. EQUALITIES IMPLICATIONS**

6.1 There are no equalities issues arising from this report

## **7. COMMENTS OF THE LEGAL ADVISER**

7.1 The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

## **8. COMMENTS OF THE FINANCIAL ADVISER**

8.1 The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

### **List of documents used:**

None

### **Contact officer:**

Martin Capstick  
Unit 1b Berol House  
25 Ashley Road  
London N17 9LJ  
[post@nlwa.gov.uk](mailto:post@nlwa.gov.uk)



**LondonEnergy**

Powering the Circular Economy

# Interim Quarterly Report to North London Waste Authority



# Interim first quarter 2025 Report (January – February)

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## **1. EXECUTIVE SUMMARY**

### **1.1 Overview of January/February 2025**

#### **Operations**

The Energy Centre has delivered strong operational performance across all key metrics during the first two months of 2025 with waste throughput and electricity generation performance ahead of targets.

Safety performance across the organisation continues to improve, with lower accident frequency rates being recorded compared to the same period in 2024.

LondonEnergy continues to make significant progress in its comprehensive transition programme, working closely with NLWA to ensure strategic alignment across all workstreams.

Ensuring a safe and successful transition to the new Energy Recovery Facility remains the organisation's highest priority.

## **2. OPERATIONS**

### **2.1 Energy Centre (EC) Operations**

The Energy Centre has delivered strong operational performance across all key metrics during the first two months of 2025, positioning us well for the remainder of Q1.

Overall Equipment Effectiveness (OEE) has exceeded budget targets, achieving 89.0% in January and 92.7% in February against an 88.0% target. OEE is a measure which combines a measurement of availability of plant, tonnage throughput when it is operating and the quality of incineration.

Waste throughput has consistently outperformed budget, with the facility processing approximately 2,860 tonnes of additional waste compared to projections. For two consecutive months, 100% of NLWA residual waste was successfully treated via the Energy Centre facility without requiring any waste to be sent to third-party facilities.

Performance and availability metrics have been excellent, with waste throughput and electricity generation performance ahead of targets.



## **2.2 Recycling and Waste Operations**

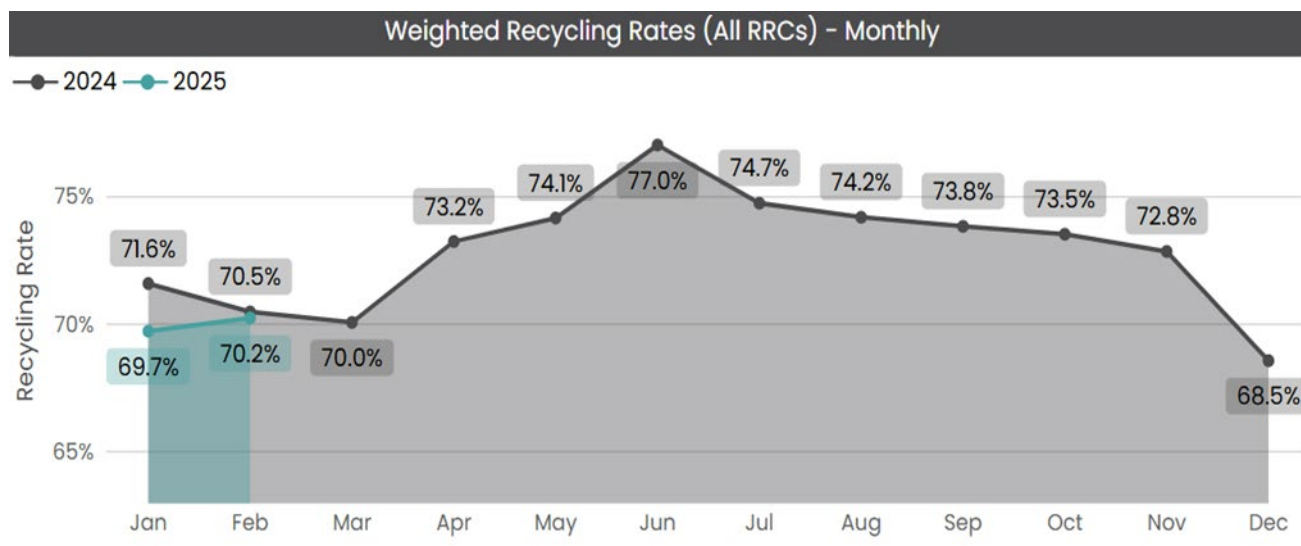
### Reuse and Recycling Centres (RRCs)

The recycling rates at Recycling and Reuse Centres (RRCs) averaged 70% during the first two months of the year – a strong performance in what is a quieter period at the recycling centres.

The Kings Road Reuse shop recovered 15.6 tonnes of reusable items in the first two months, generating over £24,000 in revenue.

RRC visitor numbers show consistent demand for our services. The South Access Road facility has seen a 76% increase in visitors compared to early 2024 (6,372 vs 3,612 monthly average). This increase may be connected with the recent closure of the Gateway Road RRC, although tonnages at Sotuh Access Road have increased by only around 10%. The increased usage has been well managed by the LEL team to ensure safe operations while delivering excellent customer service.





## Transport

There have been no prohibition notices issued, nor MOT failures or roadside checks undertaken by the DVSA. LEL has FORS Gold Accreditation for the next twelve months and will maintain green Operator Compliance Risk Score (OCRS).

The OCRS a measure used by DVSA to decide which vehicles should be inspected. OCRS is used to calculate the risk of an operator not following the rules on roadworthiness (the condition of its vehicles) and traffic, for example drivers' hours or weighing checks. It is more likely that an operator's vehicles will be inspected if the OCRS is high - LEL's score is extremely low as measured by the "Green" status.

## **3. SHAREHOLDER MATTERS**

### **3.1 Number and names of directors for January/February 2025**

There were a total of 13 serving directors on the LEL Board during the period. They are as follows:

- Don Lloyd (Non-executive Director) – Chair, Board
- Ulla Rottger (Non-executive Director) – Chair, Transition Committee
- Martha Desmond (Non-executive Director)
- Clyde Loakes (Non-executive Director)
- Rowena Champion (Non-executive Director)
- Mike Hakata (Non-executive Director)
- Peter Zinkin (Non-executive Director) – Chair, Audit & Risk Committee
- Rebecca Rennison (Non-executive Director) – Chair, Remuneration & People Committee
- Ian Williams (Non-executive Director)
- Craig Miller (Non-executive Director)
- Martin Capstick (Non-executive Director)
- Jim Kendall (Managing Director)
- Justin Price (Finance Director)

The Company Secretary is Kathy-Ann Pearce.

## **4. HEALTH, SAFETY, QUALITY AND ENVIRONMENT (HSQE).**

### **4.1 Safety Performance**

The Accident Frequency Rate (AFR) continues its downward trend for both employees and contractors compared to previous years. This positive trajectory is evident in both metrics - with

and without Dangerous Occurrences included. By February, employee AFR had decreased to 26 (from 30 in January), while the combined employee and contractor AFR improved to 41 (from 49 in January).

There were no prohibition or improvement notices issued by regulatory bodies in the quarter.

## **4.2 Environmental Compliance**

Emission Limit Values remained within consented limits for the majority of January and February, with seven exceedances reported to the Environment Agency year-to-date. These were primarily as a result of explosions caused by gas bottles in the residual waste stream.

A positive Environment Agency audit in January resulted in no significant issues, with potential regulatory improvements identified to address gas bottle explosion-related exceedances through a permit variation.

## **5. PEOPLE**

### **5.1 HR report**

LondonEnergy continues to demonstrate strong operational resilience while maintaining a stable workforce. Key highlights from January-February 2025 include:

- Headcount remained steady at approximately 400 employees

LEL continues to support employee wellbeing and development. Activities in the period include:

- Launch of the innovative "Night Club" initiative in March to support shift workers' wellbeing, providing expert-led sessions on sleep health, nutrition, and mental wellbeing
- Successful completion of a mentoring programme with Leytonstone School, with 10 employees collectively providing over 40 hours of mentoring
- A new mentoring programme with Harris Academy Tottenham beginning in summer 2025
- Proactive flu vaccination programme implemented to address winter illness trends

These initiatives reflect LondonEnergy's ongoing commitment to creating a positive workplace culture while supporting employee development and wellbeing.

### **5.2 Communications.**

Communication, recognition and engagement activities in the period included:

- LEL being shortlisted for the Safety and Health Excellence Awards in the "Safer Logistics" category, recognizing the Life-Saving Rules initiative
- Strong employee engagement with internal communications through the monthly newsletter
- Positive external media coverage of fleet modernization with 12 new Volvo FM trucks featuring enhanced safety features

LEL also continues to focus positively on delivering social value. Community and sustainability initiatives in the period included:

- Introduction of a dedicated pedestrian drop-off zone at Hornsey Street Reuse and Recycling Centre, enhancing accessibility for local residents
- Launch of a new charity partner selection process based on employee forum feedback
- Continued focus on innovative circular economy applications, showcased through stakeholder visits

## **6. LEL's STRATEGIC PRIORITIES**

### **6.1 Transition Programme and NLHPP**

LondonEnergy continues to make significant progress across our comprehensive transition programme, working in close collaboration with NLWA, and with key LEL technical staff embedded within the NLHPP to ensure strategic alignment and coordinated delivery across all workstreams.

Our transition to the new Energy Recovery Facility (ERF) remains our highest organisational priority. Despite the uncertain delivery timetable presenting a risk to the LEL Transition Portfolio, we are encouraged by the ongoing construction activity and positive engagement with NLHPP towards achieving the completion of the design work. We are using this period to develop a detailed transition 'Playbook' that will be ready to execute 30 months before first fire of the new plant. This will include agreed parameters for dual running the current Energy from Waste (EfW) facility alongside the new ERF.

For waste operations, we are preparing to present our final EcoPark South closure report in April, following certification of Taylor Woodrow's work completion on 12th February. We are also working constructively with London Borough of Barnet colleagues to finalise Waste Transfer Facility designs at Geron Way to similar timescales

We remain focused on maintaining safe, reliable operations throughout this period of significant change, ensuring our transition plans support NLWA's strategic objectives and contribute effectively to the successful delivery of the NLHPP programme.