

Freedom of Information Request 2022-194

Minutes for Authority Reports on the Governance of LondonEnergy Ltd from December 2019 to December 2020

Meeting Date	Report	Minutes	Decisions
02/12/2019	Governance of LondonEnergy Ltd	<p>Consideration was given to the report of the Managing Director.</p> <p>The meeting was informed that the financial performance of LondonEnergy Ltd (LEL) had been discussed at length by the Member Finance Working Group. It was noted that the relationship between the Authority and LEL was symbiotic and it would not be in the interests of the Authority for the company to fail.</p> <p>In response to a query as to why the cost impact of the shutdown of the EcoPark for three weeks to install and commission new electrical switchgear was not included in the baseline cost of the North London Heat and Power Project, when that baseline had only recently been finalised, it was confirmed that the scenario had not been specifically foreseen. However, it would be funded out of risk provision within the overall project budget.</p> <p>Members discussed the value of equipment at the Energy from Waste plant and suggested that a strategy be developed for the realisation of value associated with the decommissioning of the plant.</p> <p>ACTION BY: Managing Director</p>	<p>RESOLVED –</p> <p>(i) THAT the comments on the Company’s performance and activities be noted; (ii) THAT the Company’s budget for 2020 be approved; (iii) THAT it be agreed that the Authority increase the gate fee for tonnages treated arising through Hendon transfer station as set out in section 3; (iv) THAT it be agreed that the Authority meet costs of £2.771m associated with shutting down the EcoPark to install new switchgear, which was needed for the North London Heat and Power Project; (v) THAT the Company’s business plan for the period to 2025 be noted; (vi) THAT it be noted that further proposals for gate fee changes from 2022 onwards would be considered by the Members Finance Working Group and recommendations made to the Authority in due course; (vii) THAT the report for the quarter ending 30 September 2019 on the Company's activities at Appendix A be noted; and (viii) THAT the implementation of the Company’s arranged banking facility as previously approved be noted.</p>
13/02/2020	Governance of LondonEnergy Ltd	<p>Consideration was given to the report of the Managing Director.</p> <p>The Managing Director of LondonEnergy Ltd (LEL) commented that the commissioned standby turbine had been delayed by three to four months. An insurance claim was being made for business interruption. He informed the Authority that there had been unplanned outages during November and December 2019 following an oversized item in the boiler causing blockages.</p> <p>In response to questions, the LEL representative stated that the engineering team had been called out to the Triveni manufacturing facility in India in November 2019 and January 2020 to witness the final factory acceptance tests of the control and safety systems for the turbine. The work was found to be good quality although the systems were not in a complete state. The visits were not wasted as progress could be witnessed, although it had been disappointing that work was not complete. The cost of visiting was borne by the contractor.</p>	<p>RESOLVED –</p> <p>THAT the Authority:</p> <p>A. noted the comments on the Company’s performance and activities; and B. noted the report for the quarter ending 31 December 2019 on the Company's activities at Appendix A.</p>
13/02/2020	Parent Protection for LondonEnergy Ltd	<p>This report outlines mechanisms which could be used to provide financial protection for LondonEnergy Ltd (LEL) if any future events affected the company’s going concern status.</p>	<p>The Authority is recommended to:</p> <p>A. Note the actions being taken to assist LondonEnergy Ltd in strengthening their financial position; B. Note the risk exposure of LondonEnergy Ltd, and North London Waste Authority as shareholder, to events which could have a major impact on the company’s</p>

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			viability; C. Note possible mechanisms for Authority support if needed D. Agree that a report be prepared for the Authority meeting on 2 April 2020, providing more specific proposals for managing the risks to LondonEnergy Ltd's finance.
02/04/2020	Governance of LondonEnergy Ltd ¹	[No minutes taken]	RECOMMENDATION – A. THAT the Company's performance and activities be noted B. THAT the report for the two months January and February 2020 on the Company's activities at Appendix A be noted.
25/06/2020	Governance of LondonEnergy Ltd	Consideration was given a report of the Managing Director. In introducing the report, the Managing Director apologised for two typing errors in the report and made the following amendments to the report:- On page 133 the depreciation line in the table in section 2.7 should read [redacted] in the first column, [redacted] in the second column and [redacted] in the third column. On page 153 the headings in the four columns of the balance sheet table should read March 2020, February 2020, December 2019, March 2019. Members expressed their condolences on the death of an LEL employee with suspected Coronavirus.	RESOLVED – (i) THAT the comments on the Company's performance and activities be noted; (ii) THAT the report for the First Quarter 2020 on the Company's activities, at Appendix A of the report, be noted; (iii) THAT the renewal of the Chair's appointment to January 2023 be noted and the reappointment of Tania Songini and Ray Georgeson as non-executive directors be approved, as set out in paragraphs 9.2 to 9.4 of the report; (iv) THAT authority be delegated to the Clerk, in consultation with the Chair and Vice Chairs, to commission and oversee a review of the relationship between the Authority and LondonEnergy Ltd as set out in paragraphs 9.5 and 9.6 of the report.
24/09/2020	Governance of LondonEnergy Ltd	Consideration was given to the report of the Managing Director. The Managing Director apologised that the Board Reports Pack at page 360 of the agenda pack had been inadvertently included with the papers. The Chair suggested that the second recommendation to delegate authority to the Managing Director to enter into a waste management contract variation be in consultation with the Chair and Vice-Chairs. It was noted that there was a conflict between the comments by NLWA officers in Item 15 Service Updates and LEL in its Quarterly Report with regard to problems arising from the introduction of weighbridge software. The Chair suggested that a meeting be held between Members with an interest, LEL, NLWA officers and Directors of Environment from the Boroughs to discuss this in more detail. ACTION BY: Managing Director	On being put to the vote it was, with 13 votes in favour, none against and one abstention: RESOLVED – (i) THAT the comments on the Company's performance and activities be noted; (ii) THAT authority be delegated to the Managing Director, in consultation with the Chair and Vice-Chairs, to enter into a waste management contract variation with LondonEnergy Ltd in connection with the proposed transfer of operations from Hendon to Wembley as described in section 5; and (iii) THAT the report for the Second Quarter 2020 on the Company's activities at Appendix A be noted.
03/12/2020	Review of Relationship with LondonEnergy Ltd	Consideration was given to the report of the Clerk.	RESOLVED – THAT the Authority:

¹ This was an informal meeting of the Authority as the COVID-19 pandemic prevented Members from meeting in person.

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		<p>The Managing Director informed the meeting that, following discussion, it was expected that the Chair and Vice-Chairs of the Authority, supplemented by NLWA officers, would be appointed to the Board of LondonEnergy Ltd.</p> <p>Members commended all those involved in the review of the relationship with LondonEnergy Ltd. The Chair noted that the new Managing Director had been asked to reflect on the review report and his experiences within the company to formulate a response from LondonEnergy Ltd. He commented that the North London Heat and Power Project was a significant infrastructure project. The skills and experience needed by the Board would change over time.</p>	<p>A. Noted the report provided at Appendix A to the report; B. Noted developments since the report was commissioned, described in section 3; C. Considered the proposed early actions to take forward matters identified in the review; and D. Noted the proposed approach to appointment of Directors and delegated to the Managing Director, in consultation with the Chair and Vice Chairs, authority to make appointments to the LondonEnergy Ltd Board.</p>
03/12/2020	Governance of LondonEnergy Ltd	Consideration was given to the report of the Managing Director.	<p>RESOLVED –</p> <p>THAT the Authority:</p> <p>A. Noted the comments on LondonEnergy Ltd’s performance and activities; B. Noted the report for the Third Quarter 2020 on the Company’s activities, included at Appendix A to the report; C. Approved the Company’s Budget for 2021; and D. Noted the Business Plan for 2022-2025.</p>