

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: GOVERNANCE OF LONDONENERGY LTD

REPORT OF: MANAGING DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 27 APRIL 2023

SUMMARY OF REPORT:

As the sole shareholder of LondonEnergy Ltd (LEL), the Authority receives regular reports on the service delivery and governance of the Company. This provides the report covering January and February 2023.

RECOMMENDATIONS:

The Authority is recommended to note LEL's performance and activities.

SIGNED:  Managing Director

DATE: 27 April 2023

1. INTRODUCTION

- 1.1. North London Waste Authority (NLWA) is the 100% shareholder of LondonEnergy Ltd (LEL). In addition LEL is the main contractor delivering waste disposal and recycling services for the waste generated by the Authority's seven constituent boroughs.
- 1.2. The NLWA 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

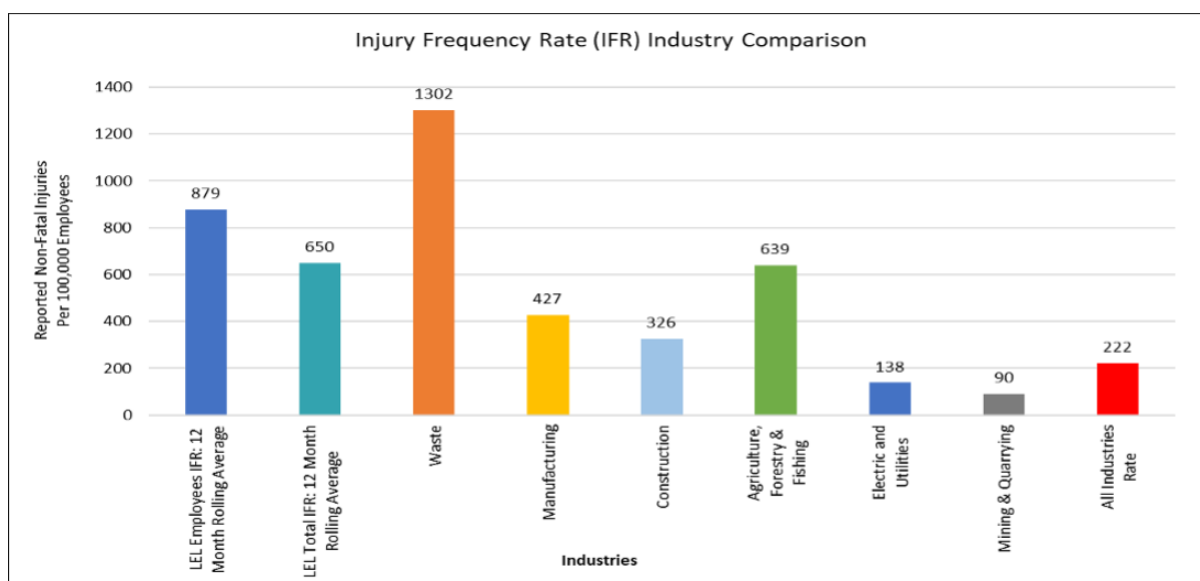
- 2.1. LEL provides quarterly reports to NLWA. These are reported to Authority meetings as follows:
 - 2.1.1. Quarter 1 of the Company's year (January to March) – June Authority meeting
 - 2.1.2. Quarter 2 of the Company's year (April to June) – October Authority meeting
 - 2.1.3. Quarter 3 of the Company's year (July to September) – December Authority meeting
 - 2.1.4. Quarter 4 of the Company's year (October to December) – February Authority meeting
- 2.2. This report provides an interim update covering January and February. The full quarter's performance will be reported at the June Authority meeting.
- 2.3. The energy from waste facility has five boilers which burn the waste and four turbines which generate electricity from the heat. The company has successfully completed the installation of a fifth turbine ("TA5"). TA5 does not increase electricity generation but operates as a spare which can be used when one of the other turbines is not functioning. Until TA5 was installed in 2022, any loss of availability of a boiler or turbine reduced the capacity of the facility to manage residual waste. TA5 has been successfully commissioned. This has allowed a planned overhaul of turbine TA4 to take place. The overhaul began in February and is likely to take some months. In the meantime the Company has been able to operate well, and it has been particularly valuable to be able to maintain generating capacity at a time when electricity demand and prices have been high.

- 2.4. LEL measures the availability of the energy from waste facility. This was 95.5% in January and February, taking account of the fact that there was no planned boiler maintenance and TA5 provided back up when TA4 was taken out of service. 87,900 tonnes of waste was processed in the energy from waste facility, generating 45,700 MWh of electricity.
- 2.5. While the existing energy from waste facility has a limited life, with construction underway on the new energy recovery facility at the EcoPark, there is ongoing investment to ensure the plant can continue to operate to high safety and environmental standards. Currently this includes installing equipment to extract excess carbon monoxide in the bunkers of the plant. The bunkers are where the waste is tipped in the energy from waste plant. Carbon monoxide can be formed as waste decomposes, especially if it is wet. Investment is also being undertaken to upgrade the hydraulics system in the cranes which take waste from the bunkers. This is to improve the efficiency of operation.
- 2.6. LEL operate six reuse and recycling centres. The percentage of materials collected at those centres which was recycled averaged 74.6% in February and 73.7% in January.

3. HEALTH AND SAFETY

- 3.1. The Board of LEL is legally responsible for Health and Safety matters and closely monitors LEL's performance.
- 3.2. LEL's safety performance compared to other related sectors is shown in the graph below. IFR is the Injury Frequency Rate. This is calculated by taking the number of reportable injuries as defined by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and dividing that by the number of workers so that comparable data are collected for all industries.
- 3.3. Regrettably the waste sector has a high injury rate, and it is important to LEL and NLWA as shareholder that LEL seeks to perform contrary to this trend.
- 3.4. LEL's performance is shown in the two left hand columns – measuring for LEL employees only and for all incidents on LEL sites which includes thousands of members of the public visiting reuse and recycling centres and employees of other companies (including borough waste services) visiting LEL sites in the course of their work. The most common injuries on LEL sites are members of the public suffering cuts and strains carrying waste they have brought to reuse and recycling centres. The injury frequency rate for both employees only and when considering employees, contractors and members of the public using LEL sites (LEL Total) is lower in comparison with the wider waste industry – the sectors with the lowest scores tend to have strong safety rules excluding members of the public, which is not realistic for a company operating reuse and recycling centres. The Company continues to take

initiatives both to ensure the safety of its staff and contractors and also to ensure that injuries are minimised for members of the public.



4. PUBLIC RELATIONS

- 4.1. LEL records compliments and complaints about customer service. There were three compliments and four complaints for the period January to February. The compliments related mainly to good housekeeping at reuse and recycling centres. There was one complaint about staff behaviour which is being investigated. Other complaints related to policies including the need for bookings for vans using reuse and recycling centres and the timing of closing of sites.

5. LONDONENERGY LTD BOARD

- 5.1. The following directors served during the period:

Don Lloyd (Non-executive Director) – Chair
 Ulla Rottger (Non-executive Director)
 Clyde Loakes (Non-executive Director)
 Peter Zinkin (Non-executive Director)
 Rebecca Rennison (Non-executive Director)
 Rowena Champion (Non-executive Director)
 Mete Coban (Non-executive Director)
 Ian Williams (Non-executive Director)
 Doug Wilkinson (Non-executive Director)
 Martin Capstick (Non-executive Director)
 James Kendall (Managing Director)
 Justin Price (Finance Director)

6. EQUALITIES IMPLICATIONS

6.1. This report does not give rise to any issues concerning equalities.

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.

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