

## NORTH LONDON WASTE AUTHORITY

**REPORT TITLE:** ANNUAL REPORT OF DIRECTORS OF LONDONENERGY LTD

**REPORT OF:** MANAGING DIRECTOR

**FOR SUBMISSION TO:** AUTHORITY MEETING

**DATE:** 19 JUNE 2025

### SUMMARY OF REPORT:

This provides the annual report of the Directors of LondonEnergy Ltd and sets out the performance and activities of the Company in the Authority's financial year 2024/2025.

### RECOMMENDATIONS:

The Authority is recommended to note the report.

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

**DATE:** 9 June 2025

## **1. BACKGROUND**

- 1.1. As the sole shareholder of LondonEnergy Ltd (LEL), the Authority receives regular updates on LEL matters and an Annual Report of the Directors of the company.
- 1.2. The company's Annual Report for 2024/25 is attached as Appendix A.

## **2. OVERVIEW OF LEL DIRECTORS' ANNUAL REPORT**

- 2.1. The Company's financial year runs from January to December and the results are for the year ended 31 December 2024.
- 2.2. In the year ended 31 December 2024 LondonEnergy made a profit after tax of £6.3m, (this figure is subject to revision ahead of the Annual General meeting as some costs are still to be confirmed and the financial audit is not yet complete), against a budgeted loss of £0.1m
- 2.3. The underlying financial performance was stronger than expected due to investing into a dedicated capital projects programme team and a focused management effort on cost control. Over the course of 2024 maintenance costs were under budget by £3m, this is due to efficiency gains from carrying out the capital projects and the operational outage programmes together.
- 2.4. The Company provided a high degree of service at facilities including transfer stations and public reuse and recycling centres so that residents benefitted from reliable waste disposal arrangements. Notable service improvements included the successful introduction of services at EcoPark reuse and recycling centre following the public opening of the facility in July 2024.
- 2.5. The Company places priority on health and safety. LEL was re-awarded the Gold award from the Royal Society for the Prevention of Accidents (RoSPA) for its health and safety performance. As part of LEL's commitment to minimise risks to employees and reduce accidents, during 2024 LEL's accident frequency rates continued to be significantly lower than that for 2023. Further work to address the widening gap between performance by LEL employees and that of contractors was due to take place in early 2025.
- 2.6. During 2024, LEL continued its programme of training and awareness focused on the prevention of serious incidents and fatalities. The programme has been developed and implemented by the oil and gas industry and involves adoption of nine "life-saving rules" aimed at effectively controlling the risks most likely to cause significant harm.

- 2.7. In terms of the Board, during 2024 Craig Miller was appointed as a non-executive director following the resignation of Doug Wilkinson. Changes also recorded included the resignation of Mete Coban and the appointment of Mike Hakata to the board as a non-executive director.

### **3. EQUALITIES IMPLICATIONS**

- 3.1. The Human Resources section of the report highlights the action which the Company is taking to develop staff and promote equality in the workplace.

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

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

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

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

#### **Contact officer:**

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## **APPENDIX A: ANNUAL REPORT OF THE DIRECTORS OF LONDONENERGY LIMITED**

### **1. Introduction**

- 1.1 Since December 2009 LondonEnergy Ltd (LEL) has been owned 100% by NLWA. The Company provides a range of waste management services to the Authority through a contract that was awarded by the Authority in December 2014. This is the annual report from the Directors of LondonEnergy Limited to the Authority summarising the performance and activities of LondonEnergy Limited for the year 2024.

### **2. Directors and Board Meetings**

- 2.1 The following non-executive directors, appointed by NLWA, served during the Authority year:

Don Lloyd (Non-executive Director) appointed Chair February 2021  
Ulla Rottger (Non-executive Director) appointed July 2019  
Martha Desmond (Non-executive Director) appointed May 2023  
Clyde Loakes (Non-executive Director) appointed January 2021  
Peter Zinkin (Non-executive Director) appointed January 2021  
Rebecca Rennison (Non-executive Director) appointed January 2021  
Ian Williams (Non-executive Director) appointed January 2021  
Martin Capstick (Non-executive Director) appointed January 2021  
Rowena Champion (Non-executive Director) appointed July 2022  
Mike Hakata (Non-executive Director) appointed July 2024  
Craig Miller (Non-executive Director) appointed December 2024  
Mete Coban (Non-executive Director) resigned July 2024  
Doug Wilkinson (Non-executive Director) resigned October 2024

- 2.2 The following executive directors, who are responsible for the day-to-day activities of the Company, served during the Authority year:

- 2.3 Justin Price (Finance Director) appointed January 2022  
James Kendall (Managing Director) appointed permanently December 2021

- 2.4 Directors attend LondonEnergy Ltd board meetings which are held quarterly. Signed copies of confidential board minutes are submitted to each NLWA meeting for information. These appear on the exempt part of the agenda (the Part II section). The NLWA as shareholder is also advised of the Company's progress through Quarterly Reports to NLWA meetings.

- 2.5 The audited statutory accounts will be adopted at the Company's Annual General Meeting currently scheduled for 10 July 2025.  
The Company produces an annual Sustainability Report which supports the statutory accounts.

### **3. Finance and Operations**

- 3.1 In the year ended 31st December 2024 LondonEnergy Ltd made a profit after tax of £6.3m (this figure is subject to change ahead of the AGM as some costs are still to be confirmed and the financial audit is not yet complete), against a budgeted loss of £0.1m.
- 3.2 This includes making electricity generator levy payments of £2.7m
- 3.3 This underlying financial performance was stronger than expected due to investing into a dedicated capital projects programme team and a focused management effort on cost control.
- 3.4 Capital costs were £2m under budget. £0.4m relates to the asbestos clean up project which was completed ahead of schedule and budget. A further £0.6m was saved on other capital projects throughout the year by continuous project management with contractors, which was only possible due to the dedicated resource. There was a £1m favourable position in 2024 due to projects being carried over into 2025.
- 3.5 Over the course of 2024 maintenance costs were under budget by £3m, this is due to efficiency gains from carrying out the capital projects and the operational outage programs together.
- 3.6 Other operational savings (£1.6m) were made as a result of increased scrutiny on contract renewals, contract scope reviews and an increased company-wide focus on supplier management.
- 3.7 The Company remained debt-free throughout the year. Cash reserves at the end of 2024 were £20m. This balance is expected to reduce over time, due to decreasing electricity revenues and the continuing requirement to fund the extended asset life programme in the Energy Centre and maintain the operational assets over the life of the Business Plan
- 3.8 Despite significant maintenance programs on 2 of the 5 boilers during the year and the outage in November 2024 (as a result of third party damage to one of our export cables), the Company successfully delivered the requirements of its waste contracts in 2024 and the Reuse and Recycling Centres (RRCs) achieved an average recycling rate of 75%.
- 3.9 In the year the Energy Centre exported 212,000 MWh of electricity and despite the extended outage programs, the Company still diverted over 99% of the waste received away from landfill.

## **4. Business Review**

- 4.1 LondonEnergy Ltd has continued to provide a high level of service to NLWA during the period. LEL manages the waste delivered by the seven boroughs to its centres in Hornsey Street, Wembley, and the Edmonton EcoPark. This waste is either recycled, turned into electricity in the Energy Centre or sent for further processing by third parties. In addition, the Company delivers services direct to residents at seven RRCs across the region.
- 4.2 The Company supports the NLWA in developing the North London Heat and Power Project (NLHPP). During 2024 plans for handover between the EfW and ERF were further developed – this included the thinking around the potential dual running of the existing EfW and the new ERF during the period around handover from one facility to the other.
- 4.3 EcoPark House was successfully handed over to LEL on 13 September, with the first use for internal NLWA/LEL meetings happening in November. Colleagues at the NLWA have developed a programme for educational visits, with the first test visit by a local school taking place in December. The Sea Cadets are expected to move back into the EcoPark by Q2 2025.
- 4.4 The EcoPark RRC was successfully opened to the public on 15th July 2024 and service has ramped up. From an operational perspective, the EcoPark RRC is now considered business as usual.
- 4.5 LEL regularly reviews and updates its management systems, including operational and maintenance regimes, to ensure that critical assets including the Energy Centre can continue to operate safely and efficiently until their replacement as part of the NLHPP. LEL's management systems are accredited to the relevant ISO standards for quality, safety, and environmental management. An external audit of the systems in November 2024 concluded that LEL's commitment to customer and to the organisation's management systems was evidenced, and that the Company's approach in operating its management systems was seen to provide an effective overall framework to support continual improvement.
- 4.6 During periods of planned maintenance, the condition of key elements of the Energy Centre are assessed and a programme of capital project works devised. During the course of 2024, NLWA instructed consulting engineers Ramboll to update their condition survey of the Energy Centre. The resulting report is due mid 2025 and the findings will be incorporated into the capital programme, which is formally reviewed once a year by LEL and NLWA.
- 4.7 The capital programme has previously seen improvements in the Company's critical systems, including its turbines, export transformers and the High Voltage electrical switchgear. Of particular note in 2024 was the reconditioning of 2 of our 5 boilers. This programme of renewal will continue in 2025. These refurbishments combined with ongoing and future planned investments provide increased resilience for the existing facility which is now over 50 years old. In

July 2024, Zurich undertook its annual inspection of the facility and found that the company was continuing to maintain its facility to a high standard and were sufficiently impressed with contingency planning for the export transformers to recommend that these be added back onto our policy. This has since been confirmed and is a significant achievement. The team at Zurich consistently compliment the Operations and Maintenance teams for their hard work and dedication in keeping an aging plant operating to an impressive standard. In 2024, the capital projects team oversaw c.£7.5m of investment to repair and replace prioritised elements of the facility. These measures aim to ensure the facility continues to deliver an uninterrupted service to boroughs until the replacement Energy Recovery Facility is ready.

## **5. Health & Safety**

- 5.1 The Board of LondonEnergy Ltd is legally responsible for Health and Safety matters and closely monitors the Company's performance. LondonEnergy operates an extensive Health & Safety management system which is accredited to ISO 45001. The Company investigates all incidents, reviews its practices and procedures, and gives appropriate and regular training to employees. LEL's approach prioritises the health, safety and well-being of all, giving greatest attention to those activities which present the greatest danger.
- 5.2 To ensure that health and safety is prioritised and receives sufficient focus at a senior level, in February 2024 LEL initiated an Executive-level Health, Safety and Environment Committee. This supports and builds on the work of the existing Health and Safety Champions committee which includes representatives from the LEL workforce and resident contractors. The Executive HSE Committee had its first meeting in February, with the initial focus on ensuring that incidents are investigated in a thorough and consistent manner, with actions arising accurately recorded and closed out.
- 5.3 In 2024, LEL received the Gold award from the Royal Society for the Prevention of Accidents (RoSPA) for its health and safety performance.
- 5.4 LEL's accident frequency rates continued to be significantly lower than that for 2023. Further work to address the widening gap between performance by LEL employees and that of contractor was due to take place in early 2025.
- 5.5 LEL reports serious incidents to the HSE under the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) regime. A RIDDOR incident is one which results in a specified injury (e.g. fractures, serious burns etc.), an absence of at least seven days or a dangerous occurrence (certain, specified near-miss events). There were four RIDDOR reportable injuries to LEL employees during 2024. These incidents, although regrettable, were thankfully minor albeit leading to absences from work of over 7-days.
- 5.6 The RIDDOR injury which took place in the Temporary Bulky Waste and Recycling Facility (TBWRF) in May 2022, which involved a LB Enfield borough driver and an LEL employee, was subject to legal proceeding

brought by the HSE against LEL. The matter was scheduled to be heard on 15 May 2025.

- 5.5 During 2024, LEL continued its programme of training and awareness focused on the prevention of serious incidents and fatalities. The programme has been developed and implemented by the oil and gas industry and involves adoption of nine “life-saving rules” aimed at effectively controlling the risks most likely to cause significant harm.

## **6. Human Resources**

- 6.1 LEL has a strong commitment to investing in the development of our employees and wants to build and recognise talent across the Company. Training and development is available for employees at all levels within the organisation. Our aim is to increase productivity, job satisfaction and safety, and to equip the next generation of leaders and employees with appropriate knowledge, skills and the competencies they need to thrive. In 2024 LEL’s focus included social values programmes designed to help residents access our services which included a Work Experience Mentoring Programme with Leytonstone School in partnership with Wise Up Networks for the second year; a Mentoring Programme with Harris Academy School, Tottenham; a ‘Be Kind’ Campaign to raise public awareness that abuse of RRC staff would not be tolerated and a “Powering Up Literacy” Campaign through the Kings Road Reuse shop.
- 6.2 LEL continues to utilise GoodShape to register and log all our absences which enables all our staff to have a conversation with a nurse about their symptoms and helps with predictability around return-to-work dates. LEL also offers support via our employee assistance programme and if needed our occupational health teams.
- 6.3 The Company employed 389 permanent staff as at 31st March 2024. About a third of these operate and maintain the Energy Centre, which is a 24 hour per day, 7 day per week operation. Half of the employees are engaged in handling or transporting waste at the various transfer stations and RRCs. The remainder are engaged in corporate functions such as health & safety, IT, finance, procurement, HR and corporate communications.
- 6.4 The LondonEnergy Employee Forum was established in 2022 with representatives from each area of the business coming together once a quarter. The representatives work with the LondonEnergy executive team to create two-way communication between the employees and the directors. The forum helps to influence and support business changes and ensures our employees are front and centre of all we do.
- 6.5 In addition to our employee forum the Company has built a collaborative relationship with our trades unions, and quarterly meetings are held with them to discuss employment and business concerns. We recognise the rights of every employee to join a trade union and participate in its activities.
- 6.6 Every six months, LEL asks employees to share their views on culture within



the organisation. The Culture Survey is an opportunity for employees to share their thoughts about the workplace. It prompts employees to consider their experiences in relation to the company's target culture, allowing managers to understand what's working well and where the company can improve. The survey results in 2024 indicated that culture is becoming more collaborative, supportive, and aligned with shared goals. Employees also reported feeling increasing levels of trust in the organisation.

- 6.7 The Company encourages the involvement of employees in the performance of the Company through participation in a bonus scheme on successful achievement of Company performance targets which are agreed by our People and Remuneration Committee.
- 6.8 LondonEnergy Limited is proud to pay all our employees at or above the London Living Wage.
- 6.9 In addition to the current company pension scheme, LEL is also responsible for the LondonWaste pension scheme. This is a "closed scheme" i.e. it is not open to new accruals. The closed scheme has 235 members and a value of approximately £22 million.
- 6.10 In order to remove risk from the scheme the trustees have been following a long-term plan to gradually switch investment in equities into bonds as the scheme heads towards maturity. In the coming year the trustees will enter into a Buy in contract with Royal London as a major step towards fully placing the scheme with an insurer; to better serve the pension members and reduce volatility for the company. As at December 2024, the scheme has an accounting surplus, which the Company has not recognized, due to this transaction.
- 6.11 The Company promotes equality of opportunity and diversity across all areas, including gender and ethnicity. In April 2024 we published our gender pay gap. Women represented 8.4% of our workforce and 35% of the women in that group are in Managerial-level appointments. Today, on average, the mean pay for women is higher throughout the company. Women earn £1.09 for every £1 that men earn when comparing median hourly pay. When comparing mean (average) hourly pay, women's income is 31% higher than men. Women also hold 16% of the highest paid jobs and 7% of the lowest paid. The median gender pay gap is the midpoint in men's and women's hourly earnings. The median pay at LondonEnergy is 8.9% in favour of women.
- 6.12 We currently have 7 apprentices enrolled in our Apprenticeship Scheme and are looking to expand the programme later this year.

## **7. Community & Sustainability**

- 7.1 Supporting our community and "giving something back" is important to our employees. LEL carried out a number of sustainability initiatives in 2024, led by its Sustainability Steering Committee (SSC) and supported by the Board. A Staff Christmas Toy and Book Campaign, part of its drive to get staff

involved in recycling while building better community engagement was held in December 2024. A total of 350 individual pre-loved toys and books were donated to the Galaxy Children's Ward at the Royal Hospital of Barnet. Staff volunteered to wrap and deliver the presents to the Children's ward in time for Christmas. LEL aim to widen its support of other North London Children's charities. Additionally, the Kings Road Reuse Shop held a Christmas promotion to help waste reduction through half-price toys and free books, gaining media attention engagement.

After working with our chosen charity, The Felix Project supporting the people in the community we serve, for a number of years, LEL staff have been invited to nominate potential new charity partners. Details of our new partner will be announced in 2025.

- 7.2 The Company continues to arrange and supports the NLWA on a number of schools and community groups visiting our site and gain a better understanding of the work we do during the year. There was a visit by students of Imperial College in January 2024 and local residents in August and Leytonstone School in October 2024.
- 7.3 LondonEnergy continues to be the main shirt sponsor for the Enfield Town Ladies F.C. and are in its third year of providing sponsorship of the local team, which supports grass roots ladies' football in our community, helping girls to ignite a passion in sport.
- 7.4 The Company continues to support many awareness events over the year, such as Pride and Black History month in particular. Last year we also produced a range of public wayfinding materials in preparation for the opening of the EcoPark Reuse and Recycling Centre. Part of this work involved finalising a video guide to the new EcoPark Reuse and Recycling Centre, which included information about the centre's significance, how to find us, the types of materials that can be recycled, and general safety tips. It will be used for both internal and external purposes across our intranet, social media channels and website. The video can be watched on YouTube <https://www.youtube.com/watch?v=P0TlvTw89Z8>.
- 7.5 The Company has also partnered with the Wiseup Network to provide mentoring and work experience opportunities for school children in the local community. This will see 4 of our LEL's employees mentoring students from the Harris Academy in Tottenham Hale. The programme gives our teams the opportunity to help shape a young person's life whilst developing crucial mentoring skills required for effective leadership in their roles. We are supporting disconnected students by being their first professional network, closing the gap to the workplace and giving students from all backgrounds a chance to showcase their talent and support our local talent pipeline.