

7. Relationship with London Energy LTD (LEL)

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- 7.1** The Authority is the sole owner of LEL. 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/.
- 7.2** LEL's reporting year runs from January to December. In the calendar year 2020 turnover was £66,739,000, arising principally from:
- 7.2.1** contracts with NLWA for the disposal of waste;
 - 7.2.2** sales of electricity;
 - 7.2.3** contracts with other waste disposal authorities for treatment of their waste; and
 - 7.2.4** operating reuse and recycling centres (RRCs) under contract to the Authority.
- 7.3** LEL recorded a profit before tax of £11,577,000 in calendar year 2020. This reflected a one-off transaction involving the transfer of the EcoPark from LEL to the Authority. This is outlined in paragraph 6.5.

- 7.4** LEL successfully maintained waste disposal services throughout the coronavirus pandemic, which had a major impact on life in 2020. As noted elsewhere in this report, RRCs were closed from 23 March to 12 May, during the initial lockdown period when non-essential travel was prohibited by law. When sites were permitted to reopen, measures were taken to maintain social distancing and to protect the public and staff. These included the introduction of an online booking system to manage the flow of visitors to a safe level. Sites have remained open since 13 May. The booking system has continued in operation and has successfully allowed the flow of visitors to the RRCs to be managed safely during subsequent restrictions put in place by the UK government to control the spread of coronavirus. A decision will be taken in 2021 on whether to retain the online booking system for the future.



- 7.5** The North London Heat and Power Project has made significant progress in the last year. It has been vital for NLWA and LEL to collaborate to ensure that construction and operation have been and are coordinated as both sets of activities are carried out in close proximity and each must be managed to take account of the other. Further effective collaboration will also ensure there preparation of integrated plans for the start of operations of new assets, which will be owned by NLWA and operated by LEL. Land at the EcoPark was transferred to the Authority under a 999- year lease – save for the site occupied by the current energy from waste plant and land being used by Energetik in connection with the development of a district heating network supplied from the new energy recovery facility – this is in expectation of NLWA taking over the freehold of the site when the current energy from waste plant ceases operation.
- 7.6** The Authority also decided to make additional board appointments to LEL to strengthen alignment and coherence between organisations at this crucial time. These took effect in January 2021. In November 2020 Peter Sharpe, LEL’s managing director announced his departure from the company. He had led the transformation of the Company to a modern waste management company delivering high quality services to NLWA. He left LEL in an excellent position to make the necessary changes to successfully support the delivery of NLWA’s sector-leading North London Heat and Power Project and to play a leading role in London’s green, sustainable future. Jim Kendall, previously LEL’s operations director, took on the role of managing director.
- 7.7** Operationally LEL took possession of a new transfer station at Wembley in November 2020, serving the western part of the Authority’s area. Initial mobilisation took place in 2020. This allows the closure of the Hendon transfer station in 2021. The Wembley facility provides additional capacity and flexibility to manage waste. The new transfer station will contribute to the successful management of waste volumes at the EcoPark while major construction is under way.
- 7.8** LEL were successful in gaining external recognition for their performance in important areas in 2020. The company obtained a silver award from the Royal Society for the Prevention of Accidents (RoSPA) for their health and safety performance. The company also received an “excellent” assessment (the highest standard available) under the Mayor of London’s Good Work Standard, covering pay and conditions, workplace wellbeing, skills and progression, and diversity and recruitment.