



London Borough of Enfield

Report Title	Council Companies Overview
Report to	Finance and Performance Scrutiny Panel
Date of Meeting	16.01.24
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond/Olga Bennet
Report Author	Olu Ayodele
Ward(s) affected	
Classification	Part 1 Public and Part 2 Confidential Appendix
Reason for exemption	By virtue of paragraph(s) marked below with * of Part 1 of Schedule 12A of the Local Government Act 1972: 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. To provide an overview of the purpose, operation and financial position of the Council's companies. Financial information is based on the 2023/24 Period 6 position, reported to Cabinet in November. The detailed reports are attached as appendices.

Main Considerations for the Panel

2. The Council currently has 4 operational companies
 - a. Lea valley Heat Network Limited (trading as Energetik limited)
 - b. Housing Gateway Limited (HGL) and subsidiary Enfield Lets
 - c. Montagu limited liability Partnership
 - d. Meridian Water Estate Management Company
3. An overview of each company is provided below.
4. **Energetik**
5. A limited liability company established by the Council in 2015 to develop, own, and operate community energy networks in the borough and provide better value energy that is reliable and environmentally friendly. It is 100% owned by the Council and funded through Council loans and grants.
6. The Company has 4 operational satellite heat networks, and the construction of the Meridian Water Energy centre is expected to be operational in a few months.
7. Total funding of £94m has been approved, consisting of £77m in loans and £17m grants. A total of £53.5m - loans of £36.5m and grants £17m have been passed across to Energetik.
8. A working capital facility of £3.5 million has also been approved by the Council to support Energetik's operational costs, whilst connection fee income grows, as housing developments link up to the network.
9. Energetik is currently updating its business plan to reflect changes in the wider economic landscape, such as inflation and interest rates, as well as the revised expected delivery of key developments (including Meridian Water and Joyce & Snells).
10. Energetik will not be entering into any new contractual commitments until the business plan and financial model refresh is completed.
11. Energetik provides quarterly performance reports to the Council, as well as regular reporting via the Council's Interdependency Board. This is in addition to the company's internal reporting and governance arrangements.
12. **Housing Gateway Limited**
13. A limited liability company established by the Council in 2014 to provide quality affordable rented accommodation, thereby assisting the Council manage its temporary accommodation challenges and discharging its statutory homelessness duty.
14. The Company is funded through a combination of loans and grants, with Council's outstanding debt related to HGL forecast to be £107.9m as at

31st March 2024. The company has not drawn down any loans during 2023/24, as the company has been minimising its debt exposure, by temporarily, using its cash reserves to purchase properties.

15. Since inception HGL has built up a portfolio of 632 homes.
16. The company provides quarterly performance reports to the Council. In addition the company manages its financial operations through a Finance and Investment Committee.
17. **Enfield Lets**
18. Established in 2020 as an ethical letting agency, operating as a division of Housing Gateway Limited providing early intervention, affordable options, and removing typical barriers to letting.
19. It is governed by the same framework as HGL.
20. **Montagu limited liability Partnership**
21. Established in 2018 as a 50:50 joint venture with Henry Boot Developments Ltd (HBD) to redevelop the Montagu Industrial Estate for regeneration benefits.
22. The first phase of the scheme has been completed and work is ongoing with Henry Boot Limited to review how Phase 2 will be delivered.
23. **Meridian Water Estate Management Company**
24. Cabinet established in December 202 to comply with the terms of the Development Agreement with Vistry/Countryside Partnerships
25. The primary purpose of the company is to set up a framework for the procurement and provision of services to residents of Meridian 1 and 2 and future phases. Services include highway and grounds maintenance, waste, and utilities.
26. The company is governed by a board of directors and provides regular report to the Meridian Water Executive Board

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Appendices

- Companies Period 6 Finance report – Part 1
- Companies Period 6 Finance report – Part 2