

Company: Energetik

Report year/quarter: 2020-21/Year end

1. Financial performance

Projected Profit and Loss			
Item	Q4 outturn	Budgeted projection	Variance
Total Income	£901,809	£684,269	+32%
Total Expenditure	£1,351,498	£1,443,439	-6%
Profit/Loss	£(449,689)	£(759,170)	+41%

Year end Balance Sheet position		
	Q3 end	Year End
Fixed Assets	£10,418,359	£11,956,217
Current Assets	£517,109	£5,093,958
Net Assets	£(2,790,058)	£2,364,369
Current Liabilities	£679,985	£1,112,022

Financial Ratios

Not included for Energetik – not relevant at this stage of the company business plan.

2. Return on Investment

Financial	YTD payments	2020/21 FY projection
Interest paid	£576,400	£547k to year end

3. Key Performance Indicators

Objective	KPI	Actual	Variance	Q1	Q2	Q3	Q4
Number of residential customers	Per business plan connections	Number of connected properties will vary from original business plan due to developer programme delivery	+/-	Ladderswood – 103 Electric Quarter – 72 Alma Road – 192 New Avenue – 9 Total = 376 Figures correct as at beginning July 2020	Ladderswood – 106 Electric Quarter – 72 Alma Road – 194 New Avenue – 9 Total = 381 Figures correct as at beginning October 2020	Ladderswood – 136 Electric Quarter – 72 Alma Road – 228 New Avenue – 40 Total - 472 occupied properties Active accounts – 537 Active accounts are where income for fixed fees are received i.e. completed void properties	Ladderswood – 162 Electric Quarter – 72 Alma Road – 243 New Avenue – 65 Total – 542 occupied properties Active accounts - 643
Number of vulnerable customers (registered on Priority Services)				32		35	40

Register)							
Number of customers in debt		0		1 customer above emergency credit value of £5 at end-June. The exception was ongoing and being dealt with in partnership with Council housing team. Since June, payment has been made and the exception closed.	1 customer above emergency credit value (£%) as of 20/10/20 (-£13.73). However, this is a recent handover, therefore it is suspected that the customer has not yet moved in. monitoring ongoing on a regular basis.	3 out of 476 customers above emergency credit value of £5, totalling £95.77 as of 22/01/21 1 account is actively being managed with support of LBE housing (£46.30) 1 account has not moved into the property and is aware of the accruing charges (£38.41) 1 account was in emergency credit at time of report (£11.06) but has since topped up. No consumption being incurred, suspect isolating	3 (includes 1 vulnerable customer) 3 out of 542 customers above emergency credit value of £5, totalling £50.45 1 account is being managed – customer regularly allows debt to accrue and then clears. 2 accounts were in emergency credit at time of report snapshot but since cleared and in credit Total residential debt of £50.45 against March residential heat income £24,131 = 0.2%

						elsewhere.	
Prudential financial management	% of residential customer debt	0		<p>0.25% - residential debt in excess of emergency credit (<£5) as at end-June vs. total residential revenue.</p> <p>'debt' of £100.16 (end June snapshot) vs. revenue in June of £40,306. Note this exception was a single customer, which was handled through the exception processes with the council's housing team and has since been cleared.</p>	<p>Total £13.47 'debt' against September residential heat income of £15,371 = 0.09%.</p> <p>If this customer is discounted as a new occupant who is yet to purchase credit (quite normal in new home purchases), then the resulting debt is 0%.</p> <p>It was last reported that revenue income totalled £40,306. This figure is accurate but reflects all revenue activities and not just heat income. Residential income from heat</p>	<p>Total residential debt of £95.77 against December residential heat income £23,561 = 0.4%</p> <p>Removing the customer who has since topped up (£11.06), residential 'debt' = 0.35%</p>	

					sales was £10,434, therefore residential debt for that period was 0.96%		
Financial performance	YTD performance against budget (metric updated)		+/-	See finance above	See section above.	£411k loss vs. budgeted loss of £517k, an improvement of 20% against budget. Improvement predominantly due to temporary boiler leasing income.	See above financial section. 41% improvement against projected budget.
Calls answered within SLA	90% calls to be answered within 20 seconds	100%		Apr – 74% May – 90% Jun – 88%	Jul – 86% Aug – 88% Sept – 81% Reduction considered to be a result of Covid-19 impact on staffing levels to Energetik’s customer service team. Note that the SLA fail is when call answering time is	Oct - 92% Nov - 88% Dec - 89.3% Whilst marginal failures occurred in November and December over 95% of calls were answered within one minute across both months.	Jan – 87% Feb – 86% Mar – 81% 95% of calls answered within 1 minute.

					above 20 seconds, a very stringent goal.		
No. of missed appointments	% of total appointments			Apr – 0 May – 0 Jun – 0	Jul – 0 Aug – 0 Sept - 0	Oct – 0 Nov – 0 Dec - 0	Jan – 0 Feb – 0 Mar - 0
Number of planned heat interruptions	No. of planned interruptions			0	0	0	0
Number of unplanned heat interruptions	No. of unplanned interruptions			0	July – 1 (Ladderswood – no customer impact boiler issue) Aug – 1 (Ladderswood – 2 hrs during day-continued boiler issue) Sep – Electric quarter – pump failure – circulation lost for around 30 minutes.	Oct – 1 (New Avenue) Nov – 0 Dec – 4 (3 – New Avenue, 1- Alma) <i>New Avenue</i> First outage caused by general power outage to site, subsequent outages due to temperamental plant equipment which have since been resolved.	Jan – 1 (New Avenue) Boiler failure, 65 properties affected
North London Waste Authority contract performance	Monitoring to start 2022			N/A	N/A	N/A	N/A

4. Business Plan – key action progress

Activity Area	2019/20 - completed	2020/21	Progress
Commercial	Execute suite of New Avenue Heat Agreements	Execute NLWA Heat Sale Agreement, lease and agreement for lease	Complete
	Execute suite of Alma Heat Agreements	Execute connection and supply agreements with relevant MW developers	Engaged with developer, expect agreement and execution in summer 2021. Signature driving required heat on date for developer.
	Enter O&M agreement for Alma Road	Execute heat and Power Purchase Agreement with Whitbread for Ladderswood Hotel supply	Complete - Executed 27th March 2020
	Enter O&M agreement for New Avenue	Enter into easements with LBE for relevant parts of Ponders End heat network pipe extension to Electric Quarter	Ongoing
	Execute Portfolio Agreement with council	Engage with developers at all sites for potential network extensions and connections to new developments coming through planning	Ongoing
	Support Council to submit HNIP funding application	Dissolve HoldCo	Complete - delayed due to closure at Companies House (Covid), however dissolved as of 16 th March 2021.
	Support Council to submit MEEF funding application (if necessary)	Negotiate land easements along Meridian Water pipe route	Ongoing
Complete due diligence on Tranche 2	Enter on-lending agreements with council for T2	Complete	

**Infrastructure
build works**

Update state aid advice (legal and financial)	Agree short term funding with council to provide funds for ineligible operational costs in advance of connection fee receipts from 1st MW developments	Council officers has advised it has approval in treasury strategy to provide a working capital facility to their own companies. Terms need to be agreed.
Secure tranche 2 funding	Agree drawdown of T1 & T2 funds to match company expenditure	Ongoing operational item
External audit	Enter into heat agreements for phase B Electric Quarter	Complete
	Support Haringey/Hackney with HNIP applications for extension of MW Heat Network to these boroughs	Support provided where necessary
	Extend PEHN from Alma to Electric Quarter	Complete
Secure planning for Ponders End Heat network	Monitor design, build and commissioning of Alma Road development, including adoption of relevant infrastructure	Ongoing operational item. Energy centre to be adopted June 2021.
Accept Alma Road phase 1 and commence operation	Monitor design, build and commissioning of Electric Quarter development, including adoption of relevant infrastructure	Ongoing operational item. Development completion was forecast spring 2021, however developer delays means this has been pushed back to summer 2021.
Accept New Avenue phase 1 and commence operation	Monitor design, build and commissioning of Ladderswood development, including adoption of relevant infrastructure	Ongoing operational item
Register Oakwood heat network with Heat Trust	Monitor design, build and commissioning of New Avenue development, including adoption of relevant infrastructure	Ongoing operational item
Procure / recruit communications support	Obtain planning and complete design for Meridian Water heat network energy centre and heat network	Complete – planning permission granted 21 st July 2020. Conditions discharged and works commenced in February 2021.
Design, build and deploy Temporary Energy Centre for Curlew House	Commence build of for Meridian Water heat network energy centre and heat network	Commenced February 2021, expected completion December 2022.
	Commence utility diversions and connections for Meridian Water heat networks energy centre	Energetik no longer responsible for sewer diversion. Agreement made with NLWA to divert trunk sewer to no longer be below Energetik Energy Centre. NLWA works commence November 2020 and complete April 2021.

Operational

Update stakeholder engagement strategy

Monitor / coordinate Energetik element of HIF works at Meridian Water	Ongoing
Undertake route proving works for potential network extensions	Ongoing
Apply for Network Rail permission for under track crossing	Ongoing
create HR strategy	Ongoing
Issue contracts of employment	Ongoing
Issue directors' agreements	Ongoing
Recruit project management support	Complete
Commence heat services to phase 2 Ladderswood including hotel	Complete – commenced. Now serving phase 3.
Update communications strategy	Ongoing activity
Review website and update content	Ongoing
Customer literature review and update	Complete