

Policy and Performance Scrutiny Committee - 4 May 2017

Non-confidential minutes of the meeting of the Policy and Performance Scrutiny Committee held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 4 May 2017 at 6.00 pm.

Present: **Councillors:** Greening (Chair), Jeapes (Vice-Chair), Debono, Gantly, Klute, O'Halloran, O'Sullivan, Russell, Wayne, Heather and Champion

Also

Councillor Richard Greening in the Chair

349 APOLOGIES FOR ABSENCE (Item 1)

Councillors Doolan and Gallagher

350 DECLARATION OF SUBSTITUTE MEMBERS (Item 2)

None

351 DECLARATIONS OF INTEREST (Item 3)

None

352 TO APPROVE MINUTES OF PREVIOUS MEETING (Item 4)

None

353 MATTERS ARISING FROM THE MINUTES (Item 5)

None

354 PUBLIC QUESTIONS (Item 6)

The Chair outlined the procedure for Public questions and filming and recording of meetings

355 CHAIR'S REPORT (Item 7)

None

356 SCRUTINY REVIEW FLOODING - INDEPENDENT REVIEW INTO MAJOR BURSTS - THAMES WATER (Item 8)

The Chair welcomed the following representatives of Thames Water to present the findings of the independent review by Paul Cuttill into the recent major bursts of mains in London in the previous year –

Nigel Dyer – CEO Thames Water Infrastructure Alliance

Paul Cuttill OBE – Author of Independent Review

Alex Nickson – Water Resources and Growth Lead

James Kingston – General Manager North London

Thames Water made a presentation to the Committee, copy interleaved, during which the following main points were made -

- Thames Water outlined the background to the report following the recent major bursts in London
- Thames Water stated that their priority is to get peoples lives and businesses back to normal as quickly as possible, do everything they can to repair the damage caused and minimise future risk of bursts and to keep in contact with those affected and engage with the local community moving forward
- The Forensic Review was led by Paul Cuttill OBE who has 30 years experience in utilities and covered causes of each burst, asset condition, location and environment, and whether any patterns of failure could be identified, impact on customers, the wider community and cost, the immediate response what was done well and improvements needed and whether changes were needed to the network configuration, pumping and control regimes
- Key findings included – improvement in the understanding of the network and improvements in managing existing data and knowledge, focusing on improving the management of planned works and better use of local knowledge. In addition there should be an acceleration of the roll out of monitoring units where bursts that may happen or have already occurred. Refresh how alarms are prioritised, increase capacity to analyse data and work with partners to develop new, innovative ways of assessing the condition of pipes, improve communication with both customers and within the company immediately after bursts have happened, improve the capacity to deal with multiple incidents and improve how Thames Water can better learn from incidents after they have taken place
- In response to the review Thames Water welcome the findings and will focus on carrying forward the recommendations and identifying and fixing the mains at highest risk. In addition, Thames Water stated that they have already begun implementing the Forensic Review recommendations and are finalising an implementation plan to ensure the recommendations are delivered
- In terms of investment Thames Water are committing an additional £97m into the trunk main network over and above what was in the 2015/19 business plan and this included the investment in Upper Street to reline the trunk main and deploying surveying and monitoring equipment at additional locations
- It was noted that Thames Water were also moving forward with an innovative pipe testing facility in Kempton Park
- Thames Water stated that in terms of customer care the Customer Incident Management Project is implementing the changes needed to ensure there is a world class recovery service for customers, and this will focus on customer communication channels, on site presence, after care and it is aimed to complete this project by the end of 2018/19
- The next steps include the recommendations from the Forensic Review being fed into Thames Water Trunk Mains Strategic Review and are composed of five sub work streams – operating model, asset information, event response, risk management and monitoring. The work streams will design the changes needed to

address the Forensic Review recommendations and the Strategic Report and implementation plan will be completed by the end of July and this will be shared with stakeholders

- In terms of the relining of the Upper Street trunk main the 36" trunk main rehabilitation is underway and traffic management and cycle diversions installed on Islington Green and Upper Street. Trial holes for launch and reception works have commenced and the new pipework is on order. Customer and stakeholder engagement is well advanced, letter drops and public consultations have been completed and regular engagement meetings are taking place with Islington Council and TfL
- Thames Water stated that they are working hard with those flooded to complete their insurance claims and each claimant has an individual claim handler to deal with their insurance claims. Thames Water added that they had recently written to customers with an update confirming what information is required to enable them to complete their claims. In order to expedite claims Thames Water stated that they are holding regular meetings with the local community to discuss and resolve common claim issues
- Thames Water added that the recent major bursts are a reminder that they need to keep investing in the ageing pipework network, as many pipes in London are over 100 years old and that the flooding was caused by their pipes and it is their responsibility to put things right. Thames Water indicated that they would work with their partners, including local Councils, to deliver on the recommendations of the Forensic Review and to ensure that investment is carried forward with minimal disruption, engaging with its customers throughout
- Thames Water stated that they had accepted the recommendations of the review in full
- Paul Cuttill outlined the process of the review and that the focus was on the engineering and technical side and that he had received full co-operation from Thames Water and their staff during the review
- Paul Cuttill stated that he had found that there is a large amount of knowledge concerning the network retained by a relatively small number of people at Thames and training was needed to spread this knowledge however this could take 2/3 years to complete. It was noted that the Strategic Review will look in more detail at the appropriate level of investment required in terms of replacing the ageing pipe network but the current rate of replacement needed to be improved and Thames recognised this. However this made it important to ensure that Thames responds to any emergency situations that occur in the interim
- A Member stated that whilst he felt that it was a comprehensive report there was a need to address the emergency response to the Upper Street burst as this could have led to a loss of life. In addition there was a need to address the stress caused to the residents and businesses affected and this could have been dealt with in more detail in the report and that there was a gap in scoping the review. Paul Cuttill reiterated that the focus of the review was on the technical and engineering side and that due to time constraints the review had had to focus on the 8 major incidents and that there was no common cause of these incidents. However Thames were developing a policy to improve customer communications and customer engagement and 3 of the 8 major bursts had been as a result of contractors works fracturing pipe work
- In relation to whether the HSE should have been involved given the potential loss of life at Upper Street Paul Cuttill stated that this was a difficult judgement as they had legal obligations if they became involved but he felt that work could take place with all parties in a sensible manner to achieve acceptable solutions
- Paul Cuttill informed Members that he had been impressed by the fact that Thames staff had engaged with him constructively, were sorry for the incidents and were

determined to work to improve things. In the interim before the strategic review it was important to monitor the condition of pipes although this is difficult, especially if the corrosion of the pipe takes place on the outside of the pipe, such as in the Upper Street incident. At present there is only 18% of the network that is monitored and this needs to be improved and this is one of the recommendations made in the report

- There is also a need to improve communications flow to the Control Room at Reading and there needed to be better handling of calls to the call agents who take emergency and no supply calls including more training and possible separation of retail and no supply/emergency calls and Thames were addressing this
- It was noted that the water pressure in pipes is subject to fluctuation and that Upper Street did not have a Synyrix monitoring system however the Upper Street burst highlighted a number of failings. These included the earlier burst not being properly recorded, the non connection of the change in flow rate in the Control Room at Reading, and following the burst Thames had changed the process for recording bursts and new monitoring measures were being installed
- In response to a question from the Chair it was noted that in terms of prioritisation of pipework on the network Thames took into consideration the age of the pipe work and the type of soil etc. and the implications of any major bursts on the surrounding area, such as the siting of Tube stations and hospitals
- Reference was made to the Fire Brigade call to Thames at 5.07a.m. on the morning of the Upper Street burst, and that this did not appear to have resulted in appropriate action being taken. Thames stated that they were looking at the speed of the response and the provision of emergency teams and their location for the future
- In terms of the report Paul Cuttill stated that the timing of the report had not allowed him to look in detail at a 'deep dive' of the other 23 locations where major bursts had occurred and that this the emergency response that had taken place however he felt that this would be addressed in the Strategic Review in order to inform Thames future investment plan to put to OFWAT
- A Member enquired whether Thames could investigate the introduction of a GIS app on phones that could inform operatives and the Control Room in areas especially where there is potential loss of life. Thames stated that they were refining their modelling techniques and looking at consequence models and developing a social media plan. Paul Cuttill stated that in his view this was a good suggestion and something Thames could look into in the future
- In response to a question it was stated that surveys of Wallace Road 36" mains would be taking place in the next few weeks along with general testing of the network
- Thames stated that it was important to prioritise monitoring to parts of the network that appeared to pose the biggest risk of bursts and impact that it could cause
- In response to a question about whether the Control Room at Reading should have identified an increase in flow on the Upper Street burst it was stated that the increase took place during the entire event peaking at 08.38a.m. where an increase of 20% flow had taken place since 4.30a.m. Whilst the response should have been quicker and that the knowledge of how call agents deal with calls and flow of information to the Control Room had to be addressed and Thames were looking into this as stated earlier
- Concerns were expressed at the issues surrounding the ongoing insurance and compensation claims and Thames reiterated that they were committed to ensuring that residents and businesses did not suffer any economic loss as a result of the flood. Thames stated that businesses needed to demonstrate economic loss and they would compensate for this and there is a step by step guideline on the website to assist customers in processing claims and Thames and their insurers were happy to go through this with claimants in order to assist them. Thames added that they

were endeavouring to deal with claims within 10 days of receipt of a claim and insurance staff were available that evening if there were any queries

- It was noted that there were people affected by the burst who had not yet submitted claims, 130 had been submitted to date and it was felt that there were about 17 that to date had not yet submitted claims
- In response to a question as to whether Thames would consider compensation payments given it may be difficult for businesses to reflect loss of trade, Thames stated that they were having regular meeting with residents and businesses and were committed to no resident or business being worse off as a result of the flood
- In response to a question as to why the Forensic Review had not addressed those affected as a result of the flood it was stated that whilst this may have been an omission the review was time limited and the scope had not provided for this, although Paul Cuttill stated that he did not believe Thames had done this deliberately
- Concern was expressed at the advice given by Thames that residents and businesses may need to engage a solicitor to pursue compensation claims and that this would be expensive. Thames stated that this had been discussed at the regular meeting held with residents and businesses and a £1000 goodwill payment had been made to residents but businesses stated that this had not been an option available to them. A member of the Public stated that businesses had 'gone through hell' following the flood and suffered enormous stress and inconvenience and it was difficult for them to quantify economic loss. Thames responded that they recognised residents and businesses had suffered as a result of the flood, however if it can be demonstrated through GP or medical evidence that people had suffered stress this could be used as a basis for compensation payments. Thames insurers outlined the differences between claims for damages, compensation, economic loss etc. and that they would prepare a flow chart to outline this that residents and businesses could use
- In response to a question it was stated that the maximum Courts have awarded is £1500, however Thames could give consideration to raising this figure and Thames insurers could put residents and businesses in touch with no win no fee solicitors to protect their interests if required
- In response to a statement Thames insurers stated that they did not feel that a class action would succeed however this was an issue for residents and businesses to consider
- The Chair proposed that there should be a form developed in order for claimants to submit claims for compensation requesting the information that Thames needs to assess such claims together with a contact number to assist residents
- A Member referred to the need for more public engagement events and it was stated that Thames should not 'hide' behind insurance and legal issues but need to show some corporate responsibility as a result of the flood, which was their fault, and not of residents and businesses, and make appropriate recompense for this. Thames responded that they recognised this and were looking to develop a policy standard to deal with instances such as this and they concurred with the suggestion of a claim form to assist residents and businesses to claim compensation payments. This policy would hopefully be introduced later that year and they recognised the need for more effective customer engagement
- In response to monitoring progress on the recommendations of the Forensic Review, the internal Thames Executive would be progressing this and Thames would come back and report on progress to the Committee in 6 months
- In response to a questions as to the increased investment of £97m in pipework it was stated that £4.5m will be spent on relining the Upper Street pipe and the Strategic Review will deal with the overall investment strategy in more detail

RESOLVED:

- (a) That Thames Water devise a claim form as referred to above to assist claimants in insurance claims for compensation and a contact point in the event of enquireis
- (b) That a flow chart be instituted by Thames Water to inform residents and businesses as to the process of claiming for damages, compensation, economic loss etc. and this be made generally available
- (c) That a progress report on recommendations in the Forensic Review be submitted to the Committee in 6 months

The Chair thanked Paul Cuttill OBE, and representatives of Thames Water and members of the public and business representatives for attendin

The meeting ended at 8.35p.m.

CHAIR