

Policy and Performance Scrutiny Committee - 5 October 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 5 October 2017 at 7.30 pm.

Present: **Councillors:** Greening (Chair), Jeapes (Vice-Chair), Chowdhury, O'Halloran, Russell, Gallagher, Heather, Williamson and Champion

Councillor Richard Greening in the Chair

381 APOLOGIES FOR ABSENCE (Item 1)

Councillors Debono, Doolan, Klute and Chowdhury (for lateness)

382 DECLARATION OF SUBSTITUTE MEMBERS (Item 2)

Councillor Marian Spall stated that she was substituting for Councillor Doolan

383 DECLARATIONS OF INTEREST (Item 3)

None

384 MINUTES OF MEETING ON 20 JULY 2017 (Item 4)

RESOLVED:

That the minutes of the meeting of the Committee held on 20 July 2017 be confirmed and the Chair be authorised to sign them

385 MATTERS ARISING FROM THE MINUTES (Item 5)

None

386 CHAIR'S REPORT (Item 7)

The Chair referred to the illness of Councillor Doolan and stated that he would be sending his best wishes on behalf of the Committee for a speedy recovery

387 PUBLIC QUESTIONS (Item 6)

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

A member of the Public referred to the fact that a recent meeting of the Children's Services Committee had not been quorate at the start of the Committee. Councillor Gallagher stated that he had been slightly late to this meeting and that it was quorate from that point. In addition it was noted that PPS Committee was quorate that evening

388 THAMES WATER - RESPONSE TO SCRUTINY REVIEW (Item 8)

Tim MacMahon, Head of Water Networks, Thames Water, Nigel Dyer, Chief Executive, Thames Water Infrastructure Alliance, Matthew Hackshaw, Area Services Manager, Thames Water Infrastructure Alliance, Eastern Northern London, Mark Matthews, Local and Regional Government Liaison Manager and Cecilia Larkin, Local and Regional Government Liaison were present for discussion of this item.

This item was taken in conjunction with the Thames Water Strategic Review and an update on the community meeting that had taken place the evening before between Thames Water and residents/businesses as a result of the Upper Street flood.

During consideration of the item the following main points were made –

- Thames Water had found this a very difficult meeting to attend, given the feelings of residents and businesses that had been affected by the flood, and the complaints about Thames Water lack of goodwill following the flood, difficulties with compensation, dealing with loss adjustors etc.
- It was stated that discussions were taking place at a senior level within Thames Water, on trying to institute a new for old replacement policy for items lost, and undertaking dealing with claims in a consistent manner
- Case managers would be appointed by the end of November to deal with claims, and it was recognised that there needed to be an improvement in response management and the incident management team
- Work is taking place with the Consumer Council for Water on future policy on insurance and discussions were taking place with TfL, to improve relationships and work more co-operatively
- The Asset Management strategy was outlined in the strategic review, but Thames Water were proposing to increase investment and there is a need to improve knowledge to know the most relevant assets to improve
- Members expressed the view that it was good to hear that Thames Water were seeking to make improvements, but that it was nearly 11 months since the Upper Street burst, and many residents and businesses had still not resolved compensation issues. The goodwill payment of £1000 paid to residents was not satisfactory and businesses had not even been paid similar compensation and this should be rectified
- Members stated that they wished Thames Water to put in writing that they were willing to offer more than the goodwill payment already offered to residents, given the severity and trauma suffered by residents and businesses. Thames Water stated that they could update the Committee on developments at a future date
- In response to a question it was stated that there had been 137 claims made by residents and businesses, and 73 had been settled with 64 still outstanding
- It was stated that difficulties had been faced by claimants in proving losses, and Thames Water stated that they were working on improving guidelines in this regard in future, however they would be looking at goodwill payments if losses could not be proved by receipts or other appropriate data
- A Member expressed the view that Thames Water were a large organisation and that whilst she appreciated that it was a difficult job to manage the assets under their

control, they needed to recognise the stress and trauma suffered by residents and businesses. The attitude of the loss adjustors had arisen as an issue throughout the process, and this needed to be addressed and also that it would be better if Thames Water had their own insurance team who could act as a third party assessor of claims. Thames Water stated that discussions were taking place in this regard

- The view was expressed that in future compensation processes, particularly for loss of business, should be more clearly defined
- In relation to the responses on the scrutiny review Thames Water responded in relation to a number of issues, but given the need to discuss other matters they would respond fully in writing to circulate to Members of the Committee
- In response to a question it was stated that of the 8 major bursts that had taken place in the last year, all of these had been Victorian mains
- Reference was made to the long term investment strategy of Thames Water, and that there was no time limit put in the review for replacing the Victorian mains. Thames Water stated that this would form part of their Business Plan that would be submitted to OFWAT for the 2020-25 price review. However, it would not be cost effective to replace pipework in good condition, and a balance had to be struck and more understanding was needed on the integrity of the system and Thames Water were working on this by the use of loggers and other equipment
- Thames Water stated that the consultation process was important to inform Thames Water investment strategy going forward, and customer input was vital to the process. In addition, Thames Water were working more closely with TfL and other public utilities, in order to minimise disruption and work more co-operatively
- Thames Water added that the Upper Street flood had had a major impact on Thames Water and they recognised that they needed to show more corporate responsibility, and Thames Water had recognised that they had a responsibility to the residents and businesses in the area and had funded schemes to reinvigorate the area
- The Chair stated that the Committee had also made recommendations to the Council, to identify high rise blocks which had problems if there was a flood or drop in pressure in getting an adequate water supply, and that they would work with Thames Water in the future in this regard
- Reference was made to the 3 recommendations on page 23 of the strategic review that were not going to be taken forward. Concern was expressed at the recommendation in relation to the Control Centre and Thames Water stated that this would be taken forward at some point in the future, and that they would amend the wording in the report, in order to clarify this point. However, training for staff is being improved and real time information available
- With regard to the issue of remote valve automation, this could not be used throughout the network and damage to the network could be caused, and there were also security issues on the siting of the valves, however this work is ongoing and would be considered again at a future date
- In relation to maximum response times, Thames Water aimed to get an emergency response on site as soon as possible, especially at night time when most large bursts occurred. Thames Water were aiming for a maximum response time of 1 hour to get operatives on site. However, it had to be recognised that it may take significantly longer to actually turn the valves off, as it is often a complex process
- In response to a question it was stated that the lifecycle of a relined pipe is approximately 50 years and that various methods could be used where a pipe bursts, such as relining, pipe replacement etc.

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- It was stated that Thames Water had recently had new investors, and they were confident that they were willing to invest in the business to improve the asset management strategy, as they were taking a longer term attitude to the business
- In response to a question, it was stated that it is anticipated that the Upper Street closure would end at the end of October/early Novem, and that testing of water quality is currently taking place

RESOLVED:

- (a) That Thames Water continue discussions with a view to instituting a 'new for old' policy for compensation claims, and in future ensure claims are dealt with a more sympathetic and consistent manner
- (b) That Thames Water clarify in writing, that they were willing to offer more than the goodwill payments currently offered to residents and businesses, given the severity of the flood and the trauma suffered and keep the Committee updated
- (c) That Thames Water respond in detail on the progress of implementation of the Committee's scrutiny recommendations in writing
- (d) That in relation to the three Trunk Main recommendations in the Strategic Review that will not be implemented at the current time, Thames Water take account of the views expressed by the Committee above, and make any necessary amendments

The Chair thanked Thames Water representatives for attending

389 **THAMES WATER STRATEGIC REVIEW (Item 9)**

This item was dealt with under Minute 388 above

390 **THAMES WATER - RESPONSE TO ST.JOHN STREET AND COPENHAGEN STREET BURSTS (Item 10)**

Tim McMahon, Head of Water Networks, Thames Water, Nigel Dyer, Chief Executive, Thames Water Infrastructure Alliance, Matthew Hackshaw, Area Services Manager, Thames Water Infrastructure Alliance, Eastern North London, Mark Matthews, Local and Regional Government Liaison Manager, and Cecilia Larkin, Local and Regional Government Liaison Officer were present for discussion of this item.

During consideration of the report the following main points were made –

- Thames Water apologised for the incidents and stated that it had been related to the work being carried out at Upper Street. The pipe was a 36" mains and was laid in 1856. 7 properties had been affected and 8000 residents had had no water for most of the morning
- The consequences of the burst were less than the Upper Street burst, however there were problems getting supply back to high rise blocks of housing and Thames Water were looking to improve co-ordination with Local Authorities in sharing information in this regard
- Thames Water stated that they were updating their GIS system and that there is an 18 month plan to update their systems to get a better understanding of the network. IBM had been commissioned to do work to ensure GIS systems are more accurately recorded against the asset base, and work is going on with experienced staff to get personal knowledge of the network as well. Thames Water were also looking to

employ apprentices and other younger staff who could learn and retain this knowledge in the future

- Reference was also made to the fact that Thames Water were looking at new technology to monitor trunk mains
- Thames Water stated however that the mains in question is on a very complicated part of the network and the burst in this particular incident was caused by over pressurisation of the system

RESOLVED:

That Thames Water and the Council work more closely to co-ordinate information on housing stock, particularly, high rise housing, in order to alleviate future supply problems that may be caused as a result of the burst

The Chair thanked the Thames Water representatives for attending

391 MONITORING REPORT (Item)

RESOLVED:

That the report be noted

The meeting ended at 9.45p.m.

CHAIR