

Report of Ad Hoc Overview & Scrutiny Committee

18 March 2010

* Chairman: Councillor Brian Coleman AM FRSA

* Vice-Chairman: Councillor Lisa Rutter

Councillors

* John Hart
(substituting for
Tom Davey)

* Claire Farrier

* Jack Cohen
(substituting for
Duncan MacDonald)

* Andreas Tambourides

* Gill Sargeant

* denotes Member present

UTILITY PROBLEMS IN BARNET: REPORT OF THE COMMITTEE (Report of the Overview & Scrutiny office – Agenda item 6)

The Committee met to agree its report in respect of the utility supply disruption problems in East Barnet in December 2009/January 2010. After discussing and amending its report, the committee agreed that it be referred for consideration by Council at its meeting of 20th April 2010.

RESOLVED TO RECOMMEND -

- (1) That Council notes and accepts the report of the Ad Hoc Overview & Scrutiny Committee.**
- (2) That Council endorses the recommendations made by the Committee.**
- (3) That Council instruct the Acting Democratic Services Manager to provide a copy of the Committee's report to the energy regulator.**

REPORT OF THE AD HOC OVERVIEW & SCRUTINY COMMITTEE INTO UTILITY PROBLEMS IN BARNET

Membership of the Committee

Councillor Brian Coleman AM FRSA (Chairman)
Councillor Lisa Rutter (Vice Chairman)
Councillor Tom Davey
Councillor Andreas Tambourides
Councillor Claire Farrier
Councillor Gill Sargeant
Councillor Duncan MacDonald

1. INTRODUCTION

- 1.1 On 26th January 2010, the Council established an Ad Hoc Overview & Scrutiny Committee into the recent utility problems in East Barnet, and the other incidents in Mill Hill and Finchley.
- 1.2 The committee was charged with specifically enquiring into the following aspects:
- (a) The circumstances of the incident and its impact;
 - (b) The response of the utility companies;
 - (c) The response of the London Borough of Barnet;
 - (d) The impact on public services;
 - (e) How future incidents might be averted.
- 1.3 The committee was also charged with investigating the other incidents in Mill Hill and Finchley.

2. EVIDENCE

- 2.1 The committee met in public on 4th March 2010 and received evidence from a number of individuals affected by and involved in the incident:
- (a) Local Residents**
David Howard, Chairman Federation of Residents Associations in Barnet
Bernard Walsh, Local Resident
 - (b) Elected Representatives**
Theresa Villiers, Member of Parliament for Chipping Barnet
Councillor Joanna Tambourides, Ward Member for East Barnet

(c) Officers of the London Borough of Barnet

Jeff Lustig, Director of Corporate Governance

Dorne Kanareck, Director of Environment & Operations

(d) Utility Companies

David Luetchford, Operations Head (National Grid)

Jeff Bishop, Operations Director (Veolia Water)

Tony Cohen, Regional Manager (EDF Energy)

- 2.2 The committee also solicited written submissions from other local residents through articles on the Council website and in the local press. Eighteen written submissions were received which were considered by the committee.
- 2.3 Written submissions were also received from Theresa Villiers MP, National Grid and Veolia Water.
- 2.4 Officers of the London Borough of Barnet submitted to the committee a summary of discussion at the GOLD meetings held during the incident.
- 2.5 The Leader of the Council, Councillor Lynne Hillan, also provided written correspondence between herself and EDF Energy. EDF also provided a copy of their letter to the Leader.
- 2.6 The committee met again on 18th March 2010 to consider the draft report, and to finalise their recommendations to Full Council.
- 2.7 The report of the committee is to be presented to the Full Council meeting of 20th April 2010.

3. RECOMMENDATIONS

- 3.1 That, reflecting the severity of weather and length of the incident, the Chief Executive of the council write to National Grid asking them to increase compensation to affected residents to the level of £100 per day.**
- 3.2 That National Grid offer compensation to residents who suffered gas outages of periods of 12 hours or longer.**
- 3.3 That, insofar as not already in place and where practicable, local businesses seek to take out Business Interruption Insurance.**
- 3.4 That the Memorandum of Understanding for utility companies responding to supply disruption and suchlike incidents be updated in consultation with the local authority, and that this include the role of the local authority in responding to incidents.**

- 3.5 That the local authority take a lead in communicating with residents during future incidents, including informing them of who they should contact for further information.**
- 3.6 That the relevant Member of Parliament, London Assembly Member and Ward Councillors be included in the communications plan of the local authority for future incidents.**
- 3.7 That in light of the inadequacies highlighted by the committee, the utility companies review their customer care arrangements for incidents of this kind.**
- 3.8 That the local authority review its emergency planning arrangements to ensure that they are fully adaptable to incidents continuing over extended periods of time.**
- 3.9 That steps are taken by utility companies to ensure that roads are resurfaced to the satisfaction of the authority following the completion of works.**

4. FINDINGS

4.1 The circumstances of the incident and its impact

- 4.1.1 On Sunday 20 December 2009, a 4" water main burst, resulting in the water pressure damaging the gas main above it which let water into the gas pipes affecting the gas supply of over 1,000 properties in East Barnet.
- 4.1.2 Due to this, National Grid had to turn the gas off to the properties that were affected until the water was pumped from the system and the gas supply restored. Each property also had to be visited by a Gas Safe engineer to check household appliances and make sure it was safe to turn the gas back on.
- 4.1.3 National Grid contacted the Head Teacher of St Mary's School, East Barnet on 20 December 2009, and requested use of the school as a National Grid incident room. This request was agreed. The school was used as a base for National Grid until 31 December 2009. Various agencies were present at the school once it was opened – National Grid, London Ambulance, Police, Red Cross, and Local Authority Liaison Officers (LALO). Multi agency Silver meetings began to be held at St Mary's School.
- 4.1.4 National Grid arranged for provision of heater and hot plates to be delivered to St Mary's School for issue to residents and the main focus was identification of those who were either vulnerable or could become vulnerable in this situation and the provision of support throughout.

Door knocking took place initially by Red Cross, and then by the Safer Neighbourhood Teams, Council staff and staff from Veolia (Water Company).

- 4.1.5 On Monday 21 December 2009, the on-call GOLD Director made the decision to set up the Emergency Control Centre at NLBP and as well as the Silver level meetings being held in St Mary's School with the various agencies. GOLD meetings began taking place at the North London Business Park (NLBP).
- 4.1.6 On 23 December 2009, the situation worsened when Crescent Road lost electricity. This was caused by the high demand for electricity, due to the fires and hot plates which had been issued to those without gas, overloading the system.
- 4.1.7 As residents in this road had no gas or electricity, the on-call GOLD Director made the decision to open a rest centre at NLBP which was offered to residents as a place to go for warmth and refreshments. A few vulnerable residents took up this offer and were provided transport to get to NLBP.
- 4.1.8 Some residents were able to go and stay with family and friends whilst the situation was being resolved and four residents stayed in hotel accommodation (arranged by the Council) overnight. On the following morning (Christmas Eve) they were driven back to NLBP and, as electricity had been restored, they returned to their properties and the rest centre was closed.
- 4.1.9 Gradually, during the week, properties had gas restored to them and, on Christmas Eve, National Grid report that just 7 roads would be without gas on Christmas Day. The Control Centre at NLBP was stood down with a shift system put in place with staff available to be called if necessary over the Christmas period. GOLD Directors and the Incident Controllers continued working on the incident from home.
- 4.1.10 On Christmas Day and Boxing Day, Barnet Council's Adult Social Services arranged for 75 additional hot meals to be prepared with 25 delivered to vulnerable residents and the remaining 50 delivered to St Mary's for issue to residents on "first come first serve" basis by a rest centre volunteer.
- 4.1.11 On Boxing Day, National Grid reported water had moved around the system and some 600 properties in 27 roads were affected, which included some new roads that had not been affected before. This was a worsening of the situation and a difficult day for those dealing with the incident.
- 4.1.12 There was a gradual reduction in the number of homes affected each day thereafter and, on New Years Eve, all identified vulnerable people had their gas supply back on. National Grid reverted to business as

usual and closed the incident room at St Mary's School. On Monday 4 January 2010, National Grid confirmed all properties, where they had been able to gain access, were now back on supply.

4.2 The response of the utility companies

- 4.2.1 Following the burst water main rupturing a gas supply pipe, National Grid mobilised its resources to solve the problem on December 20th. Engineers worked continuously through the following days to reconnect as many houses as possible. On December 24th, the company identified some 150 properties that it would not be possible to restore gas to prior to Christmas Day. Because of complications with the return of the supply and the water moving around the system, approximately 700 properties were without power on Christmas morning. National Grid's task was compounded by the size of the incident, together with a similar incident near Luton which severely stretched their resources.
- 4.2.2 Residents, elected representatives and officers of the Council have commended the work of National Grid engineers on the ground. However, concern has been raised over National Grid running a primarily paper-based frontline operation during the crisis, with a lack of central database of users, which residents have found surprising. It was also found that there was a perception of lack of consistency across written communication sent to residents. Some residents had expressed confusion as to who was in control of the situation, in particular the rest centre established at St Mary's School where there had been issues with the distribution of electric heaters.
- 4.2.3 Although some residents perceived the operation of the centre at St Mary's School to be chaotic, National Grid believed the situation at the school was as organised as an emergency response could be. Heaters were not available for a period on Christmas Eve due to the adverse weather conditions affecting deliveries, for which National Grid apologised. Although names and addresses were taken as a matter of course when giving out heaters, this was suspended occasionally when large numbers of people were queuing in the cold to collect them.
- 4.2.4 National Grid and Veolia agreed that National Grid would lead on communications. National Grid confirmed that their legal team had assisted in drafting the letter to residents, but had not "held it up". The delay in the despatch of the letter was blamed on technical difficulties elsewhere.
- 4.2.5 EDF Energy have stated that the Crescent Road power supply failure was caused by exceptionally high levels of extra electricity demand from the additional number of heaters in use during the gas outage. The electricity network in this area was primarily designed for houses where gas was the main form of power supply.

- 4.2.6 Veolia Water had repaired and replaced gas appliances for approximately 200 customers, and were of the opinion that this had been carried out effectively and efficiently.
- 4.2.7 National Grid has set compensation levels at £30 per household per day for residents (the statutory minimum), with £100 for Christmas Day and Boxing Day. A flat pay-out of £50 has been offered to businesses, although those covered by business interruption insurance would likely be adequately compensated by their insurers.
- 4.2.8 National Grid believe that the level of compensation that they had offered to residents was satisfactory. They have re-iterated that compensation was payable after a period of 24 hours without gas, and did not countenance Member requests that this policy be reconsidered. They stated that they had paid out approximately £750,000 in compensation to date.
- 4.2.9 Both residents and elected representatives have been critical of the level of compensation being offered. It is suggested that a figure of £100 a day, as had been offered on for outages on Christmas Day and Boxing Day would adequately take account of the unique circumstances around the outages and length of the disruption.

RECOMMENDATION ONE

That, reflecting the severity of weather and length of the incident, the Chief Executive of the council write to National Grid asking them to increase compensation to affected residents to the level of £100 per day.

- 4.2.10 The committee also agrees with the views of residents and elected representatives that compensation should be offered to households whose power was disrupted for periods of less than 24 hours.

RECOMMENDATION TWO

That National Grid offer compensation to residents who suffered gas outages of periods of 12 hours or longer.

- 4.2.11 National Grid has administered compensation through sending cheques to affected households. Those querying whether they had received the

correct compensation were initially advised to telephone the National Grid call centre. The committee has received anecdotal evidence of next door neighbours often being offered differing amounts of recompense and notes that vulnerable people are probably less likely to challenge the level of compensation offered if it was incorrect.

4.2.12 Following resident complaints at a public meeting on the incident hosted by Theresa Villiers MP on 10th February 2010, National Grid set up a series of surgeries during the period 18th to 20th February 2010. These were designed to enable residents to confirm the times and dates that they were without a gas supply to ensure that National Grid had made the correct calculations for payments of compensation.

4.2.13 National Grid has acknowledged that their administration of the aftermath of the incidents was deficient, but point to the holding of surgeries for residents to rectify the problems.

4.2.14 When making enquires by telephone over the level of compensation, some residents have had negative experiences of call centres. National Grid has stated that a balance needed to be maintained between sufficient staff being able to respond to gas emergencies and handling resident enquiries regarding compensation.

4.2.15 Residents were critical of the £50 payout to affected businesses by National Grid. The committee has noted this payout, and believes that local businesses should seek to take out business interruption insurance to safeguard against circumstances preventing them from trading.

RECOMMENDATION THREE

That, insofar as not already in place and where practicable, local businesses seek to take out Business Interruption Insurance.

4.2.16 A co-ordinated response to incidents between utility companies is governed by a Memorandum of Understanding between them. The committee has indicated that it would be useful for this to be updated in light of lessons learned from the incident, and also to reflect the current structure of the energy industry. The committee also recommends that the Local Authority be consulted when drawing up this revised Memorandum, and their role in the handling of incidents be included within it.

RECOMMENDATION FOUR

That the Memorandum of Understanding for utility companies responding to supply disruption and suchlike incidents be updated in consultation with the local authority, and that this include the role of the local authority in responding to incidents.

4.3 The response of the London Borough of Barnet

- 4.3.1 The committee has noted the structure of emergency planning in the London Borough of Barnet and the GOLD arrangements operated by the authority during emergencies. Two emergency planning officers work within the borough's Corporate Governance directorate. The response of the authority is overseen by a GOLD officer, who is a Director of the Council who holds the position on a rotating basis.
- 4.3.2 Barnet, like most local authorities, is designated as a Category 1 responder under the Civil Contingencies Act 2004.
- 4.3.3 Category 1 responders are subject to the full set of civil protections duties. They will be required to:
- Assess the risk of emergencies occurring and use this to inform contingency planning;
 - Put in place emergency plans;
 - Put in place Business Continuity Management arrangements;
 - Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
 - Share information with other local responders to enhance co-ordination;
 - Co-operate with other local responders to enhance co-ordination and efficiency; and
 - Provide advice and assistance to businesses and voluntary organisations about business continuity management
- 4.3.4 For the duration of the East Barnet incident, the GOLD control was based in the Council's principle offices at the North London Business Park. The GOLD officer was in regular contact with the incident controller, who was often on the ground at the incident, in this case at the St Mary's rest centre.
- 4.3.5 The rest centre was set up by National Grid and the Police, and was run by National Grid assisted by a number of Council officers and volunteers. The authority faced a number of challenges when co-ordinating the

response to the situation, including the ever-changing number of houses without power and in co-ordinating the response to an incident which it was not able to itself solve, the responsibility for the restoration of power lying with National Grid.

- 4.3.6 The committee expresses its concerns over delays in a press release and letters which were due to be sent out by National Grid on Tuesday December 22nd 2009. This process was delayed by one day, with the authority later understanding that this had been caused by National Grid's legal team.
- 4.3.7 The media were kept informed by the authority through briefings and regular updates to the Council's website. Officers of the Council have informed the committee that in potential future situations of this kind, they would probably take a lead role in directly communicating with local residents. This would include letting them know of the appropriate agency to contact for further information. The committee endorses this view.

RECOMMENDATION FIVE

That the local authority take a lead in communicating with residents during future incidents, including informing them of who they should contact for further information.

- 4.3.8 The local authority made significant efforts to contact vulnerable residents. These were those who received care or an assisted refuse collection, the families of special needs children and all those known to Adult Social Services. Officers also responded to calls from other residents concerned about their friends and neighbours.
- 4.3.9 No central list of all potentially vulnerable adults exists, and officers were of the opinion that attempts to collate one would be overly bureaucratic and of disproportionate expense. All residents who were deemed vulnerable by the authority were visited, and no reports were received of hospitalisations or illness. Visits to vulnerable people were primarily to check that they had sufficient food and help available, and they were advised to call 999 in the event of an emergency.
- 4.3.10 The committee notes the importance of communicating with elected Members as an incident of this nature is unfolding. Councillors representing East Barnet Ward had initially been informed of the incident by the Leader of the Council by telephone, with later updates being e-mailed to the ward Members.
- 4.3.11 In her evidence to the committee, Councillor Joanna Tambourides stated that she primarily kept herself informed through regular visits to the centre

on all but one day of the crisis. It has been acknowledged by both Councillor Tambourides and Theresa Villiers MP that there could have been a more formal mechanism to keep elected representatives informed by the authority and the committee supports this view.

RECOMMENDATION SIX

That the relevant Member of Parliament, London Assembly Member and Ward Councillors be included in the communications plan of the local authority for future incidents.

4.4 The impact on public services

- 4.4.1 Attendance by public service partners at the regular GOLD meetings at the North London Business Park allowed co-ordination across public services on responding to the incident.
- 4.4.2 During the incident, the PCT contacted local hospital site managers, and asked them not to discharge anyone living in the East Barnet area. The PCT also co-ordinated East Barnet GPs in providing lists of vulnerable patients to the local authority.
- 4.4.3 The Police and London Fire Brigade also attended the GOLD meetings to ensure a joined up response to the incident.
- 4.4.4 Regular SILVER meetings also took place on the ground during the incident. Less formal in nature than the GOLD meetings, these involved key partners in the frontline management of the incident response.
- 4.4.5 The committee notes the co-ordination between the public services through the GOLD and SILVER meetings, and the lack of fatalities or illnesses as a result of the incident.

4.5 The incidents in Mill Hill and East Finchley

- 4.5.1 The electricity supply failures in Mill Hill and East Finchley were caused by the cold weather moving a high voltage cable by 5 feet, resulting in a loss of power. The full restoration of supplies to houses took approximately eighteen hours.
- 4.5.2 The committee have been informed by EDF energy that this was a one-off incident which had now been dealt with. The network was now in the planning phase of an upgrade which was due to take place in May 2010.

4.6 How future incidents might be averted

- 4.6.1 The committee note that the incident was unprecedented in its size, which led to significant challenges for all involved in restoring power.
- 4.6.2 The committee further notes that infrastructure improvement works being carrying out by utility companies are designed to improve the reliability of the energy network.
- 4.6.3 The committee believes that although it is impossible to remove the risk of further incidents of this kind taking place, implementation of its recommendations, in particular around communication, will help these rare incidents be managed as effectively as possible.
- 4.6.4 Noting both the use of paper-based systems on the ground and concerns raised over the administration of the aftermath of the incident, the committee believes that the utility companies should review their customer care arrangements for such situations.

RECOMMENDATION SEVEN

That in light of the inadequacies highlighted by the committee, the utility companies review their customer care arrangements for incidents of this kind.

- 4.6.5 The committee also notes that the authority's emergency planning arrangements have been primarily designed for incidents taking place over a shorter period of time. With this in mind, it recommends that the authority review these arrangements to include lessons learned from dealing with an incident of this unprecedented length, and make the appropriate changes to its emergency planning processes.

RECOMMENDATION EIGHT

That the local authority review its emergency planning arrangements to ensure that they are fully adaptable to incidents continuing over extended periods of time.

- 4.6.6 The committee notes that as metal pipes are being replaced with plastic pipes in many roads, procedures should be put in place by

the utility companies to ensure the roads are re-surfaced to the highest standards.

RECOMMENDATION NINE

That steps are taken by utility companies to ensure that roads are resurfaced to the satisfaction of the authority following the completion of works.

4.6.7 The committee request that to ensure that the energy regulator is fully aware of both the circumstances of and response to the incident, they be provided with a copy of the committee's report.