

Scrutiny Streets, Environment & Homes Sub- Committee Agenda



To: Councillor Sean Fitzsimons (Chair)
Councillor Jan Buttinger (Vice-Chair)
Councillors Robert Canning, Richard Chatterjee, Luke Clancy, Felicity Flynn
and Callton Young

Reserve Members: Clive Fraser, Karen Jewitt, Michael Neal,
Andrew Pelling, Helen Pollard, Joy Prince and Gareth Streeter

A meeting of the **Scrutiny Streets, Environment & Homes Sub-Committee** which you are hereby summoned to attend, will be held on **Tuesday, 19 February 2019** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**. **A pre meet for Members only will take place in room F4.**

Jacqueline Harris Baker
Council Solicitor & Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Stephanie Davis
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www.croydon.gov.uk/meetings
Monday, 11 February 2019

Members of the public are welcome to attend this meeting.
If you require any assistance, please contact the person detailed above, on the righthand side.

N.B This meeting will be paperless. The agenda can be accessed online at www.croydon.gov.uk/meetings

AGENDA – PART A

1. Apologies for Absence

To receive any apologies for absence from any members of the Committee.

2. Minutes of the Previous Meeting (Pages 5 - 16)

To approve the minutes of the meeting held on 22 January 2019 as an accurate record.

3. Disclosure of Interests

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

4. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Grounds Maintenance Contract

To receive a report and hold a discussion on the current position of the contract which has been brought back in house.
(Report to Follow)

6. Trams Update (Pages 17 - 46)

To receive an update on action that have been put in place and review responses to recommendations made at the meeting of 20 March 2018 on Tram Safety and Future proposals.

In attendance will be Mark Davis, General Manager London Tramlink

Jackie Townsend Managing Director and Ben Groome Operations Manager, Trams Operation LTD

7. Utilities (Pages 47 - 62)

To receive reports and discuss water resource, managing leakages, and updates on adverse weather on water supply from Thames Water and Sutton and East Surrey Water LTD.

8. Work Programme (Pages 63 - 66)

To note the Work Programme for the remainder of 2018/19 municipal year.

9. Exclusion of the Press and Public

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

Scrutiny Streets, Environment & Homes Sub-Committee

Meeting held on Tuesday, 22 January 2019 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillor Jan Buttinger (Vice-Chair);
Councillors Robert Canning, Felicity Flynn and Callton Young

Also Present: Councillor Alison Butler, Cabinet Member for Homes and Gateway Services
Councillor Patricia Hay-Justice, Deputy Cabinet Member for Homes and Gateway Services
Councillor Lynne Hale
Hazel Simmonds, Executive Director of Gateway Strategy and Engagement
Julia Pitt, Director of Gateway Services
Yvonne Murray, Director of Housing Assessments and Solutions
Kirsteen Roe, Interim Director of District Centres and Regeneration
Colm Lacey, Chief Executive Brick by Brick

Apologies: Councillor Richard Chatterjee and Luke Clancy

PART A

1/19 Minutes of the Previous Meeting

The minutes of the meeting held on 6 November 2019 were agreed as an accurate record subject to the following amendments:

The Recommendations for Agenda item 5, Cabinet Member Question time be revised to:

1. Recommend to the Cabinet Member for Environment, Transport and Regeneration for exact timescales to be provided on the resolution of outstanding recommendations.
2. Recommend to the Cabinet member for Environment, Transport and Regeneration for a review of Public by Laws to take place despite constraints.

The Conclusions and Recommendations for Agenda Item 6, Housing in Croydon be revised to read:

In reaching its recommendations, the Sub-Committee reached the following **CONCLUSIONS:**

1. The Members thanked the registered housing providers and Support for attending the meeting.
2. The Sub-Committee Members felt that the information report presented by the Council officers required improvement as lacked vital information about the sector in Croydon.
3. The Housing First initiative was innovative and welcoming and that progress details of progress would be welcomed at future meetings.
4. The work of the Gateway service was positive and making a difference to the lives of Croydon residents.
5. The short term funding provided by government to Thames reach was not beneficial to their workforce in the long term.
6. The housing providers that have been successful in ensuring that their contractors pay the London Living Wage be congratulated.
7. There is a need for better co-ordination between all Registered Housing Providers in Croydon to ensure best use of resources across the borough.

The Sub-Committee **RESOLVED** to:

1. Recommend to Optivo, Caysh, CCHA and Thames reach to work extensively to encourage their contractors to pay staff the London Living Wage.
2. Recommend to Cabinet Member that the Council should lead on having an annual review of Registered Housing Providers performance in the borough,
3. Recommend to the all registered housing providers In Croydon to improve their partnership working within Croydon and with the Council.
4. Recommend to Cabinet Member to review Croydon's overall approach to its relationship with Registered Housing Providers in Croydon and report back to this committee.

2/19 Disclosure of Interests

There were none.

3/19 Urgent Business (if any)

There were no items of urgent business.

4/19 Cabinet Member Question Time: Cabinet Member for Homes and Gateway Services

The Cabinet Member for Homes and Gateway Services gave a presentation on aspects of her portfolio and covered the following:

Creating Homes

Brick by Brick was targeted towards tackling the problems faced from a lack of supply in the housing market, particular affordable homes in the borough. The company had received planning consent for over 40 sites since it was set up

in 2016 providing over 1,000 new homes, 48% of which were affordable homes.

The Croydon Affordable Homes Charity Partnership which had provided 96 homes for people was in the process of purchasing 256 new homes. Affordable rental properties from Brick by Brick will be transferred to this stock as well as hubs from the Taberner House development

Homelessness

There had been some publicity around the severe weather emergency protocol which sets out the Council's and its partner's responsibilities to people without shelter during instances of severe weather.

Crystal Palace FC provided accommodation during severe weather and Croydon Outreach continued to work and engage with people throughout the year. Additional Mental Health Resources were implemented to supplement the street work and rough sleeping schemes, working in partnership to support those living on the streets.

Croydon Housing 1st initiative had been launched to work with people with chronic conditions to help get them off the streets and it hoped to provide homes for 20 people over the course of the next year. Partnerships with the Social Lettings Agency to work with social landlords to encourage them to offer tenancies and also supporting tenants to help them to maintain their tenancies.

Improving Homes in the Private Rented Sector

To date 34,000 licence applications had been received which was higher than estimated and the department continued to receive approximately 250 applications each month. Growth had been experienced in individual rented properties on new developments which were not for sale. Renewal of the scheme was a possibility when it expired.

There was an emerging picture that the households that were living in deprivation were those from the private rented sector, with homes which consisted of families living on low income and children in poverty. This was previously associated with households in social housing.

Houses in Multiple Occupation (HMO)

The government changed some of its criteria around what the acceptable levels of HMO were and Croydon had decided to maintain its standards and not adopt the government's acceptable standards as the Council did not share the view that the criteria set was acceptable.

There had been issues experienced with loss of family homes in the borough due to conversions to HMO and the Council had decided to take action. The form of action taken was a requirement for planning applications to be made

under Article 4 for permission for conversion of properties to HMO. Article 4 directs that homes with six or less occupants that could be converted under permitted development would no longer be able to do so without meeting planning criteria and submission of a planning application. The basis for this decision was to allow the Council to establish a regulatory position on conversions of properties to HMO, ensuring that rooms were built to acceptable standards and family homes were not being lost. The consultation on this would commence on 24 January 2019.

Gateway Services

The service ensured that residents were given personalised action plans when they approached the Council for support which addressed all issues presented such as managing debt. The Food Stop service in New Addington continued to be a success and this was to be extended into Thornton Heath. The priority of the Gateway service was to explore preventative measures, investing in the people of Croydon and mitigating welfare reforms where possible.

Emergency Accommodation

The homeless preventative framework would be published early in the year documenting the difference that had been made through preventative work. The work of the Gateway service had contributed to the good results experienced in this area. There were 1,336 decisions made in response to those approaching as homeless in 2017/18, this was the fewest in 11 years. The Council managed to relieve homelessness for over 2000 households in 2017/18 as well as a reduction of those in temporary accommodation from 3000 to 2000. Going forward, the priority was to reduce the amount of people living in temporary accommodation as this was a service with high needs

Council Homes

The focus was on ensuring that homes met the decent homes standards. It was expected that £28mil in maintenance and improvement would be delivered this year. Investing in fire safety with the completion of the sprinkler programme was expected this financial year. The responsive repairs section had been performing well across all areas. There has also been an end to fixed term tenancies

The Cabinet Member concluded that some of the challenges experienced in areas of her portfolio included the following:

- Number of homes needed
- Capacity to deliver
- Funding constraints

A Member asked what the scope was for developments of large estate similar to those in New Addington in other areas of the borough. The Cabinet Member responded that this was not always possible as whilst there was

potential for large scale developments, there were restrictions on ring belt and metropolitan open land. The Council was committed to looking at all opportunities to protect green spaces and would only develop in areas where able to intensify.

A Member commended the wide range of successful initiatives that had taken place as well as the impending completion of the sprinkler programme and asked if there were any further plans to develop the work of Gateway Services. The Cabinet Member responded that the Council was always looking at how to expand successful initiatives across the borough and was in the process of rolling out the Food Stop initiative to Thornton Heath. By working with Parchmore Methodist Church and other community organisations to provide a wraparound service for the community. Additionally the Gateway North service was due to be launched to specifically explore how services can fit in a specific area, provide a defined service to meet identified needs and sharing of resources with voluntary organisations. Working with the children's centres to trial working alongside the early help practitioners to provide additional support.

In response to a Member comment on the limited information on the responsive repairs service contained in the report, that an update was required on the performance of the service, data on completed repairs following initial reporting, how long a typical repair took and any sanction or penalties to contactors when work not completed in required time. Officers responded that strong customer satisfaction had been received and contractor's performance was monitored on a monthly service. A detailed report on the information requested would be provide and circulated to Members after the meeting.

It was further commented that it was important that information regarding priority residents and response rates on repairs and a detailed KPI information be included in the report that was circulated.

In response to Member questions about the number of London boroughs that had applied for the use of Article 4, the Cabinet Member replied that approximately 40% of London Councils has applied for the use of Article 4. Many other Councils around the country has also used this for many years in particular university areas that experienced a large scheme of development of HMO as a result of lack of affordable housing and housing need.

It was further commented that there would be a risk that if Article 4 was not used collectively London wide, Croydon could become a target for developers, the Cabinet Member acknowledged that Croydon would be at risk which was why action was being taken. The use of Article 4 was intended to be borough wide and there was a statutory requirement for a year's notice to be given regarding the intent of its usage in Croydon.

The Chair commented that there had been a drive by government on right to buy, with increased resources put into the scheme but there was limited support available for lower income families. It was questioned what was

available in terms of support for lower income families and single people apart from permitted development schemes to get onto the housing market. The Cabinet Member responded that they were trying to improve outcomes for this group of people through the Council Affordable Homes scheme and acknowledged that there was limited support for low income families. The issues faced with permitted developments remained a challenge in that there has been some good schemes but also poor schemes. A big concern was that there was not a requirement to offer affordable housing under this scheme and some planning regulations could be by-passed. The changes to legislation by the government meant that HMO properties with six or less residents did not have to apply for permission to convert to permitted development. This had resulted in concerns with loss of size and space on many developments.

Changes had been made to the Council's Housing Allocation Policy to enable lower income families in work to be given priority where they previously were not. Improvements to accessible housing were being made through Croydon affordable homes as well as through the Brick by Brick offer. The reality was that there was a limited supply of homes and whilst this remained, the Council would continue to face challenges in helping families that needed support.

The Chair further remarked that Croydon had over 34,000 people living in the rented sector and there were rent schemes emerging in the borough but they predominantly were aimed at higher income families. There was a decline in home ownership for young people whose income was not sufficient to enable them to get onto the housing market. The Cabinet Member replied that there was indeed a housing crisis at all levels and any form of housing in the borough that would ensure that more people are able to have their own homes would be welcomed. There had been a noticeable trend in lower income families from the private rented sector approaching the Council's homeless department.

It was observed that partnership working between the Council and registered landlords needed to be strengthened as there was a real opportunity to work with them to improve the Croydon offer. Officers responded that round table meetings were held with registered providers in order to improve relationships between them and the Council as well as each other. The meetings also enabled collaborative work to tackle the issue of homelessness and welfare, sharing of good practice and preventative work due to implications of welfare reform. An additional aspect of the meeting was to raise awareness when developments came through to ensure that providers do not bid against each other as this would further drive costs.

A member questioned fire safety and the progress that had been made, officers responded that none of the Council stock had required replacement of cladding. There were blocks in the borough that had cladding that needed replacing, the Fire Brigade were aware and worked closely with the Council on measures to mitigate risks. This meant that those blocks that required cladding to be replaced, had leaseholders that would incur large costs. There had however been a recent success with one of the blocks where the insurance has agreed to pay from the date of the claim but leaseholders

would still be faced with high bills for removal of cladding. A London wide group had been set up to explore how to work with insurers to encourage them to make changes.

A Member questioned which blocks were being looked at in terms of upgrade, the estimated costs involved and where the funding would come from to realise the programme. Officers responded that the lease blocks, Concord, Windsor and Sycamore house were currently being worked on due to the type of accommodation as it housed many families on a temporary basis. The costs involved would be circulated after the meeting. The funding was included as an allocation under the HRA budget as well as from the ongoing Capital Programme. A Compliance team had been established post the Grenfell incident to look specifically at fire safety across all Council properties and measures had been put in place across services for fire safety to be prioritised in all instances.

A Member questioned what the average void timescale was and how successful had Croydon Bid initiative been. Officers responded that the void process was currently under review in order to reduce to the target date of 20 days. There had been improvements to figures as a result of the Croydon Bid initiative.

Members mentioned issues with the South London Partnership in terms of bin collection, especially in larger blocks and queried the Council's response in putting pressure to ensure improvement of the service. The Cabinet Member responded that a qualified response should be sought from the officers responsible for that area of service. The housing department have ensured that estate patrols were conducted on Council blocks, with caretakers being more vigilant and proactive in reporting where issues were identified.

The Chair thanked the Cabinet Member as well as officers for their attendance at the meeting and answers to questions.

Information requested by Sub- Committee

- (i) That a detailed report was KPI's on the responsive repairs service be circulated

In reaching its recommendations , the Sub-Committee came to the following **Conclusions:**

- (i) The Members congratulated the officers on their recent appointment to their individual executive posts and wished them well in their new roles.
- (ii) The Sub-Committee were encouraged by the continued success of the Gateway service.
- (iii) The announcement of the extension of First Stop initiative to Thornton Health was welcomed.
- (iv) The information on the repair service in the report was limited and detailed information be circulated after the meeting.
- (v) The Council's decision to utilise Article 4 conditions for conversions of property to HMO was applauded.

- (vi) It was acknowledged that there was a housing shortage in the borough and more was needed to be done.
- (vii) Partnerships with social housing providers had to be strengthened.
- (viii) The lack of support for young people to help them onto the housing market was concerning.

The Sub-Committee made the following **Recommendations**:

- (i) That the Council ensured that the use of Article 4 be implemented on a borough wide basis and not ward by ward
- (ii) That the Council and Social Housing providers work on reinforcement of their relationships
- (iii) That different ideas and initiatives to provide support for young people into housing be explored.

5/19 Housing Resource Allocation Budget 2019/20

This item was withdrawn and it was agreed that the papers would be circulated prior to it being presented at 25 February 2019 Cabinet.

Information requested by the Sub-Committee

- (i) The HRA Budget report be circulated to Members for comment prior to it being tabled at the 25 February 2019 Cabinet.

6/19 Brick By Brick Business Plan 2019/20

The Chief Executive of Brick by Brick presented the proposals of the business plan 2019/20 that was due to be tabled at the 25 February meeting of Cabinet.

The vision of which was to maximise affordable homes and generate income through a simple model of development of sites such as derelict care homes, surface level car parks, garages, old building stock, estate infill as well as community centres

A presentation was delivered which provided a progress update. The current programme was working to deliver 44 schemes with a total of 1093 units of which 49% would be affordable. One of the key aims was to improve the level of affordable rent schemes in larger sites and this was being achieved.

The Shared Ownership element of the developments were crucial to getting people on the housing ladder in areas where prices were high and the offer that is being made available was genuinely affordable.

The Fairfield homes scheme was a major scheme and a revised planning application for that scheme was in progress with a vision to deliver more affordable homes and cultural infrastructure for the borough on what should be a 400+ unit scheme.

The overall target was for 2,000 homes to be built by 2020. In order to allow greater capacity for delivery the team had grown due to recent recruitment and restructure with the creation of four specialisms, development , construction , operation and an in house architectural practice.

The marketing suite would be open from February 2019 to the public as part of the launch for the first schemes for sale in anticipation of the completion of Ravensdale, Auckland and Cheriton developments in early 2019/20

Members were informed that the figures in the report were outlines, an updated analysis would be provided with the Cabinet papers as the company was still working through allowances and planned projection.

The Chair mentioned the visit to some of the first batch of sites to be completed which took place on 17 January 2019. He expressed how impressed he was by the build quality and the contractors Quinn and Buxton, used to realise the projects. It was evident through dialogue that the people working on site were committed to delivering high quality product. The Members would welcome future visits on completion on the sites.

In response to the Chairs question on what the company's biggest risks and how would they be managed over the next few years, officers said that there were a number of challenges faced. The nature of the sites was challenging in that they were working on some small complicated sites which threw up issues which may be the reason why they had not been developed already. To date all issues have been solved but as they continued to work through the programme there may be other problems encountered which will be dealt with accordingly.

Additionally technical challenges can occur and the company would have to find cost effective ways to manage issues such as exploring ways to deliver building in-house instead of through procurement. As a company that is continuously developing, they were learning from each project. Ensuring that the right infrastructure was available to assist with delivery of projects.

The overall property market posed risks and the company worked hard to build in contingencies to ensure analysis and oversight on what they were able to deliver, the value that could be achieved and worth of schemes. The ability to respond effectively to any changes in the market.

A Member commented on the importance of getting this right due to the financial implications as well as reputation of the Council, the report stated that increased costs were experienced then goes on to say these costs were mitigated. It was questioned whether the situation with Brexit would have an impact on targets and delivery of schemes.

Officers responded that this company had been established by the Council to deliver homes and it would do so in any way possible. If the market changed the company must and would be able to respond and adapt where necessary.

Costs were recognised as less of a risk to a development than time delay, although there were actively mitigating costs as necessary.

A Member queried why a risk register was not attached to the business plan, Officers responded that the business plan itself was a strategic document that covered risks at a strategic level. There were various sections that discussed how risks would be mitigated. The annual report deals on a commercial level the risks involved and on a practical level, information was collated and reviewed on an ongoing basis including those that the contractors had to report on a monthly basis.

A Member questioned a reference in the report of £78mil funding needed which would be made up of £58mil borrowing, what rate would be paid and for how long. Additionally £19mil equity investments, who would the investor be and what diligence had been ensured that investment was not pulled in the event of an economic downturn. Officers responded that all of the borrowing came from the Council at a split of 75% debt and 25% equity. In terms of debt, the Council borrows at a low rate and the money is lent to Brick by Brick at market rate. There was an analysis in the report as to how much revenue this lending brings in for the Council. In terms of equity, the 25% gives the Council an additional share in the company which meant that when the company made money, the Council also made additional money.

A Member asked if there would be a designated repairs company responsible for the units, officers replied that they were currently out to tender for an asset management and repairs contract and they were looking at lessons learnt from the Council's previous contracts to determine which company to appoint.

It was noted that the first properties were nearing completion and questioned when a Croydon resident would be able to move into one of the schemes. Officers replied that Croydon residents would have an exclusive period of prioritisation on purchase, shared ownership or rent of all properties and it was hoped that Croydon residents would make use of this opportunity.

It was further asked if there was any provision to stop people from purchasing the properties and then selling or subletting as it was hoped that many of the schemes would be primarily occupied by Croydon Residents. Officers responded that in terms of the units for sale it was difficult to control outcomes but the schemes were being marketed in a way to discourage investors purchasing. The shared ownership properties were easier to control subletting due to the nature of the scheme, but it was difficult to prevent people from purchasing and then selling on. The affordable rental properties would be owned and managed by Croydon affordable homes who will have control and ability to adopt enforcement measures where necessary.

In response to a Member question on how confident the company was to deliver according to the revised programme of delivery date, officers replied that they were confident and had the capacity to deliver units completed and ready to be occupied in line with the 2019 programme target to deliver 414 units.

The Chair thanked officers for the responses to questions and expressed that the Members looked forward to future tours of completed units.

The Sub-Committee came to the following **Conclusions**:

- (i) The Sub-Committee welcomed the update on the progress of the scheme
- (ii) Members looked forward to a site visit on completion of the developments
- (iii) Encouraged that Croydon residents would have an exclusive period of priority to access the schemes.
- (iv) It was important for Brick by Brick to ensure that all risks associated with the delivery of the programme was managed effectively.
- (v) It was imperative that the schemes were delivered on time as stated.
- (vi) The Members were pleased that a rigorous tendering process was to take place in awarding a repairs contract.

7/19 Responses from Cabinet

Many of the responses and been accepted and completed although some were out of date, the Sub-Committee was informed it was recognised through the governance review that going forward a more effective system and change in approach was needed.

A Member commented that one of the recommendations which was for a Trams update should have taken place in November and had not, the Chair responded that this was due to changes to items on the work programme and the trams update would take place at the meeting of the sub-committee on 19 February.

The Sub-Committee noted the responses from Cabinet following the recommendations made at the meeting held on 20 March 2018 and 26 June 2018.

The Sub-Committee **NOTED** the responses from Cabinet.

8/19 Work Programme

The Sub-Committee **NOTED** the work programme for the 2018/2019 municipal year.

9/19 Exclusion of the Press and Public

This was not required.

The meeting ended at 9.00 pm

Signed:

Date:

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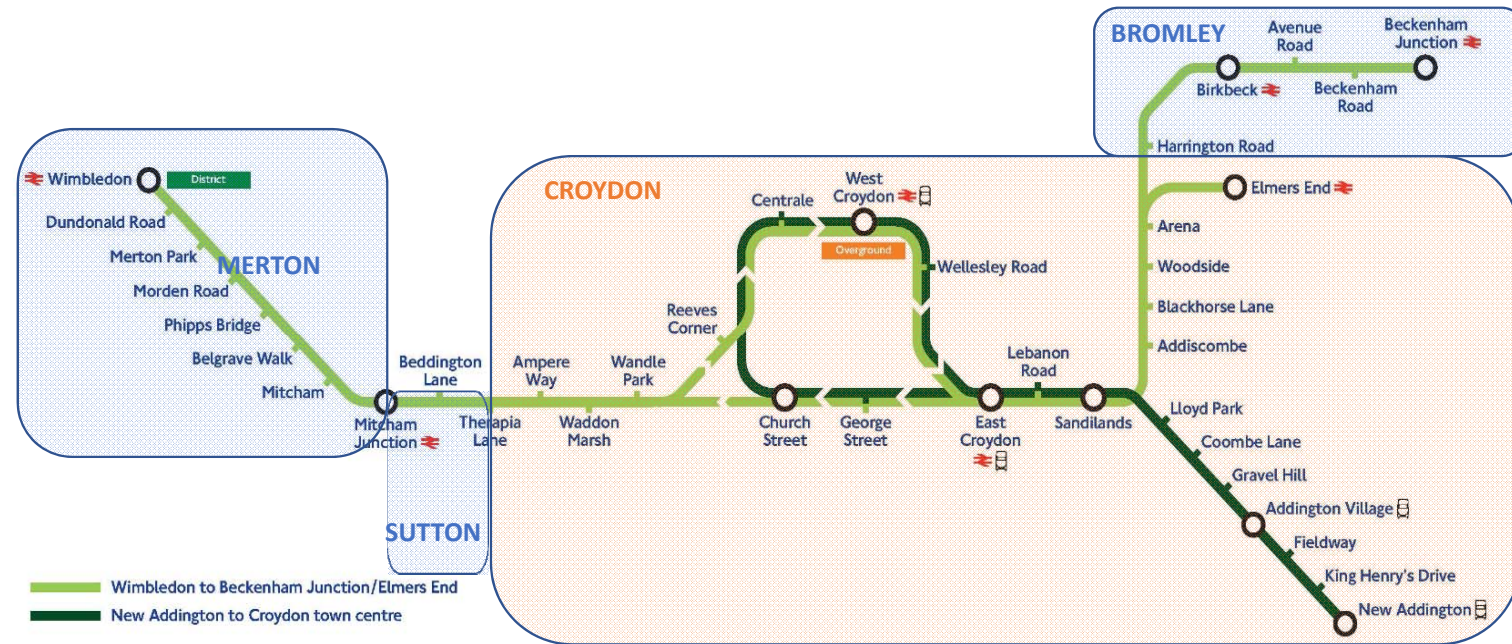
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Tram Operations Ltd Presentation to Streets and Environment Scrutiny Committee

Jackie Townsend
Managing Director
19 February 2019

Croydon Tram Network

- 28km network;
- 2.4 million km p.a.
- 35 trams , 39 Tram stops, serves 7 National Rail stations and more than 50 bus routes
- Four lines / routes
- 80,000 customers daily



- 29.1m customer journeys per annum down 1.2% year on year, whilst Docklands are down 2.2%
 - Account for 19.6% of all London journeys , our share has grown 0.2% year on year
 - 3% of total UK journeys are on light rail

Tram – Mode of Operation

- Driving is **by line of sight**
- Both infrastructure and rolling stock safety are assessed using the same criteria for heavy rail,
 - but tailored for light weight, lower speed operation

Page 19 Legislation relating to highways which affects light rail and tramways as is operates on roads

- Highways Act 1980
- The Traffic Signs Regulations and General Directions 2016
- Trams are regulated by Office of Rail and Road (ORR)

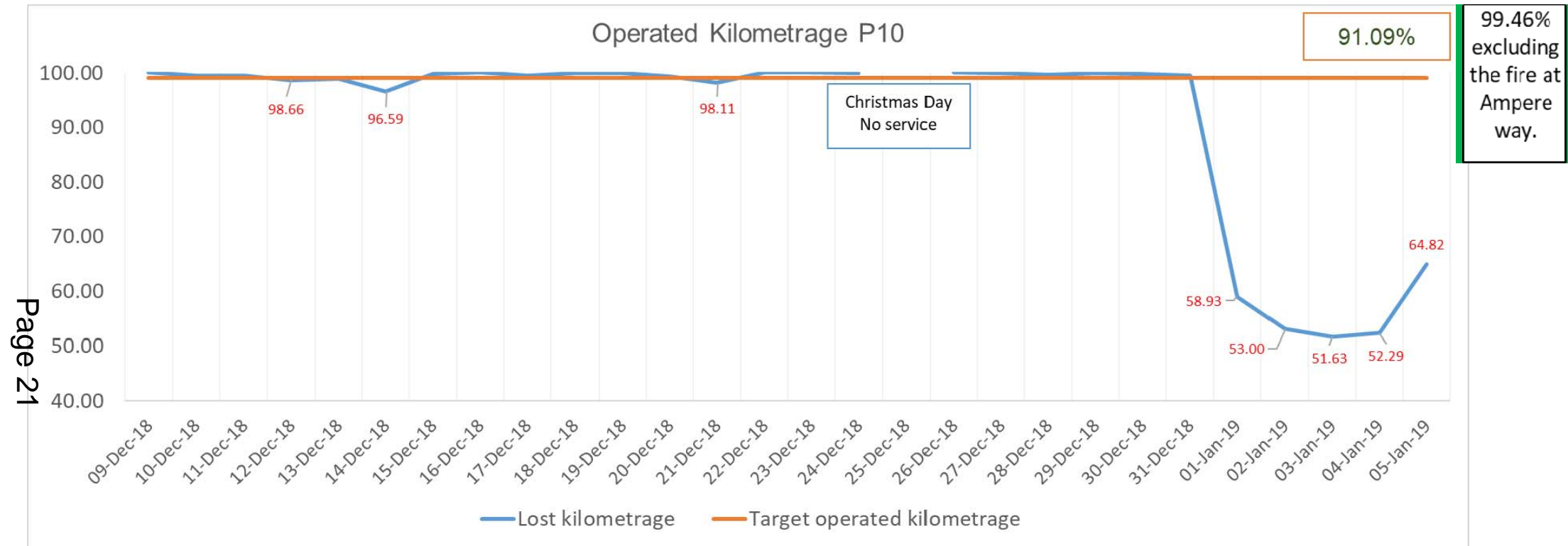


Access and enhanced mobility

- Low floors on trams
- No steps at tram stops
- Slopes from tram stops to pavements allowing smooth transition
- Dedicated space on tram for wheelchairs and buggies
- No special assistance is required

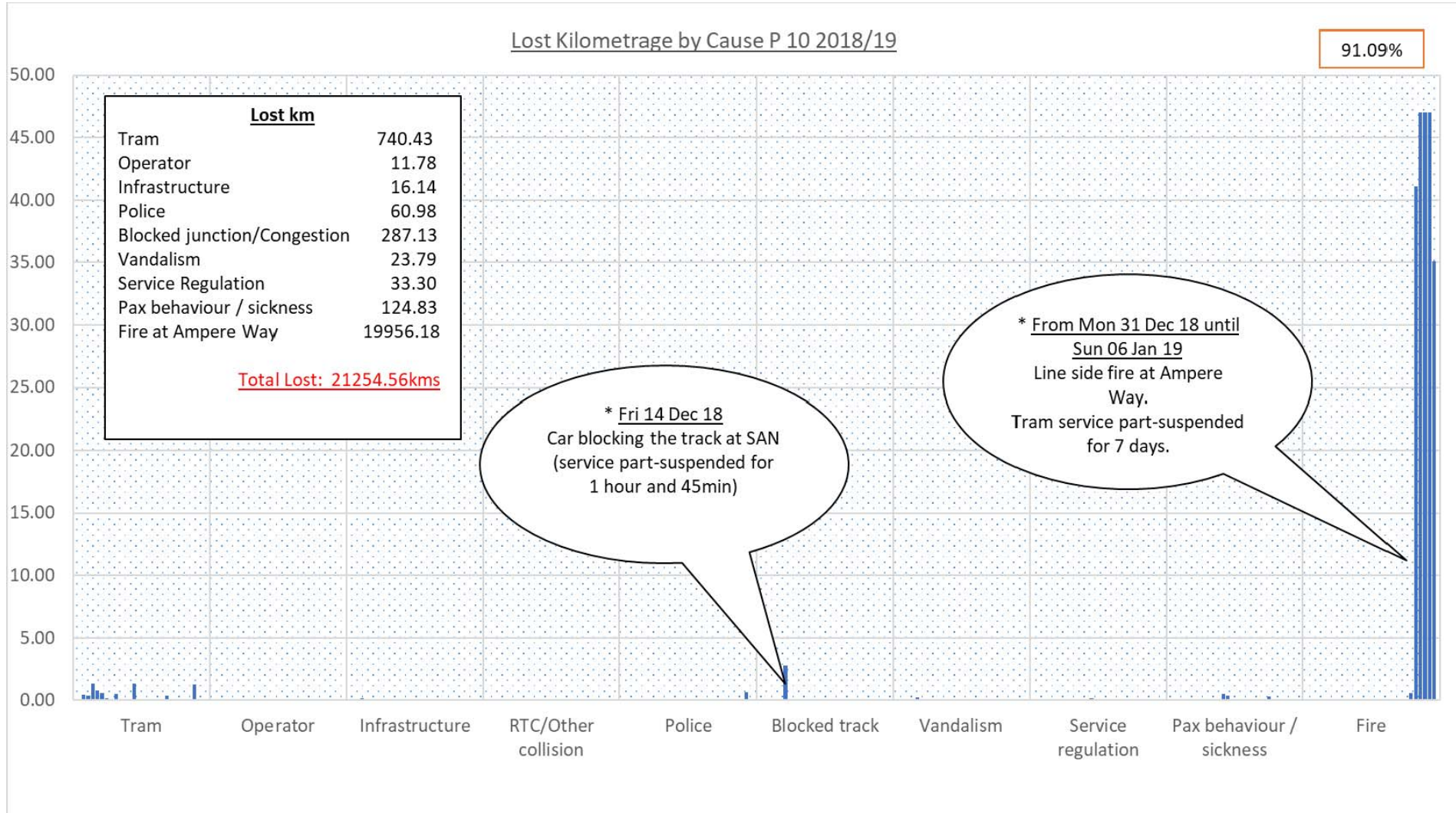
Barriers to overcome – Provision for Cyclists

Service Performance



12.12.18 - Failed trams.
14.12.18 - Failed trams, car on track at SAN.
21.12.18 - Failed trams, passenger sickness, traffic at West Croydon area, service regulation.
01.01.19 - Fire at Ampere Way.
02.01.19 - Fire at Ampere Way.
03.01.19 - Fire at Ampere Way, driver incident, failed tram.
04.01.19 - Fire at Ampere Way, failed tram, Police incident at Woodside.
05.01.19 - Fire at Ampere Way, failed tram, passenger sickness.

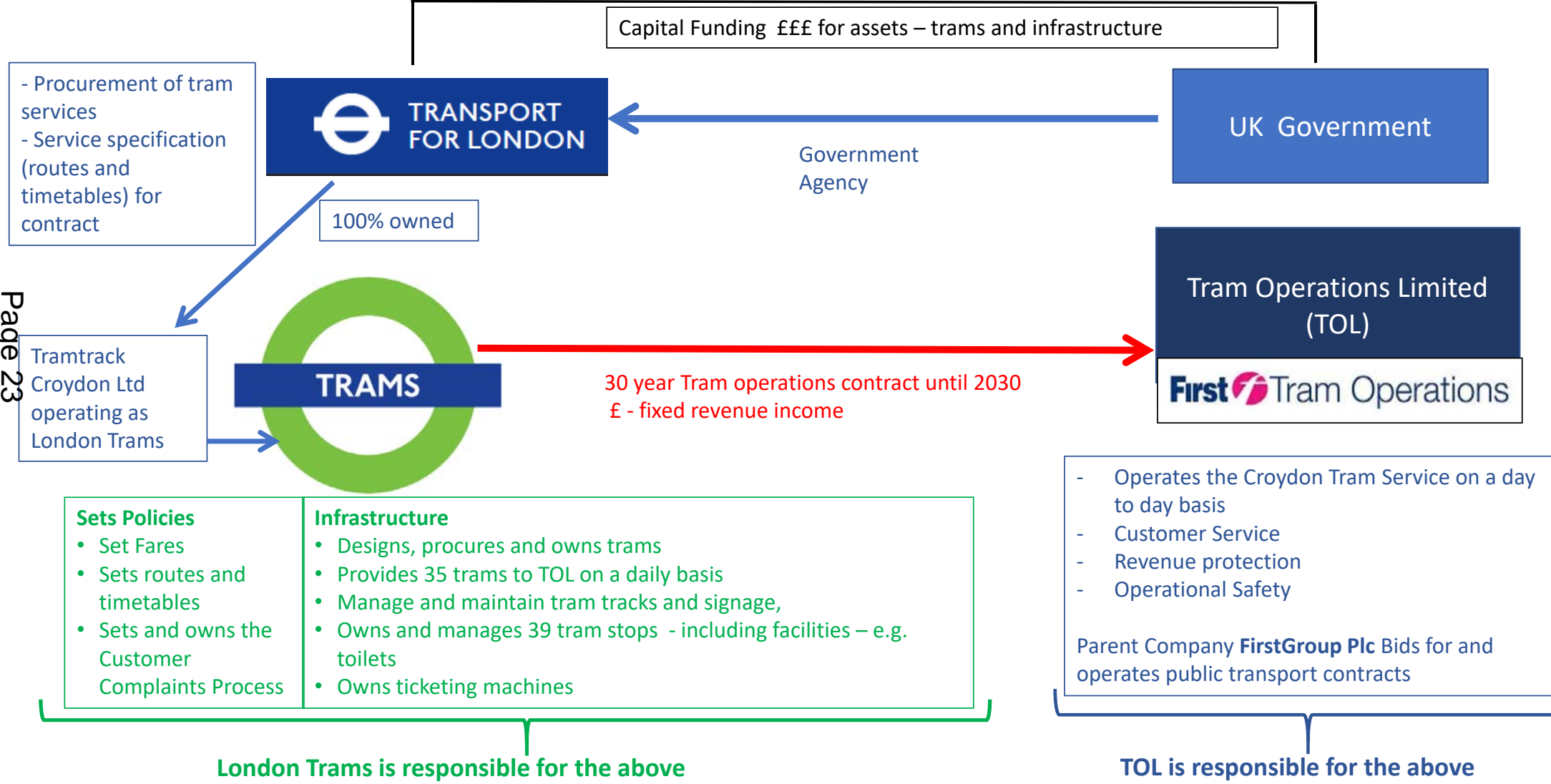
Understanding and dealing with any under performance



Croydon Tram Service

Roles and Responsibilities

Funding £££
 ← Ownership
 → Contract £



Where are we now?

Executive Team



Jackie Townsend
Managing Director



Ben Groome
Operations
Director



Andrew Wallace
Head of Safety



Ian Sutcliffe
Head of Customer
Service and Revenue



Jane Harmer
HR Business
Partner



Adrian Wlodarski
Finance Director



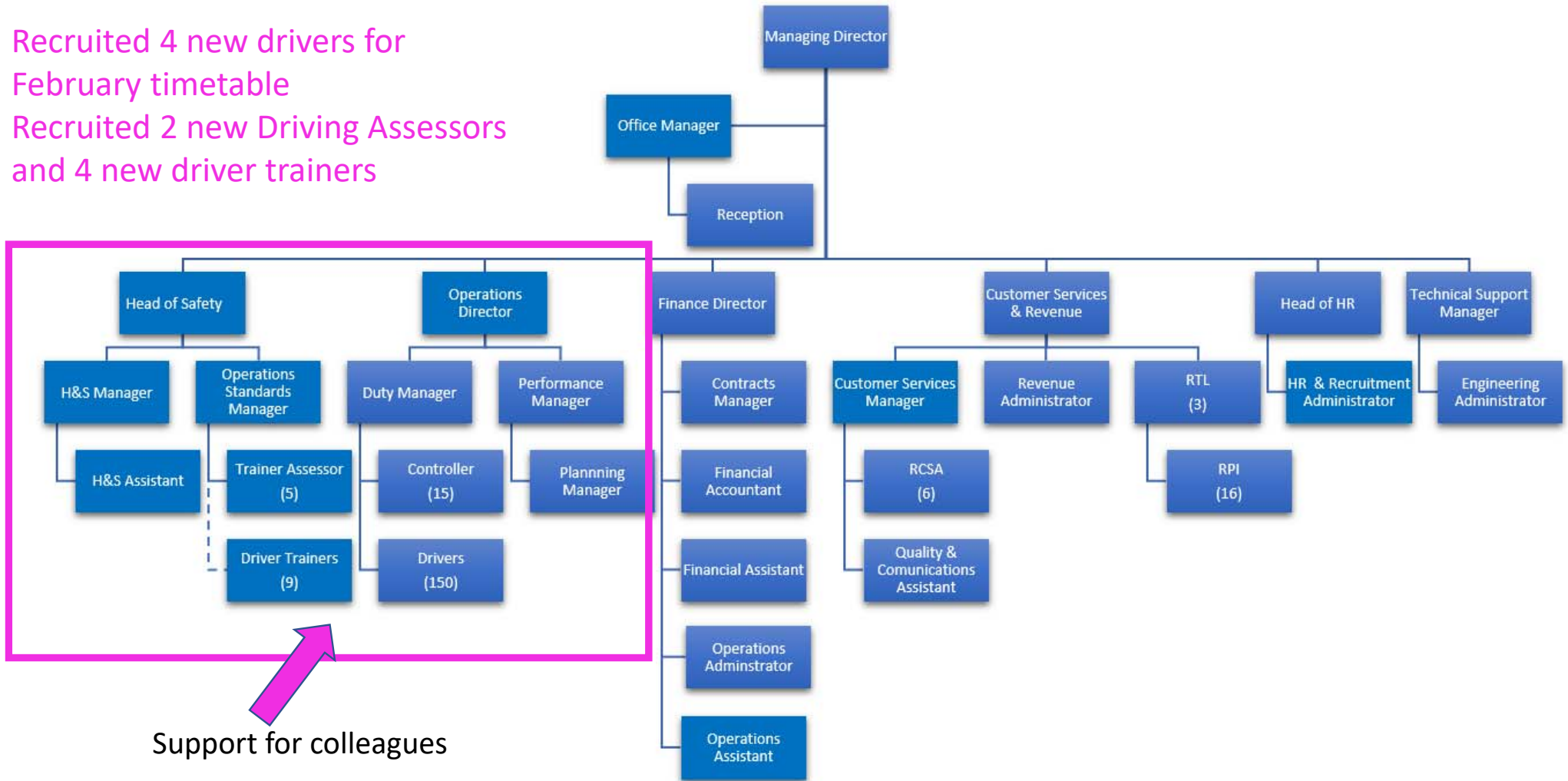
- A new Organisational Structure took effect in December 2017
- New positions were created in both the Safety and the Customer Service and Revenue Departments
- Additional drivers and training assessors recruited
- Following the serious incident on 9th November 2016, it has been an extremely difficult time for staff and the Company continues to go through change
- After Sandilands we have been working with London Trams on several joint safety related projects
- We have reviewed and agreed with London Trams how we will manage the process of change between the two companies.

- We provide an excellent daily tram service with 99% of all services being delivered
- At 90% our customer satisfaction score is the highest within London Transport
- We are very proud to have a culturally diverse workforce, with 37.71% members of staff from BAME (Black, Asian, and Minority Ethnic), backgrounds. An increase from last year – 37.27%

TOL Organisation

- Recruited 4 new drivers for February timetable
- Recruited 2 new Driving Assessors and 4 new driver trainers

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Support for colleagues

Other Changes – Staff Rosters

- In May 2017, we revised our rule for the number of consecutive days someone in a safety critical role could work.
 - Reduced from working 12 consecutive days to 8.
 - Rule applied to our 4 types of staff rosters.
 - Outcome is that no-one is rostered to work more than 7 consecutive days on any of our rosters.
- This new rule meant the safety critical roles would still be rostered to work 7 days, with the ability to work an additional day. This can be done in two ways:
 - Staff member can volunteer to work their day off, known as a working rest day. We maintain a list of volunteers; or
 - Request to change their rostered rest day
- The majority of rest day changes are at the request of staff, we rarely ask them to change a rest day unless there is an operational need to do so.
 - On these occasions we look at the volunteer list and apply the 8- day rule to identify the most suitable staff member.
- Our rule states you must have one rest day in each pay week, which begins on a Sunday. Staff could change a rest day whereby it is swapped to another day. The outcome of working a rest day means they work an ‘additional’ day.
- We have procedures in place to monitor that working an additional day or changing their rest day does not break our 8 consecutive day rule.

In April 2019 we are introducing 5 day rosters
 (Based on the fatigue information we have received from the Guardian device)

Help and Support drivers rather than discipline

IR Issues

- Colleagues complained of runny eyes, dry eyes, skin issues and headaches.
- Some took to wearing ski goggles / or sunglasses

We offered them eye tests

Help through GPs and Occupational Health was also offered

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Tram Operations Limited
Standard Operating Procedure
SM0068
Guardian Device

Author	Willie Michaels	Safety Manager
Owner	Andy Wallace	Head of Safety
Sponsor	Jackie Townsend	Managing Director

This document applies to:

All TOL employees responsible for Operating the movement of trams.

Fatigue Management Procedure

Immediate actions to be taken by the driver to prevent re-occurrence

- Driver make a self-assessment to determine whether or not they have adequately managed the effects of fatigue
- Any intervention requirements are identified by Control and the driver – such a relieving the driver from duty
- Notify the on-call manager of any arrangements

Intervention Management

- Working with drivers on a support plan -
- Panel (check wording in procedure)
- After an identified number of alerts in a single period an intervention (fatigue) plan will be implemented.
- The plan is discussed and agreed with driver and their line Manager
- Escalation path to the Intervention Appeal Panel¹¹

Fatigue Risk Management

- TOL has updated its existing Management of Fatigue Policy
- TOL has engaged Clockwork Research Ltd to support improvement of its Fatigue Risk Management System. Clockwork are recognised experts in this field with a strong reputation in the Aviation, Heavy Mining and Petrochemical Industries.

Three phases of work were identified:

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PHASE 1

Assessment of current arrangements against good practice, enhanced bio-mathematical modelling of staff rosters using the SAFTE-FAST tool and delivery of a driver fatigue risk workshop programme. This phase has been completed.

PHASE 2

Enhancement of internal fatigue risk management capability – establishing a Fatigue Safety Action Group, improving fatigue risk management arrangements, reviewing staff rosters and developing enhanced fatigue training for drivers, key safety personnel and their families.

PHASE 3

Review of Phases 1 and 2, refining arrangements to suit changes in TOL's fatigue risk profile.

Enhanced Training Continues

Training

Fatigue Management

- A bespoke fatigue training programme is being developed with Clockwork and will be rolled out in Spring 2019 for all Drivers, Duty Managers and Controllers
- A family open day is being planned for Spring 2019

Customer Training

- A pilot Customer service training for drivers/control staff started on 29th January, being delivered by driver trainers. Feedback from this course will help confirm content before roll out - All staff including Duty Managers and Controllers
- Training commenced in September 2018 for non-visible disability awareness. This training is to raise awareness and help recognise conditions of customers travelling with us who may need additional support. All staff including Duty Managers and Controllers will receive this training

Competence Management

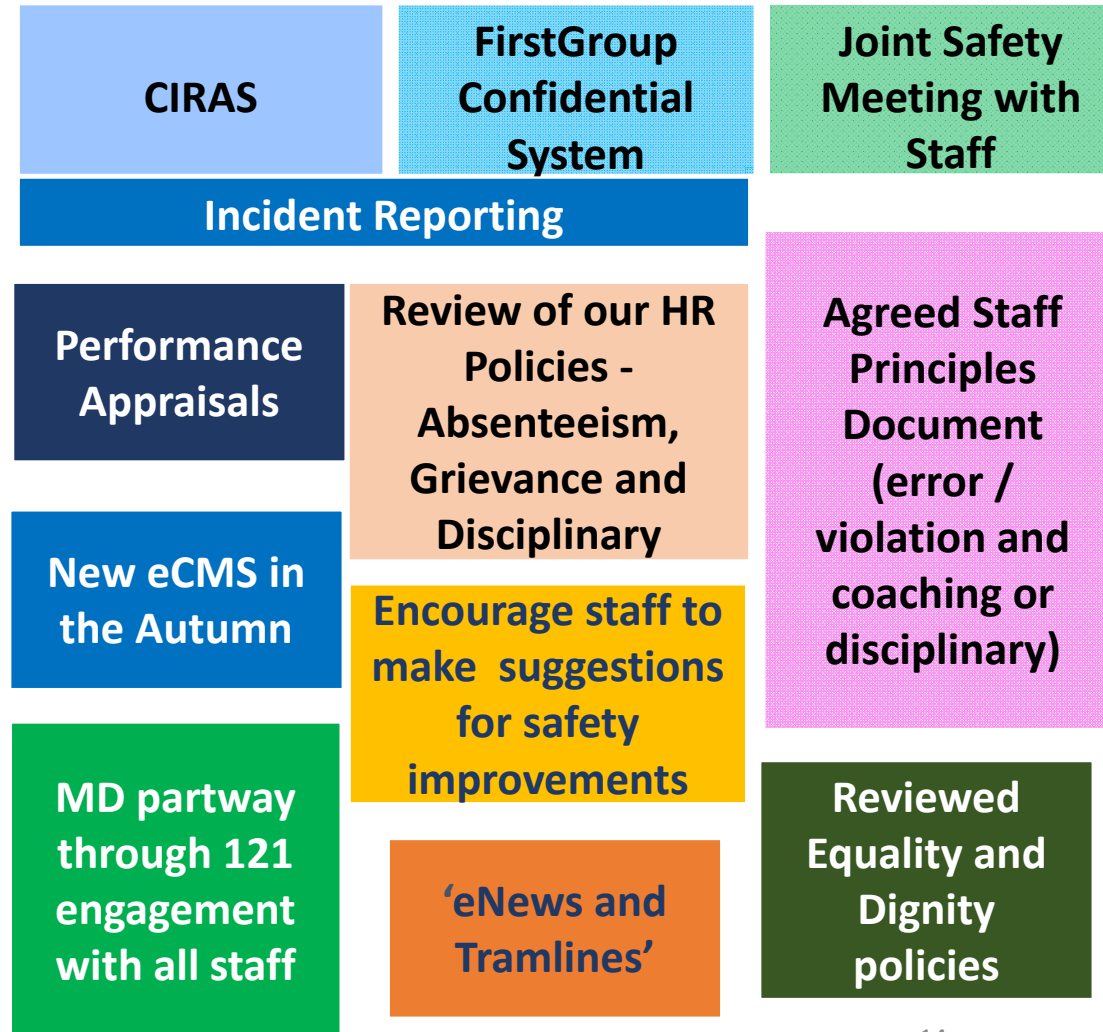
- Our competence management framework is based on recognised industry good practice
- Supports both planned monitoring and assessment of ongoing performance; and targeted employee development
- TOL has implemented an electronic Competence Management System (eCMS) to support this process.
- Our Assessors are qualified to TAQA Level 3 (or equivalent) standard. Their judgements are based on performance evidence and the underpinning knowledge requirements needed to support competent performance of the driving task.
- Where performance falls below the expected standard drivers are supported using focused Competence Development Plans (CDP).

Report Writing and Incident Investigation training is being carried out with key staff

Engagement

- Regular engagement with safety union reps at safety meetings
- Consultation on new timetable and associated schedules / rosters (positively received)
- Communications throughs safety briefings and specific safety notice board
 - Lessons learned are discussed at Health and Safety Meetings, shared with staff and considered by the Board.
- Encourage staff to report incidents or errors
 - Follow up feedback individually and to all staff
- Competency monitoring and support
- Recognition of positive / good behaviour

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Other Communication with Staff



Staff Engagement
The 2018 Your Voice
Survey received a 74%
response

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Tramlines
THE NEWSLETTER FOR FIRST PEOPLE IN TRAM OPERATIONS
ISSUE 48 SPRING 2018

Safety Performance Indicators Three Year Comparison

Safety Performance Indicators & Target for 2018/19

Incident Type	2016	2017	2018	2019	Target
Passenger Injuries (Major)	23	15	10	10	10
Passenger Injuries (Minor)	14	9	5	5	5
Staff Injuries (Major)	1	1	1	1	1
Staff Injuries (Minor)	1	1	1	1	1
Lost Time (Major)	2	2	2	2	2
Lost Time (Minor)	4	4	4	4	4
Lost Time (Total)	6	6	6	6	6
Lost Time (Days)	11	11	11	11	11
Lost Time (Hours)	275	275	275	275	275

Perkbox Launch

New Uniform For TOL

First Tram Operations

2018-2020
Business Plan
Summary for Staff

July 2018



PERFORMANCE
REVIEW

The Loop

E-News Communication

Outcomes from Positive Engagement with Colleagues

- Colleagues and Trade Union Representatives were engaged to create awareness and understanding of the Guardian device before, during and after installation

Refurbishment of mess rooms at depot and Tramlink shop

- TOL engaged with London Trams, TOCs and Local Authorities for improved toilet facilities at Elmers End, Wimbledon and Beckenham Junction

- Implemented a new Loyalty and Rewards Scheme – >90% take up

- Introduced a new uniform

First Tram Operations



Improving safety on the Croydon Tram Service

- Following a serious safety incident on 9th November 2016 London Trams (LT) and Tram Operations Limited (TOL) looked at new technology
- Ground-breaking technology in **The Guardian Device**
- Following engagement the device was installed during October 2017
- TOL is the First Tram company to implement the Guardian Device, working jointly with LT the owner of the trams
 - Feedback from the drivers has been positive
 - Great interest from various parties within the industry



Provides active protection to the safety of the tram drivers and customers

What is the Guardian Device?

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Guardian is a **real-time fatigue and distraction detection solution** that uses advanced sensors and image processing technology to track the micro-movements of a driver's eyes, facial expressions and head to identify a fatigue or distraction event.

When an event is detected, the driver receives immediate in-cab audio and seat vibration alerts that help prevent an incident. When it detects fatigue or distraction, it records the three seconds prior to the alarm to enable the incident to be investigated.

Fatigue

includes restlessness, yawning, tunnel vision, drooping eyelids and microsleeps

greater than 2 seconds when over 5 kmph.

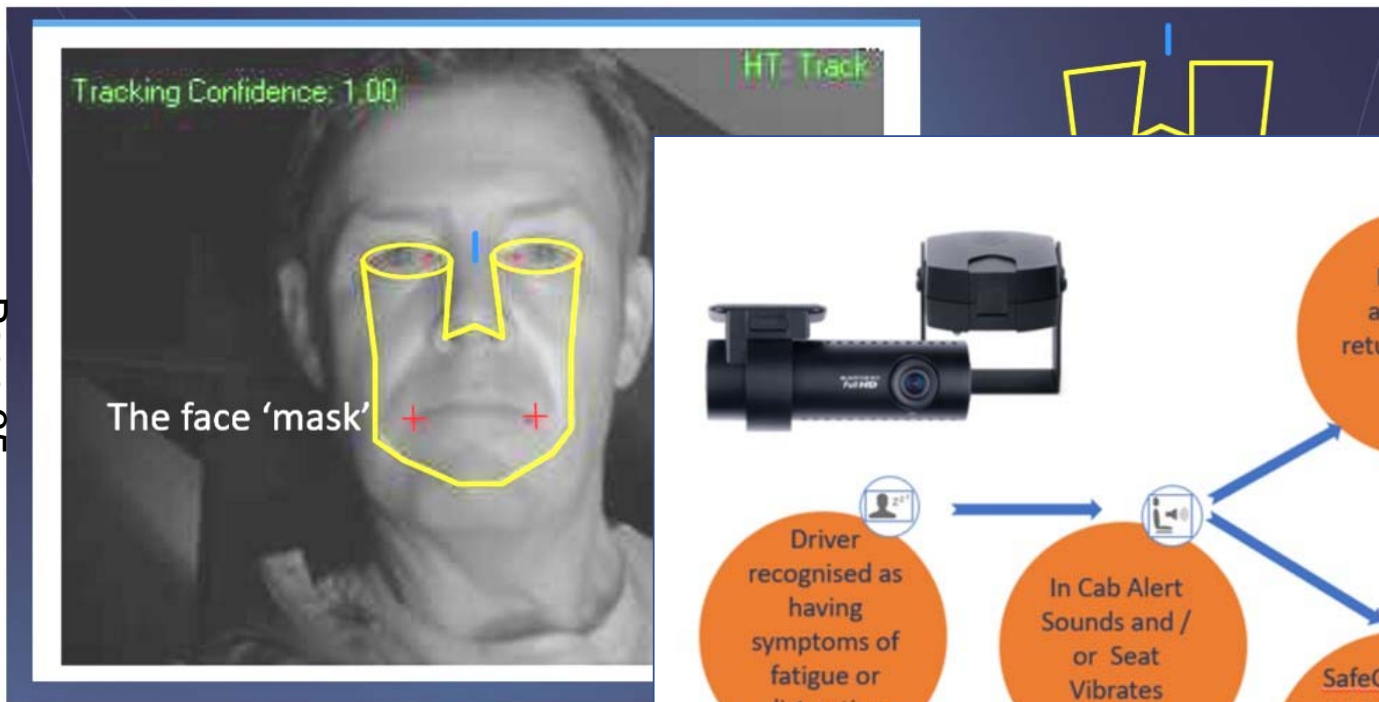
Distraction

includes driver's head not pointing in a forward-facing direction due to a distraction on the dashboard, or other vehicles.

more than 4 seconds at speeds over 5 kmph.

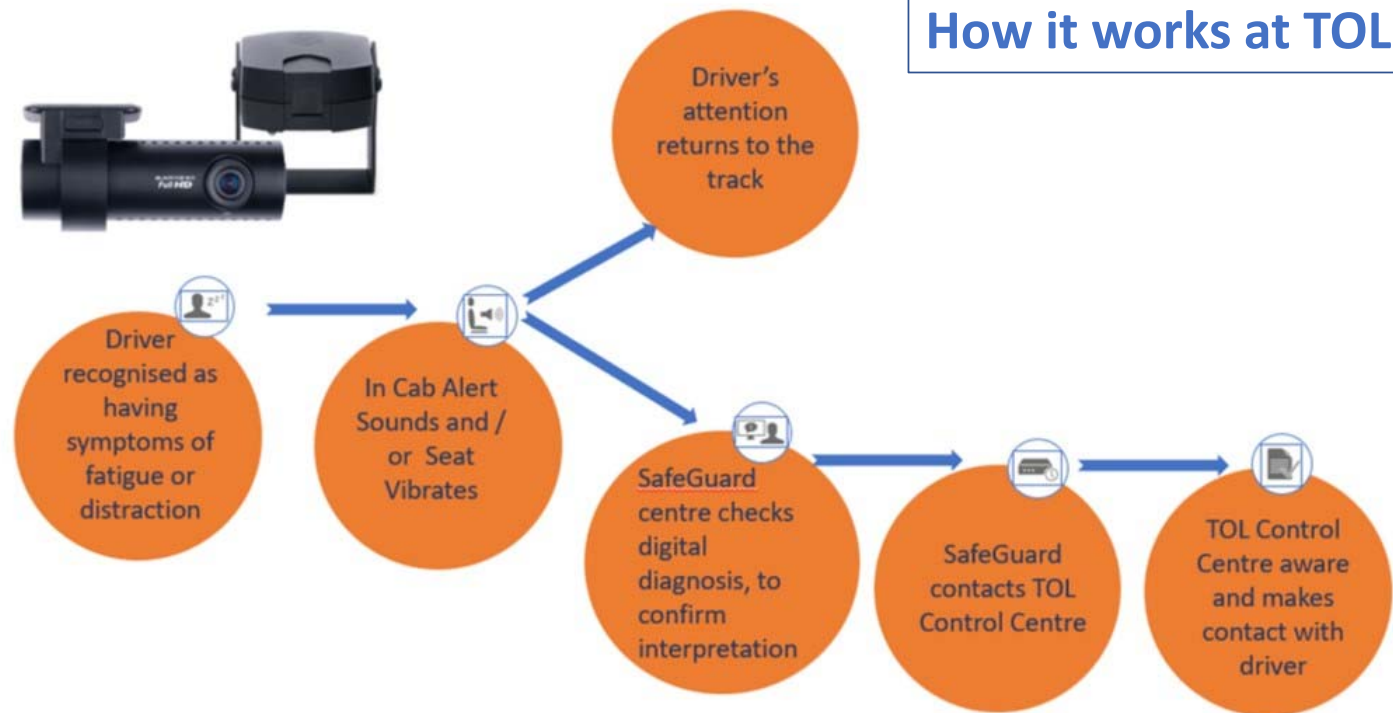
Guardian System

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KEY POINTS OF THE FACE PICKED OUT TO A

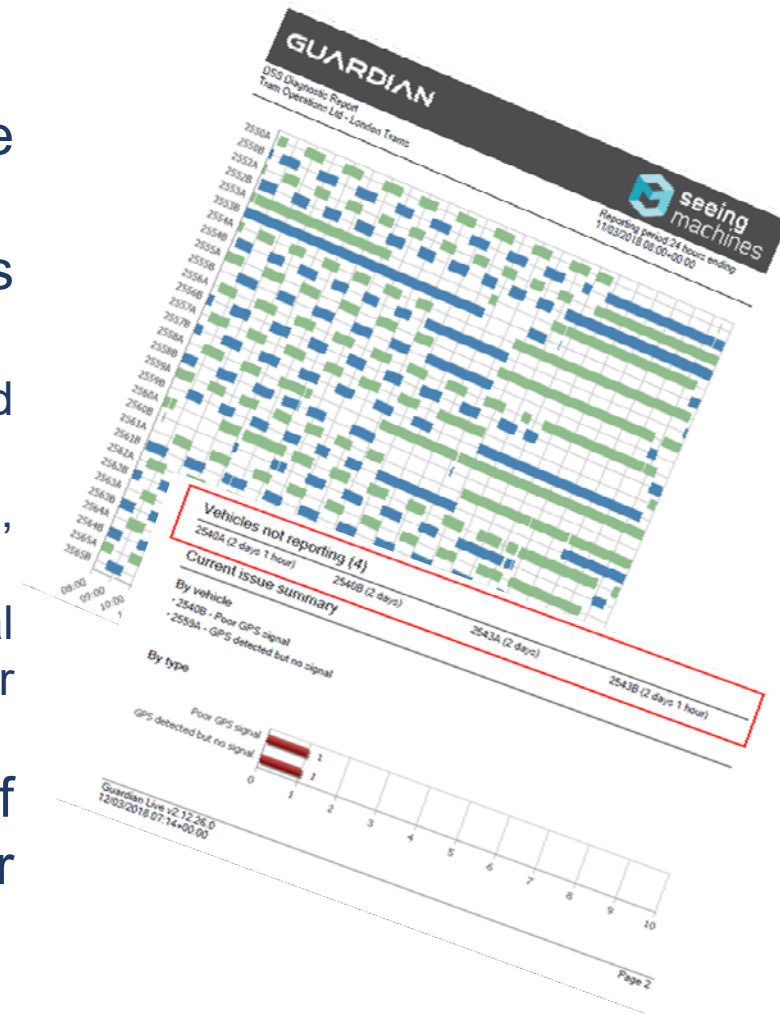
How it works at TOL



Access to real-time data and daily reports

- Providing TOL with the number, frequency and type of alerts for each driver
- This information is used to help manage fatigue as part of our Just Culture programme
 - Any incidents of fatigue or distraction are captured and held in our central database.
 - Detailed level of information enables us, at an early stage, to support drivers to manage their domestic lives.
 - Any instances of fatigue that may necessitate a Personal Needs Break (PNB) will be allowed for in our roster scheduling.
- Guardian as the catalyst for a whole new way of thinking about safety and as the beginning of further improvements.

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Benefits of the Guardian Device

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It has brought fatigue management to a new level of awareness

We are looking at how we can encourage drivers and operatives on the tramway to consider their lifestyles with respect to fatigue.

TOL is embedded in the local Communities

*We are proud to serve the
local communities of Croydon
and South London*

Stakeholder Engagement with Local Authorities

Providing economic support for the community and local businesses

Employ staff who may live locally – drivers, customer facing and office staff

Working with local schools

Supporting local charities within the community

Regular form of transport operating in areas of the community - connecting the community

90% Customer Satisfaction Score – highest within London Transport Customer Ratings

Thank You

Any Questions?

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TRANSPORT FOR LONDON

WRITTEN REPORT TO LB CROYDON SCRUTINY PANEL ON TRAM SAFETY INITIATIVES

1 Purpose

- 1.1 To update the London Borough of Croydon's Scrutiny Panel on work underway in response to the recommendations of the RAIB's investigation and a progress update on matters related to the Sandilands tragedy.
- 1.2 The second anniversary of the tragic tram overturning incident at Sandilands Junction, Croydon is on 9 November 2018. TfL's thoughts remain with those affected by the tragic event. We remain focused on doing everything we can to offer support to all those affected and are continuing to deal with any further requests for support quickly.

2 Background

- 2.1 On Wednesday 9 November 2016, London Trams tram number 2551 travelling from New Addington towards East Croydon overturned on the approach to Sandilands tram stop on a curved track which has a permanent speed restriction of 20km/h. The tram was travelling at approximately 73km/h. Of the 70 people on board, seven lost their lives and 62 people were injured, 19 seriously.
- 2.2 Following the accident, the RAIB made 15 recommendations to improve safety on UK trams. These relate to action in five main areas:
 - (a) The use of modern technology to intervene when trams approach hazardous features too fast, or when drivers lose awareness of the driving task.
 - (b) Tramways need to promote better awareness and management of the risk associated with tramway operations.
 - (c) Work needs to be done to reduce the extent of injuries caused to passengers in serious tram accidents, and to make it easier for them to escape.
 - (d) There needs to be improvements to safety management systems, particularly encouraging a culture in which everyone feels able to report their own mistakes.
 - (e) Greater collaboration is needed across the tramway industry on matters relating to safety.

3 Current Status

- 3.1 A summary of the recommendations and progress we are making against them is shown in Appendix I.
- 3.2 Many of the actions are joint actions for the UK Tram industry. We are a key representative on the UK Trams Sandilands Sub-Committee, established to specifically consider RAIB's findings, coordinate a response, and take action, on behalf of the UK



Tram Industry. Where we have developed our own solutions to the recommendations, we have shared these with the wider industry and will continue to do so. To facilitate this we established a dedicated project team in Croydon, shortly after the tragic incident, whose sole focus is on delivering these improvements. We will also continue to engage with the UK Tram Industry to input to and adopt the outcomes of the wider recommendations/actions.

- 3.3 The Office of Rail and Road (ORR), who is our regulator, ensures RAIB recommendations are duly considered and where appropriate acted upon. They assess the action proposed and subsequently taken to decide if it addresses the recommendations or whether further action is required. The ORR report back to RAIB details any implementation measures or the reasons why no implementation measures are being taken. In this capacity the ORR have written to us and other UK Tram operators and owners seeking a progress update on RAIB recommendations. Specifically we have been asked for our actions on recommendations 1 to 8 and separately on recommendations 14-15. We have replied to the ORR who, at the time of this update, is currently considering our responses, along with responses from others in the UK tram sector.
- 3.4 Since the incident, a number of safety measures have been introduced to the tram and more are in the process of being introduced. We have installed chevrons and speed-activated warning signs at significant bends, lowered the maximum speed limit across the network, and completed investigative works into solutions to improve the protection that tram windows and doors provide passengers. We have also rolled out a Driver Protection Device that detects the attention state of our drivers and intervenes should this fail. This is the first time such a device has been used in the rail industry in the UK and has been commended by the ORR.
- 3.5 TfL has also commenced an extensive search for a suitable automated braking system for retrospective fitment to the London tram fleet. We have engaged a specialised consultancy and conducted a global search into appropriate proven technologies. This research has enabled us to prepare a Technical Specification for a suitable automatic braking product, and a competitive OJEU procurement competition is underway. We are working toward a contract award by the end of 2018.

4 Summary

- 4.1 TfL remains committed to making sure that such an incident does not happen again. Should the committee require regular updates on progress towards implementing the initiatives detailed in this briefing note, we would be happy to provide those.

5 Appendices

- 5.1 **Appendix A:** Summary of RAIB Recommendations and TfL progress against them



Appendix I Summary of RAIB Recommendations and TfL progress against them

<p><u>RAIB 1</u> ORR should work with the UK tram industry to develop a new body to enable more effective UK-wide cooperation on matters related to safety, and the development of common standards and good practice guidance.</p>	<p>A Steering Group has been established under the direction of UKTram to develop a proposal to the ORR by late 2018 for a Safety Standards Board for the UK tram industry. This will provide regulation and consistent of safety standards across the industry. We are members of this Steering Group.</p>
<p><u>RAIB 2</u> UK tram operators, owners and infrastructure managers should jointly conduct a systematic review of operational risks and control measures associated with the design, maintenance and operation of tramways.</p>	<p>We are represented on the UK Tram Industry Sandilands Sub Committee, established to consider the RAIB findings and take action on behalf of the UK tram industry. This recommendation is a priority of the sub committee.</p> <p>Our approach and joint review with TOL of our route risk assessments and our network risk model has been shared with the wider UK tram industry, through this sub committee. The industry is reviewing all risk assessments within the industry to agree a standard approach. Our risk assessments will be further reviewed and revised in line with this approach. Work is expected to be embedded by the end of 2018/19.</p>
<p><u>RAIB 3</u> UK tram operators, owners and infrastructure managers should work together to review, develop and install suitable measures to automatically reduce tram speeds if they approach higher risk locations at speeds which could result in derailment or overturning.</p>	<p>A wide ranging search of options for over speed control has been undertaken since the overturning occurred. This search is ensuring a balance between system reliability and managing the risk of driver distraction is achieved. We have an agreed scope which is now out to the market with contract award by the end of this year. This is a swift programme by rail signalling changes of this magnitude.</p>
<p><u>RAIB 4</u> UK tram operators, owners and infrastructure managers should work together to research and evaluate systems capable of reliably detecting driver attention state and initiating appropriate automatic responses if a low level of alertness is identified.</p>	<p>We have completed the installation of the Guardian Driver Protection Device on all of our Trams.</p> <p>This device that detects the attention state of the drivers and this is the first time such a device has been used in the rail industry in the UK and has been commended by the Office of Rail and Road, who are supportive of its use more widely in the industry.</p>
<p><u>RAIB 5 (in part)</u> UK tram operators, owners and infrastructure managers, in consultation with the DfT, should work together to review signage, lighting and other visual information cues available on segregated and off-track areas based on an understanding of the information required by drivers on the approach to high risk locations such as tight curves.</p>	<p>Various speed initiatives have been completed.</p> <p>The installation of iTram, a variation of the iBus system commenced in June 2018 for testing. (this system provides audible in cab over speed alerts, it is an enhancement on the Guardian system which can only alert drivers if they exceed the maximum speed limit)</p> <p>Post the Sandilands incident we installed additional temporary lighting on the approach to the Sandilands tunnel. We are currently working with road tunnel lighting experts within TfL to redesign the lighting system. The new design will adopt best practice from the automotive industry to reduce the impact of glare on driver's eyes both when entering and exiting the tunnel. Work is expected to be complete on the improved tunnel lighting in 2019.</p>



<p><u>RAIB 6 (in part)</u> UK tram operators and owners should, in consultation with appropriate tram manufacturers and other European tramways, review existing research and, if necessary, undertake further research to identify means of improving the passenger containment provided by tram windows and doors.</p>	<p>We are currently assessing the options available to strengthen the type of glazing fitted on the tram fleet, with a final decision due shortly.</p>
<p><u>RAIB 7</u> UK tram operators and owners should install (or modify existing) emergency lighting so that the lighting cannot be unintentionally switched off or disconnected during an emergency</p>	<p>In conjunction with industry experts, we have determined a retrofit solution to install additional emergency lighting to our trams. This will operate independently of the trams battery system in the event of an emergency. We are aiming to award a contract for this before the end of this year.</p>
<p><u>RAIB 8 (in part)</u> UK tram operators and owners should review options for enabling the rapid evacuation of a tram which is lying on its side after an accident</p>	<p>This recommendation is being led by UKTram with our support.</p>
<p><u>RAIB 9</u> The ORR should carry out a review of the regulatory framework for tramways and its long-term strategy for supervision of the sector this should be informed by a new assessment of the risk associated with tramway operations (allowing for low frequency /high consequence events of the type witnessed at Sandilands junction) and consideration of the most effective means by which supervision can contribute to continuous improvement in passenger safety.</p>	<p>This is being addressed by ORR with our support.</p>
<p><u>RAIB 10 (in part)</u> Tram Operations Limited and London Trams should commission an independent review of its process for assessing risk associated with the operation of trams (eg collision, derailment and overturning of trams).</p>	<p>Route risk assessments and risk model have been reviewed and updated. These have been shared with the wider UK tram industry.</p> <p>The industry is reviewing all risk assessments within the industry to agree a standard approach. Our risk assessments will be further reviewed and revised in line with this approach</p>
<p><u>RAIB 11</u> TOL, drawing on expertise from elsewhere in the FirstGroup organisation, should review and, where necessary, improve the management of fatigue risk affecting its tram drivers with reference to the ORR's good practice guidance.</p>	<p>TOL has engaged a specialist consultancy, Clockwork, to advise on the issue of fatigue management. Phase 1 is approaching completion which will contain a set of recommendation for TOL to consider.</p>
<p><u>RAIB 12 (in part)</u> Tram Operations Limited should commission an external expert or organisation to review, the way that it learns from operational experience. This recommendation is intended to encourage an organisational culture in which tram drivers feel able and willing to report safety incidents, and in which TOL takes suitable actions in response to information from both staff and the</p>	<p>TOL have introduced a 'Just Culture' programme within the organisation. This is a long term project involving significant culture change.</p> <p>'Just culture' is an RAIB term for a culture of trust, learning and accountability in which people are not punished for their actions, omissions or decisions taken by them which are commensurate with their experience and training, but where gross negligence, wilful violations and destructive acts are not</p>



public.	tolerated.
<p><u>RAIB 13 (in part)</u> Tram Operations Limited and London Trams should, in conjunction with TfL, improve processes, and where necessary, equipment used for following up both public and employee comments which indicate a possible safety risk.</p>	<p>We have realised that customer complaints are a key source of emerging safety indicators.</p> <p>We have changed the process so all complaints are made to TfL in the first instance. This ensures any safety issue raised by a customer is dealt with efficiently and thoroughly across the TfL network This is one of the key changes to the way we ensure the feedback loop works more deeply both within TfL and into our contractor base.</p>
<p><u>RAIB 14</u> Tram Operations Limited and London Trams should review, and where necessary, improve their processes for inspection and maintaining on-tram CCTV equipment to greatly reduce the likelihood of recorded images being unavailable for accident and incident investigation. This recommendation may apply to other UK tram operators.</p>	<p>We have completed the upgrade of the CCTV recording equipment of the Bombardier trams and we are about to launch a procurement exercise for a technical upgrade for the Stadler fleet.</p>
<p><u>RAIB 15</u> London Trams and Tram Operations Limited should:</p> <ul style="list-style-type: none"> - review and, where necessary, revise existing tram maintenance and testing documentation to take account of experience gained, and modifications made, since the trams were brought into service; and - review and, where necessary, revise the processes for ensuring that these documents are kept-up-to-date in future. 	<p>An overhaul of maintenance standards is underway and will be completed in 2019.</p>



To recommend to Transport for London (TfL) that they review their funding criteria for major projects as the current regime means that significant tram expansion will never be funded.

Many of TfL's proposed projects compete for investment funding and we prioritise according to a set of rigorous criteria. Our priority is to deliver our core business needs with an affordable Business Plan that can stand up in the face of a challenging economic environment as we have lost an average £700m operational grant from central Government. Both TfL and its delivery partners are looking at new and innovative ways of funding improvement schemes – for example, land value capture mechanisms and retention of local tax revenue such as through Croydon's Growth Zone Fund. As a mode of transport, the tram network does not cover its operating costs from the operating revenue. Therefore, when considering capital investment into the tram network, funding also needs to be secured for the associated operating deficit.

To recommend to Transport for London (TfL) that a briefing on Capital Gains including figures to be provided to the Committee.

[This recommendation lacks clarity and the relevant Croydon officer is aware of it]

New investment into the tram network, which is in addition to any necessary renewals, requires a multi-faceted approach to funding. More emphasis needs to be placed on securing funding from a variety of sources. The Mayor's Transport Strategy talks about the need to seek additional taxes and financial powers to ensure that the desired level of transport investment can be sustained. The Mayor has already called for greater fiscal devolution to London. However, funding priority would be given to safety-critical and already committed capital investment programmes.

For general release

REPORT TO:	Streets, Environment & Homes Scrutiny Sub-Committee 19 February 2019
SUBJECT:	Water Resources Management Plan for SES Water
LEAD OFFICER:	<i>Tom Kelly, Wholesale Services Director</i>

ORIGIN OF ITEM:	This Item forms part of the Sub-Committee's work programme
BRIEF FOR THE COMMITTEE:	To receive a summary of the water resource management plan for 2020-2080

1. EXECUTIVE SUMMARY

The attached appendices summarises SES Water's plans for the management of the supply-demand balance for water across its region for the period 2020 – 2080. This is provided to support the response to the Chair of the sub-committee's request for an update from SES Water on challenges, leakage, potential hosepipe ban as well as information on strengths weaknesses opportunities and threats.

This revised draft water resource management plan (WRMP) was submitted to Defra on 3 September for approval following a consultation period over the summer on SES Water's draft WRMP.

The non-technical summary element of this plan is submitted as an appendix to this document. The full revised draft WRMP documentation is available for download from the company's website at www.waterplc.com

2. Water Resource Management Plan for SES Water

- 2.1 The appendix sets out – in summary form – the current long-term projections for water availability (supply) within the SES Water region, along with the forecast requirements for use (demand) over the 60 years commencing 2020.
- 2.2 The report then summarises the options favoured by SES Water stakeholders and customers to address the supply-demand balance, before clarifying the preferred plan of the company.
- 2.3 It is this preferred plan that is now being assessed by Defra prior to final approval of the WRMP in the spring of 2019.

2.4 In terms of performance for the current year, and to assist the sub-Committee in understanding present-day performance, the following information is offered:

- Current raw water resource levels for SES Water – for both groundwater and surface water – are at or slightly above long-term (10-year) average levels.
- There are no prospects of hosepipe bans in the SES Water region this year.
- Due to the nature of its water resources, SES Water are dependent on winter rains to replenish both surface water and groundwater reserves between October and April.
- Current leakage levels are slightly above target in recent months following the dry weather, but work is continuing to reduce these over the autumn period.

2.5 Further information on current water resource levels, the Water Resources Management Plan for 2020 – 2080, and the SES Water Business Plan for 2020 – 2025, recently submitted to Ofwat, are available on the SES Water website at www.waterplc.com.

CONTACT OFFICER: Tom Kelley, Wholesale Services Director

BACKGROUND DOCUMENTS: None

APPENDICES: Appendix A, Revised Draft Water Resource Management Plan- Non technical Summary



Revised Draft Water Resources Management Plan

Non-Technical Summary

Issue No. 1

Project Owner: Alison Murphy

Project Manager: Tom Kelly

Prepared by: Alison Murphy

3 September 2018

Introduction

We want to provide a great service to our customers, which is sustainable for generations to come within a water-stressed area. Our water resources management plan is designed to deliver this sole objective.

We are a water supply company that provides 160 million litres a day to nearly 707,000 consumers across Surrey, London and parts of West Sussex and Kent. Around 85% of our supplies are pumped from groundwater sources, with the remaining 15% taken from Bough Beech reservoir which is filled from the River Eden in Kent.

In this plan, we set out our proposals to meet forecast demand for water supplies over the next 60 years, starting from 2020. This will be an update to our current plan which covers the 25-year period from 2015 to 2040.

We operate in an area classified by the Environment Agency as being under serious water stress. We face a number of future challenges and uncertainties: increased demand from a growing population which is forecast to rise to around 1 million by 2080; the availability of raw water sources likely to reduce due to climate change; the need to mitigate the impacts of our water abstractions and treatment operations on local rivers, wetlands and the wider environment.

We have assessed our ability to meet the demand for water supplies during a severe drought (one that is predicted to occur once every 200 years), as well as the worst drought on historical record in our area. We also consider the needs of the wider region by aligning our plan with that of the other water companies in south east England, so that a robust and best value solution can be developed.

We recognise that to improve both resilience to future droughts and meet the needs of our customers we need to work closely with all our regulators and stakeholders to build a balanced plan that achieves these outcomes.

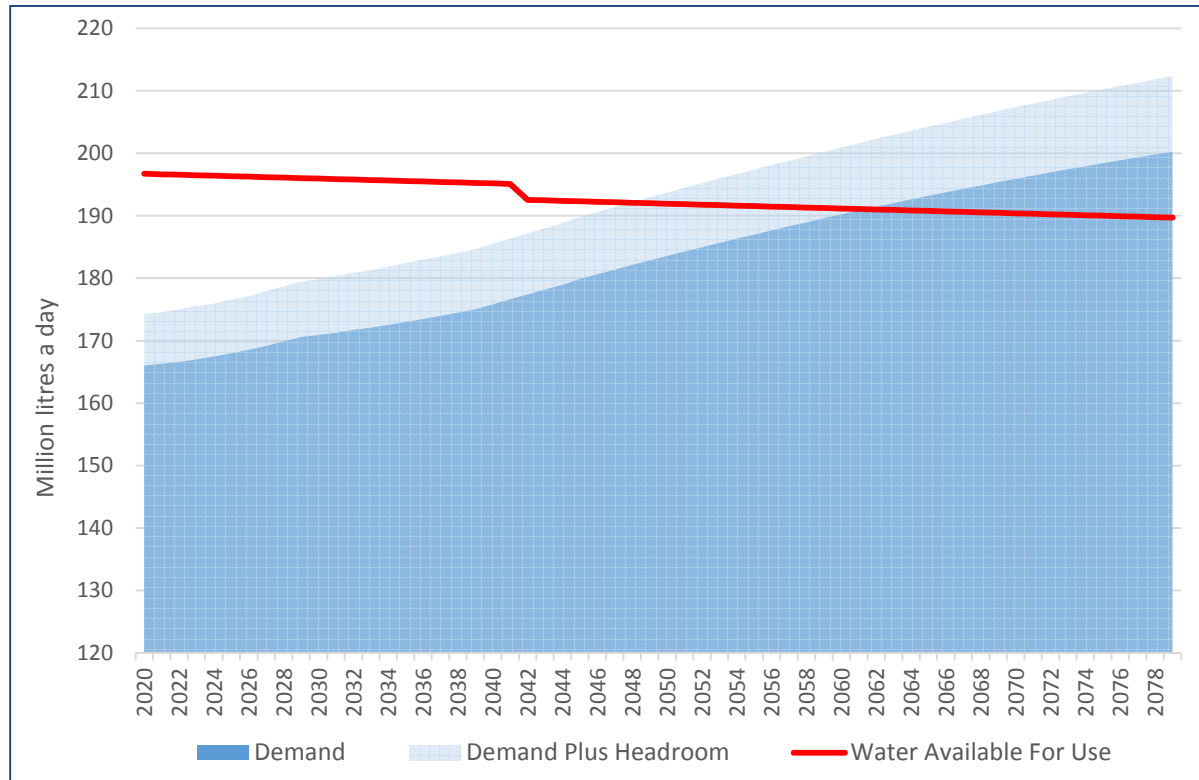
Forecasting supply and demand

We consider the amount of water resources available (known as water available for use) and compare this to the forecast of demand over each year of the plan. We take into account the predicted impacts of climate change on these forecasts. This allows us to predict if we have a surplus or deficit of supplies at any time throughout the duration of the plan.

As demand can increase significantly in hot, dry spells, we also assess whether we will have sufficient water resources to meet the needs of our customers during these peak periods.

To account for uncertainties in our forecasts, we plan on the basis of meeting customer demand and add an additional amount – a safety buffer – known as headroom.

We found that the water available for use (with climate change impacts included) was slightly lower under the worst drought on historic record scenario in comparison to the 1 in 200-year drought forecast, and therefore this scenario was selected as the basis of the plan. Our analysis shows that whilst we expect to have a surplus of water resources until nearly 2050, at this point demand (plus headroom) is forecast to exceed available supplies. This is shown graphically below.

Our Baseline Supply-Demand Balance

We have estimated that without carrying out additional actions to reduce consumption or leakage, demand in a dry year will reach an average of around 210 million litres a day by 2080. At the same time, the amount of water available for use from current sources is expected to decrease slightly, due to climate change, to around 190 million litres a day. Taking headroom into account, by the end of the planning period we would have a forecast deficit of 23 million litres a day under these baseline conditions.

Deciding our future options

We have considered a wide range of options to address the deficit, including those which reduce leakage or consumption (known as demand-side options), those which increase supplies from new or existing sources (known as supply-side options) and those from third parties including transfers of water from neighbouring companies. These options were appraised by assessing both the costs and benefits of each, and then applying a modelling approach to give the optimal solution. In considering the options, we have been guided by customer preferences, government policy priorities and the priorities of local stakeholders. These can be summarised as:

- Enhancing the resilience of our operations to the most likely risks
- Further reducing leakage from our network
- Reducing household and non-household consumption and providing more information on usage so that customers have more control over their bills
- Protecting the environment from damage from our abstractions and preventing deterioration of the ecological status of rivers
- Using innovative techniques to develop solutions that improve the affordability or effectiveness of the options selected

We tested the robustness of the plan by considering different risk scenarios, including severe droughts, increased population growth and worst case climate change projections. We sought feedback on our draft plan through a public consultation and also asked customers' views on our Business Plan (which incorporates the early years of our water resources management plan) through an extensive range of communication channels. We have made a number of revisions to our draft plan in response to the feedback received, most noticeably in terms of strengthening our demand management strategy.

Our preferred plan

We have selected a plan that we believe provides the best value to our customers and yet demonstrates a strong sense of environmental stewardship. Although we do not have a projected deficit until nearly 2050, we consider that it is important to take action to reduce demand for water in the short-term. This increases our resilience to droughts and other events that may reduce the availability of supplies, benefits customers as it reduces the likelihood of supply restrictions (such as hosepipe bans) being required, and has a positive effect on local river and wetland habitats.

Our revised plan is focused on demand-side options, as detailed below:

- We plan to reduce leakage by 15% between 2020 and 2025, with further 15% reductions in each subsequent five year period up to 2045 (a total of 56% reduction in comparison to the 2020 level) - to be achieved through a combination of replacing our oldest, leakiest mains more quickly, helping to reduce the level of leakage from customers' pipes, increasing both the level and speed of leak detection and repair on our network, and managing pressures better to create a more stable network which is less likely to cause bursts and leaks.
- Increasing the proportion of household customers who are metered to 90% by 2025 and 95% by 2030 – to be achieved by expanding our enhanced optant programme with the option of introducing compulsory installations if needed to achieve these targets. Currently, around 54% of our customers have metered supplies and evidence from across the water industry indicates that households reduce their consumption by around 14.5% once metered.
- Introducing smart metering devices to at least 10% of customers by 2025. This will build on our current pilot scheme involving the installation of smart meters in 220 homes and will provide near real-time consumption data to customers, which is predicted to reduce consumption by at least a further 1.5% in comparison to conventional meters. Leaks on customers' pipes can also be detected more quickly. Beyond 2025, we expect that we will install smart meters as standard, providing the cost-benefit analysis shows it is effective to do so and we have the support of customers.
- Increase investment in water efficiency measures and research to reduce consumption by four litres per person per day by 2025. In combination with the metering programme, this will result in 134 litres per person per day being consumed by 2025 reducing down to 118 litres per person per day by 2050. We will align the ongoing roll-out of metering programmes with our home water efficiency check programme, with visits targeted to households with high consumption or who are most affected financially. We will also

consider the use of tariffs to incentivise more efficient use of water later in the planning period.

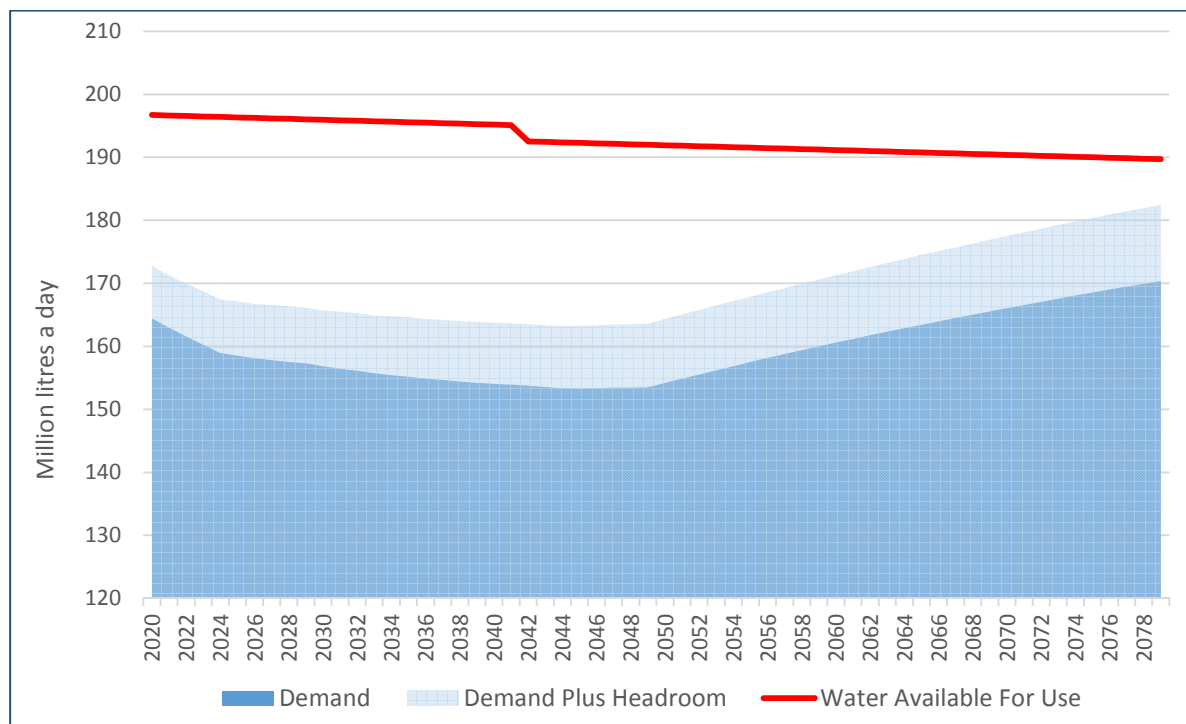
- Assessing the best approach to implementing a water efficiency programme for non-household customers under the new market conditions, by working in partnership with retailers, businesses and other non-household properties.

From a resilience perspective we do not forecast the need to be increasing the water available for use and therefore do not have any supply-side options in the plan. However, to ensure our plan is fully resilient to potential changes in our forecasts, we have committed to carrying out feasibility and environmental impact studies on new or existing boreholes in the River Mole and Medway catchments, and we have included these options in the Strategic Environment Assessment which we have published alongside the plan. The results will be used to help inform our future water resource management plans.

We have worked closely with the Water Resources in the South-East (WRSE) group to look at solutions that best meet the needs of the region as a whole. Our plan includes a transfer to South East Water from 2042, as the regional model consistently selected this as a preferred option as part of the overall solution for the south east.

The supply-demand balance after implementing our preferred plan is shown below. This shows demand decreasing in the first part of the plan due to the effect of our leakage, metering and water efficiency activities, then increasing gradually over the remaining life of the plan due to predicted growth in population across our area of operation. The water available for use reduces over the first half of the plan due to the predicted impact of climate change as well as the transfer to South East Water.

Final Supply-Demand Balance



Conclusion

We believe we have created a best value solution to meet the needs of current and future customers, the wider region, and the environment. We plan to reduce demand significantly through an enhanced programme of metering, water efficiency and leakage reduction measures. We believe the plan meets our customers' priorities on affordability, innovation and resilience, and is aligned with the approach taken in our Business Plan for the 2020 to 2025 period.

We consider the plan to have sufficient flexibility to allow an adaptive approach, so that if demand rises we can bring forward additional options, whilst if demand is lower than forecast we can respond accordingly. We are also open to solutions from third parties to either reduce demand or increase supplies in a cost-effective, environmentally sustainable and resilient way.

In the proposals, we have set out our next steps so that we can monitor progress with the plan, and improve the information that will allow us to refine our future water resources management plans. On a regional level, we will continue to actively participate in the WRSE group so that we can collaborate on developing more sophisticated modelling techniques, investigate the capacity for further water transfers, and encourage third parties to participate, to create the best plan for south east England as a whole.



Keeping the taps flowing

19 February 2019

2018 Heatwave

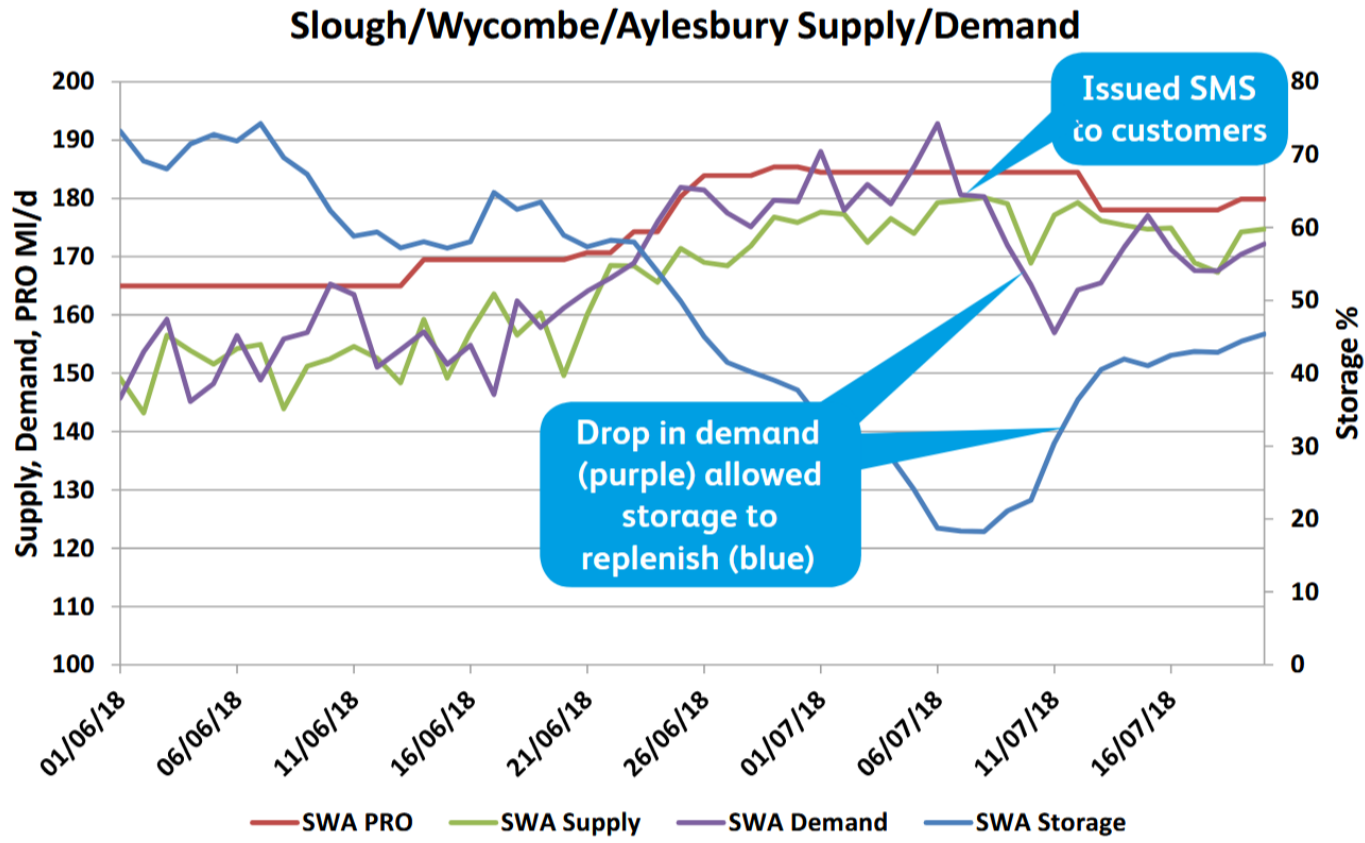
- 2018 was the joint hottest summer on record
- Prolonged period of dry weather, combined with high temperatures, resulted in an increase in demand for water – especially in Berkshire and Buckinghamshire
- Significant rise in demand presented us with the challenge of treating water and pushing it around our network at a greater pace, to meet customer demand
- In response, we pumped an extra 450 million litres of water into the network
- Asked customers to slow down on water usage – shorter showers, use a watering can, water efficiency devices

**Driest
June on
record**

**Extra
450
million
litres**

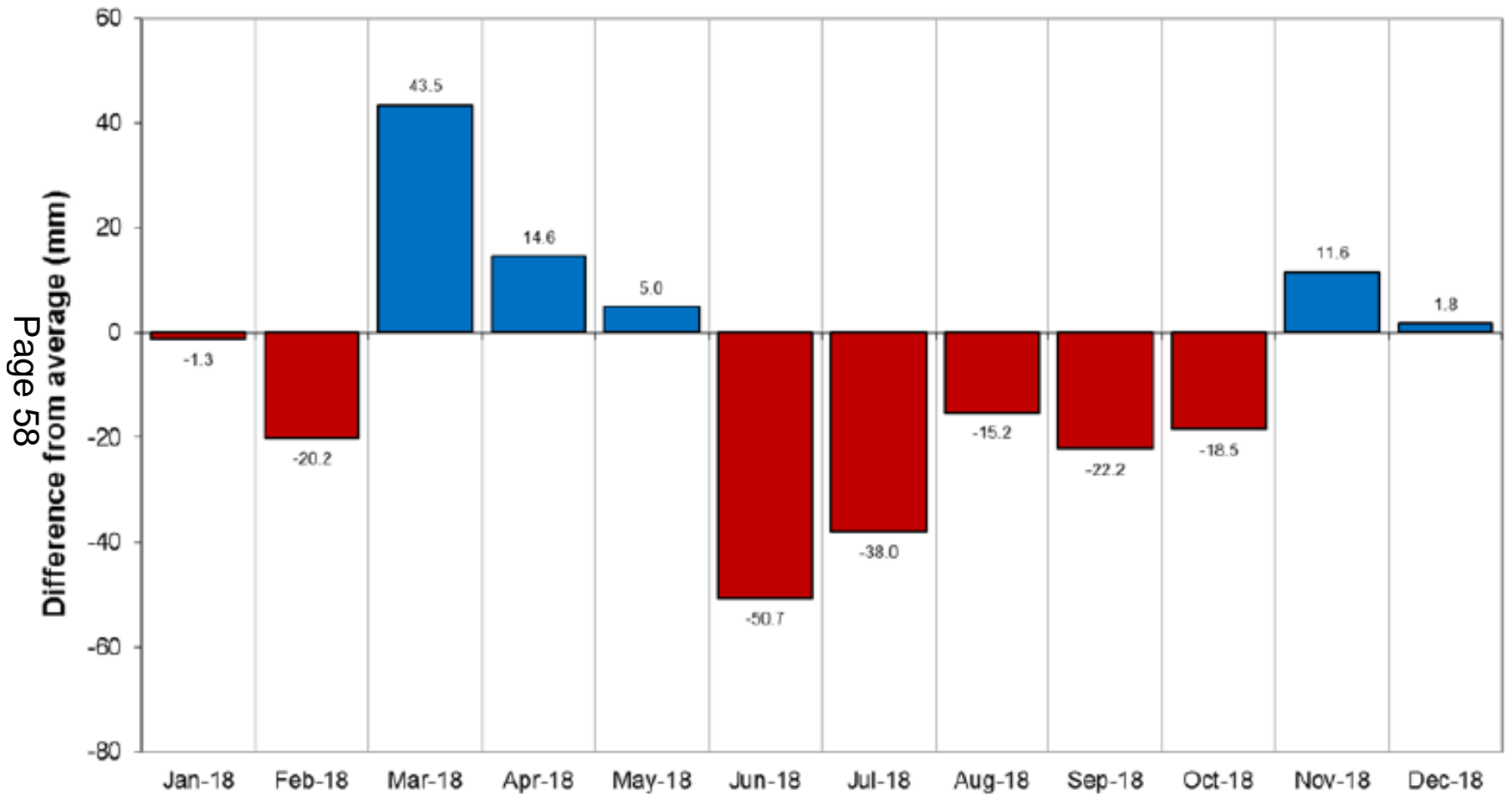


Using technology to help.



Thames Area Monthly Rainfall Totals Above or Below Average (mm)

* Please note that the average is based upon the 134 Yr Record



The current forecast.

- 2018's dry summer and early autumn meant that at the end of last year, reservoirs and groundwater levels were lower than normal.
- Above average rainfall in November and December helped to fill our reservoirs, but we do need more rain in the coming months.
- A drier than normal January serves as a reminder that we must continue to plan for the worst case.
- We are working hard to fill our reservoirs before river flows drop in the spring. At the moment we have no immediate concerns over the amount of water we have stored, however we do not know what the weather will be like for the remainder of the winter.
- Our experts are continually monitoring the weather and managing reservoir levels closely, while we continue to fix a record number of leaks and support customers to save water at home and at work.



Taking action.

- Helping customers reduce their water use through installing smart meters, our education programmes and by visiting homes and businesses to offer advice and support through our award winning programme
- Fixing 1,500 leaks a week, with a target to cut leakage by 15% by 2025 and 50% by 2050
- We have enhanced our modelling capability for extreme weather events
- We are improving support for customers in vulnerable circumstances and are looking to grow our priority services register to 400,000 by 2025
- Working with local authorities to build more effective alternative water distribution
- Overhauling our website and phone systems to ensure we can provide easy to access and up to date information for our customers



Questions



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Agenda Item 8

REPORT TO:	STREETS ENVIRONMENT AND HOMES SCRUTINY SUB- COMMITTEE 19 February 2019
SUBJECT:	WORK PROGRAMME 2018-19
LEAD OFFICER:	Simon Trevaskis, Senior Democratic Service and Governance Officer- Scrutiny
CABINET MEMBER:	Not applicable

ORIGIN OF ITEM:	The Work Programme is scheduled for consideration at every ordinary meeting of the Streets Environment and Homes Scrutiny Sub - Committee.
BRIEF FOR THE COMMITTEE:	To consider any additions, amendments or changes to the agreed work programme for the Committee in 2018/19.

1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's work programme for the 2018/19 municipal year.
- 1.2 The Sub-Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.

2. WORK PROGRAMME

2.1 The work programme

The proposed work programme is attached at **Appendix 1**.

Members are asked to note that the lines of enquiry for some items have yet to be confirmed and that there are opportunities to add further items to the work programme.

2.2 Additional Scrutiny Topics

Members of the Sub-Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the time limitations at Committee meetings, it is suggested that no proposed agenda contain more than two items of substantive business in order to allow effective scrutiny of items already listed.

2.3 **Participation in Scrutiny**

Members of the Sub-Committee are also requested to give consideration to any persons that it wishes to attend future meetings to assist in the consideration of agenda items. This may include Cabinet Members, Council or other public agency officers or representatives of relevant communities.

3 RECOMMENDATIONS

- 3.1 The Sub-Committee is recommended to agree the Scrutiny Work Programme 2018/19 with any agreed amendments.
- 3.2 The Sub-Committee is recommended to agree that topic reports be produced for relevant substantive agenda items in the future.

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BACKGROUND DOCUMENTS:

None

APPENDIX 1

Work Programme 2018/19 for the Streets Environment and Homes Scrutiny Sub-Committee.

Streets, Environment and Homes Sub-Committee

Meeting Date	Item
26 June 18	- Network Rail – New Timetable
9 October 18	- Cabinet Member Q&A, Clean Green Croydon - South London Waste Partnership
6 November 18	- Cabinet Member Q&A Environment Transport & Regeneration - Croydon Social Housing
22 January 19	- Cabinet Member Q&A, Homes & Gateway Services - Brick by Brick- Update - HRA Budget 2019/2020
19 February	- Trams Update - Utilities Update
19 March 19	- Private Housing Sector Review

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