

<b>Living in Hackney Scrutiny Commission</b> <b>14<sup>th</sup> January 2020</b> <b>Item 7 – Thames Water's performance and management of the network generally in Hackney</b>	Item No <b>7</b>
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## **OUTLINE**

This meeting was called following the flooding of homes in the N4 area in October 2019, caused by a mains burst on Thames Water's network.

The Commission previously heard from Thames Water in January 2017 and November 2018. This followed separate floods caused by mains bursts in the borough's Stoke Newington and Leabridge wards.

This item will explore Thames Water's general performance in a Hackney context, the measures being taken to tackle leakage, and the impact of these.

Ofwat is the economic regulator of the water sector in England and Wales.

In June 2018 Thames Water agreed to pay £65 million to customers as part of a package of payments and penalties worth £120 million. This followed an Ofwat investigation finding Thames Water's Board not to have sufficient oversight and control of its leakage performance. The £65 million payment to customers was on top of £55 million in automatic penalties incurred by the company for missing commitments it had made to cut leaks.

The settlement also saw Thames Water commit to getting its leakage performance back in line with what it had promised it would deliver in 2019-20. In addition, Thames Water would regularly publish details on its performance in tackling leaks, appoint an independent monitor to assure this information, make additional leakage reductions of 15% by 2025, and do more to engage with customers on leakage issues.

Given the number of times mains bursts have impacted on our residents, businesses and public spaces in recent years, Ofwat have been invited to participate in this item along with Thames Water.

### **Format of item:**

Thames Water staff will be invited to make opening comments on Thames' performance on leakage and its improvement plans. Following this, Ofwat representatives will be asked to speak on the role of the regulator, its work to secure improvement by Thames Water, and the impact of this.

Following this, there will be a question and answer session.

**Guests Expected:****From Thames Water:**

- Steve Spencer – Chief Operating Officer
- Kelly McFarlane – Director, Customer Experience

**From Ofwat:**

- John Russell, Senior Director Strategy & Planning
- Carl Pheasey, Director Strategy & Policy

A paper to support this item has been provided by Ofwat, and is available on pages 11 – 13. A paper was not provided by Thames Water in time for it to be published here. This will be provided in a supplementary agenda once available.

**ACTION**

Members are asked to review the paper enclosed in advance of the meeting. They are invited to hear opening comments from Thames Water and Ofwat, and to ask questions.