



London Borough of Islington
Policy and Performance Scrutiny

17th September 2020

Tim McMahon - Head of Water Asset Management

Simon Moore – Water System Planning Manager (London)

Aims and objectives

Reminder of what we said previously

The challenges of our next five-year business plan

Show the key issues facing Islington

Our future investment plans for Islington

Seven Sisters Road project

Next steps



Reminder of What we Said at our Last Meeting

- We operate 339km of distribution mains and 66km of trunk mains in Islington
- We have replaced over a **third of Islington's water network since 2000**
- Contributed to a **two thirds reduction in burst rates** in the borough since 2008
- We have learnt a lot from Upper Street bursts in 2016
 - New for Old insurance policy
 - 24/7 New customer incident mgt response team – Who support the customer in the aftermath of an event
 - A clear document for customers on the aftermath of the event
 - Delivered the trunk main strategy review actions – Improvement activities in our capability for managing large pipes
- Following the failure of a 125 year old 36" main at Queens Drive last year, we have:
 - Provided compensation to all flooded residents
 - Implemented a new incident structure with much improved communications
 - Undertaken enhanced surveys of the local trunk main network
 - Committed to relining 1.3km of the worst condition pipework in Seven Sisters Road and Queens Drive

Our 2020-25 investment plans

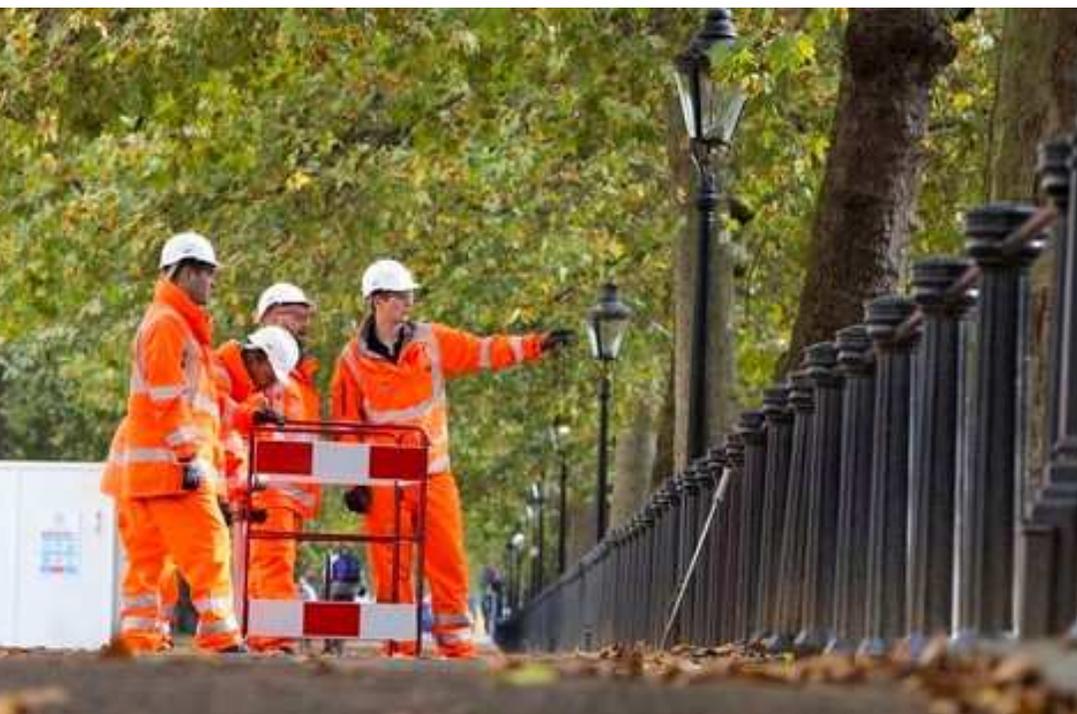
- Our current 5 year regulatory period (AMP7) runs from 2020-25
- Customer bills **will reduce by £23 on average**
- Our regulatory **Final Determination for AMP7 is a very challenging plan** e.g. 33% less capital funding for improving key targets e.g. Leakage which is 3 times harder than 2015-20
- It is likely that **considerable further investment** from our board (shareholders) will be required in order to meet key commitments
- This is on top of ~£700M of extra investment over the last 3 years with ~50% on the Water infrastructure
- As a result, **final agreement of our business plan is expected at the end of September**

Our 2020-25 investment plans

We have committed to the most stretching set of targets for water supply in our history, including:

- 20% leakage reduction from our network
- 70% reduction in interruptions to our customers' supplies

...which we will achieve through business changes and targeted investment across London and the Thames Valley including:



- The intelligent operation of our existing assets
- Targeted investment to replace our worst performing pipes
- Reducing damaging pressure waves which can 'shock' our network
- Installing over 400,000 new smart meters for our customers
- Improvements to the resilience of our treatment and storage capabilities

Water network investment planning in Islington

Islington has one of the highest rates of mains replacement of any borough we serve (34% replaced since 2000)

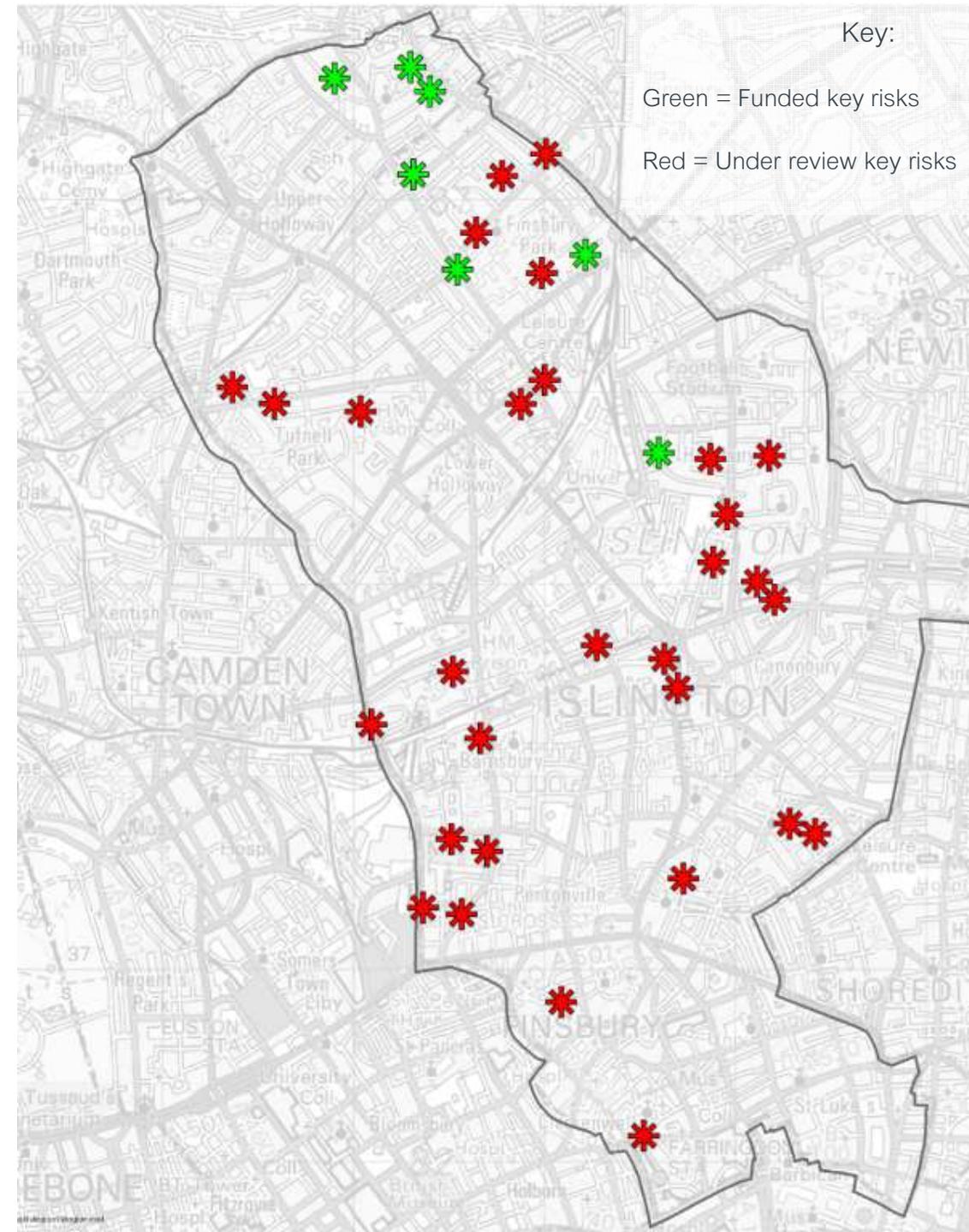
We have installed nearly 4,000 smart meters since 2015 in Islington and will be focusing on ~600 more complex locations and local authority housing in AMP7

We repair an average of 226 mains bursts per year alongside 234 bursts on the 'communication pipes' to customers' properties and 53 repairs to customers' own pipework

We are aware of a number of burst hotspots in the borough which require mains replacement to resolve

We have briefed 7 schemes for mains replacement in AMP7 totalling 7.6km

A further 30 schemes totalling circa 24km (Includes the red risks) are under review – Dependent on OFWAT approval through the London Network conditional allowance



Seven Sisters and Queen's Drive trunk rehabilitation scheme

We are re-lining two sections of Victorian cast-iron pipes

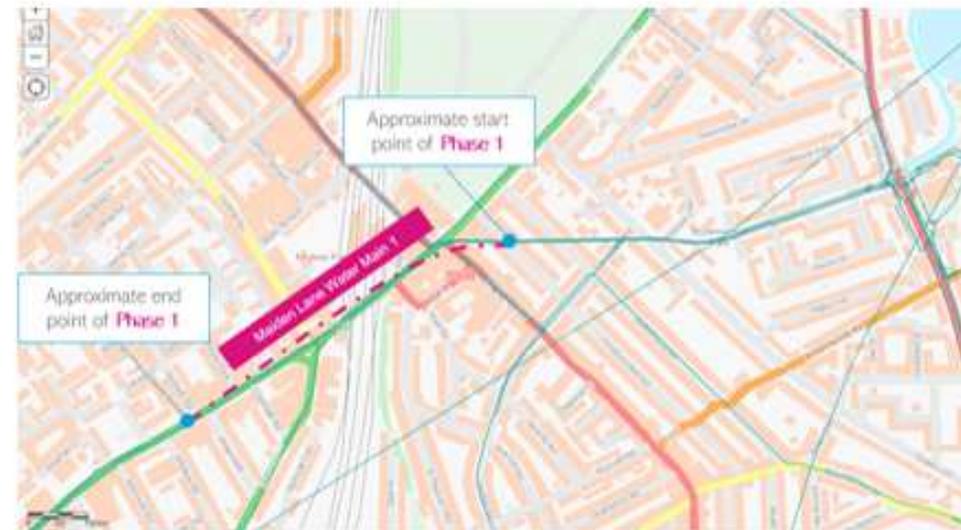
Work will increase resilience of two major pipes, including the one which burst on Queen's Drive, by cutting leakage and reducing the chances of future incidents

The scheme is set to cost almost £7m and is due to start in October, lasting until Summer 2021

The work has been designed in partnership with Islington and Hackney borough councils, to keep disruption to a minimum

Councillors and residents have been invited to online engagement sessions to keep them informed of the work

Where we'll be working



The area of pipe we're relining in phase 1 in Islington with site locations



The area of pipe we're relining in phase 2 in Hackney

Next steps

- £7m programme at Severn Sisters Rd and Queens Drive to commence October 2020
- We are confirming our additional mains replacement programme with our delivery partners (expected early 2021)
- The scale of our AMP7 programme is to be confirmed by the Thames Water Board at the end of September
- We are working with OFWAT on a further package of work for investment specifically in London's water infrastructure (April 2021)
- We will continue to work with the regulator to build the case for a substantial programme of investment in the next regulatory period (2025-30)



Thank you