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Ms Pauline Walsh
Chief Executive Officer
Affinity Water
Tamblin Way
Hertfordshire
Hatfield
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Dear Pauline,

Water is an essential service and customers have a right to expect their water company to be well prepared to protect them from the impact of bad weather. The thaw that followed the 'Beast from the East' period of cold weather in late February and early March 2018 caused supply interruptions to over 200,000 customers across England and Wales. Some interruptions lasted several days, impacting households, businesses and essential public services, like hospitals and schools.

As a sector we must understand why this happened; why some companies have performed better than others and, crucially, that we take steps to ensure that there is a significant and sustained improvement in performance by the companies who did not perform well and a step up in the ability of the industry as a whole to protect customers from the impact of bad weather. Importantly, companies should take ownership of and responsibility for this process and ensure that lessons are learned so that their customers are better served in the future.

Our overall analysis of Affinity Water's performance is that it largely met its customers' expectations, but there are still gaps and room for improvement. This letter sets out our findings and recommendations for Affinity Water based on information received so far and should be read alongside our sector wide report 'Out in the cold' which has also been published today.

We expect Affinity Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Affinity Water should publish a response to the matters raised by 28 September 2018. This response should be proportionate to the issues identified. We would also like Affinity Water to help share best practice across the sector as a whole.

Planning and preparation

- **With an established Gold command structure and Executive oversight of planning and preparations, Affinity Water exhibited good planning practice.** This comprised a particular focus on treatment capability, storage capacity and team availability, and expanded to include cancelling planned non-urgent maintenance and repair activity on infrastructure assets once the freezing weather set in. **We did not see incorporation of pressure loggers in system management.**
- **Regular staff training and testing of Affinity Water's emergency response capability are also positive points.**
- **Alternative supply procedure is well established,** which minimised impact on customers.
- **Affinity Water's emergency response was collaborative** – including regular meetings with members of the local resilience forums and stakeholders from neighbouring water companies.

Incident response

- **Affinity Water's incident management plan and structures were clearly in place but it is not clear if this plan was specific to a thaw incident.**
- The modification of the incident response plan demonstrated planning flexibility, maximising water availability.
- **The use of the a leakage monitoring system and the deployment of detection and repair teams minimised response times to the mains bursts,** and resulted in the significant minimisation of underlying leakage.
- In addition to burst water mains and pipes, both on the supply and customer side, and air locks in the system, **Affinity Water's incident response was affected by power failures in North London, which impacted water treatment and pumping sites.** Loss of power supplies and ongoing maintenance works on a key trunk mains also inhibited contingency plans.

Customer and stakeholder communication

- **A winter campaign about the importance of lagging pipes, using fairly diverse channels, assisted in ensuring customers were aware.**
- During the incident, **a diverse range of channels was used to communicate with customers,** including customer phone contact, web contact, social media and traditional media – but no evidence was provided to demonstrate the effectiveness of most of these channels. It would also appear that **minimal contact was made in advance of the event.**
- Affinity Water made a strong effort to communicate with stakeholders, including political representatives in the most impacted areas.

Vulnerable customers

- **Affinity Water's real time Geographical Information System allows the company to maintain a database of all of the company's sensitive or vulnerable customers, and a strong effort was made to contact each discrete group of customers.** There was good engagement with Barnet Local Resilience Forum to confirm that there were no further customers who required additional support.
- We do not know if there were vulnerable customers not captured by these efforts.

Compensation

- **Customers were proactively contacted with advice about the GSS process and payments were completed swiftly** for both residential and business customers.
- Affinity Water demonstrated an established process of hydraulic analysis in determining properties affected by supply interruptions.
- Payment levels were in line with GSS levels for supply interruptions and low pressure, with an additional payment of £30 made to customers in the Barnet area, who experienced interruptions in the last year.

While there were areas where Affinity Water performed well, it must take ownership of the issues identified in this letter and in our review so that its customers are even better protected the next time there is bad weather.

Yours sincerely



John Russell
Senior Director