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Mr Peter Simpson
Chief Executive
Anglian Water
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Dear Peter,

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 Anglian Water's performance is that it met its customers' expectations, but there is still room for improvement. This letter sets out our findings and recommendations for Anglian Water based on information received to date and should be read alongside our sector wide report 'Out in the cold', which has also been published today.

We expect Anglian Water to carefully consider the issues identified in our review, in this letter and in any internal review Anglian Water conducts. It should publish its response to the matters raised by 28 September 2018. This response should be proportionate to the issues identified.

Planning and preparation

- **Anglian Water has a clear, established plan that incorporates policies and procedures for managing severe weather events, and has defined triggers in place for escalation.** This was triggered on 28 February 2018 in order ensure preparedness and was followed by increased resourcing levels, enhanced monitoring of the Anglian Water network, communication to customers about the importance of lagging water pipes and postponement of planned activity on the network and treatment works. This was a positive, proactive response to the emerging situation.
- **Anglian Water was able to manage an expectation for a surge in incoming calls** by redeploying resources in advance of the impact of the severe weather.

Incident response

- **Anglian Water's incident response employed the comprehensive capture of data and use of integrated field systems to prioritise targeted actions, in order to minimise the impact on the network and keep customers informed.**
- Anglian Water employed an alliance model to assist in maintaining resource levels to assist its response to the severe weather.
- **It was positive that Anglian Water worked with Affinity Water to support them by providing additional supplies to their normal demand,** and by expediting scheduled work on an asset to ensure that the request for demand was met.

Communication and support

- **Communications were well maintained with customers and other stakeholders before and during the event, which included communication through social media, the Anglian Water website and through traditional media.** Interview slots and pre-recorded advice was broadcast on radio and television stations with pre-thaw guidance for customers with frozen pipes, and to encourage customers to report leaks once the thaw had set in.
- **The Keep Your Pipes Cosy campaign was a highlight** and demonstrated good awareness of social media channels.
- Advance, targeted contact ensured warning before the event commenced.
- **During the event communication included information conference calls with Anglian Water's retail customers throughout the event,** which were positively received.

Vulnerable customers

- Although vulnerable and water critical customers were identified by Anglian Water, only a small subset of customers needed to be contacted due to the limited impact of the incident compared to other companies.

Compensation

- **As the impact of the severe weather on Anglian Water's customers was minimal, Anglian Water provided compensation equivalent to that which customers would have been entitled to under Guaranteed Standards Scheme and an enhanced payment for customers off supply for over 24 hours.** This involved a payment of £20 for interruptions over 12 hours. An enhanced payment of £40 was made to customers who experienced an interruption of over 24 hours. Anglian Water's approach to not splitting compensation across a street if some households were above and some below 12 hours is pragmatic, and ensures that compensation was fast and fair to customers.
- All domestic customers were paid at the time of Anglian Water's response, and residential customers were scheduled to be paid shortly thereafter.
- Anglian Water's response did not specify whether the company welcomed claims from impacted individuals or businesses in addition to the amount of compensation paid and it should consider the clarity of its messaging on this.

While Anglian Water performed well, it must take ownership of the issues we have identified so that its customers are even better protected the next time there is bad weather.

Yours sincerely



John Russell
Senior Director, Strategy and Planning