
Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

Ms Heidi Mottram
Northumbrian Water
PO Box 300
Durham
County Durham
DH1 9WQ

19 June 2018

Dear Heidi,

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 Northumbrian Water's performance is that it performed well and largely met its customers' expectations, but there is still room for improvement. This letter sets out our findings and recommendations for Northumbrian 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 Northumbrian Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Northumbrian 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 you to help share best practice across the sector as a whole.

Planning and preparation

- **Northumbrian Water had planned for and managed the event effectively**, with the result that the impact on customers was minimised, and just 0.1% of customers in the Northumbrian region and 0.63% in Essex and Suffolk experienced supply interruptions – and the majority of these saw supply restored in less than 4 hours.
- We are encouraged to see that the **company appears to have learned from the 2010-11 weather incident and introduced measures to improve the resilience of its network** (for example, ensuring sufficient headroom in water treatment capacity and increased storage to cope with the anticipated increase in demand); moving to 24 hour shifts at Water Treatment Works; providing additional staffing at Regional Control Centre; the suspension of non-emergency work to focus on rapid response to fixing leaks.
- As a result, **the company was well prepared for the incident; implemented its plans early and, despite facing challenging weather conditions in the region, did not have to trigger its full incident management process.**
- We recognise that that the company's plans have been tested and that scenario planning and sensitivity checks have been undertaken to ensure the resilience of those plans. Nevertheless, it is still important for Northumbrian Water to conduct its own review of its performance during the recent incident and take steps to identify areas for further improvement.

Incident response

- We welcome the fact that the steps taken by Northumbrian Water to prepare for the incident meant that **the company had sufficient resources in place throughout to maintain supplies to customers and minimise the risk of disruptions.**
- We are also encouraged that **the company appears to have had good visibility of the performance of its network**, and through the use of technology and customer data was able quickly identify the source of spikes in leakage on the network, and target the deployment of technical staff to ensure that any bursts were repaired quickly and move water around the network to areas where it was most needed.

Communication and support

- **Communications with customers and stakeholders appears to have worked well** for the level of incident the company was managing and although the company has communications procedures to manage a more significant incident, it did not need to trigger these. **We are pleased to see, however, that recognising that this incident could have become more serious, Northumbrian Water is carrying out exercises to optimise the company's response to future incidents.**
- Northumbrian Water already has an **active campaign to help customers prepare for winter events** and avoid burst pipes and was also proactive in engaging

directly with customers who are particularly susceptible to leakage during winter events.

- Engagement with business customers and retailers has been identified as an area that could be improved across the sector. We understand that Northumbrian Water was able to obtain contact details and engage directly with business customers with suspected high leakage and the retailers concerned. We also recognise that the company had also contacted a number of other retailers to make them aware of the situation and has identified some areas for improvement. However, given the scale of the leaks on business premises that many water companies experienced, a more proactive and targeted communications strategy may be appropriate.
- **Early and ongoing engagement and collaboration with Local Resilience Forums, local councils, local farmers and other agencies formed an essential part of the company's planning for, and response to, the incident** and helped the company to overcome the challenges it company faced in being able to move around the region and access sites.

Vulnerable customers

- Our review has underlined the need for significant improvements in how companies in all regions identify and engage with customers in a vulnerable situation. It is clear that individual companies' Priority Service Registers do not adequately capture all customers who may need additional assistance or support. Whilst we recognise the steps taken by Northumbrian Water to identify and support other customers, Northumbrian Water – and all companies – need to do more.

Compensation

- Northumbrian Water made a number of standard compensation payments as a result of the incident.

While Northumbrian Water generally 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