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Mr Anthony Ferrar
Chief Executive
Sutton and East Surrey Water
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Dear Anthony

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 Sutton and East Surrey 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 Sutton and East Surrey 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 Sutton and East Surrey Water to carefully consider the issues identified in our review, in this letter and in any internal review it conducts. Sutton and East Surrey 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 Sutton and East Surrey Water to help share best practice across the sector as a whole.

Planning and preparation

- Sutton and East Surrey Water's response does not detail the process of gathering data and intelligence on weather patterns, however the response indicates that **the company's emergency response procedures are not specifically aligned to severe weather events**. The response does not indicate whether the company planned for freezing weather only or a freeze and a thaw. Despite this, the cold weather modelling used predicted that Sutton and East Surrey Water's event triggers, which were not detailed in the response, would be met on the weekend of 3 and 4 March 2018, and so preparations and pre-mobilisation for the incident commenced on 1 March 2018.
- **Sutton and East Surrey Water ensured production sites were fully operational and primed to increase output if necessary, and that service reservoir levels were healthy in order to meet a predicted increase in demand.**
- **Enhanced resources were also prepared**, including additional repair materials, preparations for the supply of alternative water and ensuring staff mobility. The Executive had oversight of the entire process, from the point at which preparations to declare an event were made and until the closure of the event.
- **Sutton and East Surrey Water's data around low pressure interruptions to customers** are based on the number of customers contacting to report low pressure rather than individual property pressure data. This is not representative of best practice and **can be improved**.

Incident response

- **The escalation of the incident occurred according to defined thresholds according to the company's emergency response plan**. It was unclear from Sutton and East Surrey Water's response what these thresholds actually were.
- The incident response focussed on deploying resources to manage incoming customer contact and to attend to customers' premises to determine the cause of an impacted supply of water.

Communication and support

- Sutton and East Surrey **Water's Wrap up for winter campaign ran prior to the adverse weather incident**. The campaign involved information being provided on Sutton and East Surrey Water's website, social media, newsletters and leaflets.
- The response provided **some evidence of proactive messaging, particularly targeting customer side leakage**.

- The response showed **some evidence of stakeholder communication which was adequate for the scale of the event** and the limited impact on customers.

Compensation

- Payments were credited to the accounts of four residential customers at the Guaranteed Standards Scheme (GSS) level, for interruptions greater than 24 hours. We consider that companies should consider making enhanced payments to customers for interruptions of greater than 24 hours, so as to reflect the impact these interruptions cause on customers' lives.

While there were areas where Sutton and East Surrey 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