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Mr Phil Newland
Chief Executive Officer
South Staffs Water Plc
Green Lane
Walsall
West Midlands
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19 June 2018

Dear Phil,

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

Planning and preparation

- **South Staffs Water prepared for the incident by commencing weekly winter action meetings, which were then switched to daily meetings as the event approached.** Non-essential planned work was also cancelled to allow South Staffs Water to have sufficient resource to respond efficiently to a potential supply risk. In Cambridge, only a small number of non-leakage repaired jobs were cancelled.
- The response provided some indication of communication with local resilience forums and Executive level engagement with Severn Trent Water around shared supplies.
- **South Staffs Water used the 2010-11 freeze thaw demand profile as a planning scenario**, to ensure they were prepared appropriately.
- **An increase in storage in the network allowed additional water to be available.**
- **South Staffs Water's response indicates that they took specific learnings from other incidents.** This included a visit to Northern Ireland Water in November 2016 to better understand the evolution of incident management processes in 2010 and also learnings from United Utilities' cryptosporidium incident.

Incident response

- Water tankers were used to support the levels in a small reservoir at Langley.
- Staff from other areas of the business were called on to assist with distributing bottled water and carrying out void property inspections.

Communication and support

- **Ongoing winter campaigns** were conducted with both residential and business customers through various communications channels.
- **During the campaign, South Staffs Water's website and social media were kept updated.** A reasonable amount of outgoing calls and text messages were sent out to customers, although updates on social media and company responses to social media contacts were at a relatively low level.
- **Retailers were informed by South Staffs Water and higher risk business properties were contacted.** The response did not provide information on communications before or after this.
- **A list of void and vacant properties was only requested on 6 March. As this was during the incident, there is scope for this to be streamlined and improved.**

Vulnerable customers

- **A dedicated team was employed to focus on vulnerable customers, and hospitals were specifically targeted.** Water dependent customers were contacted as a priority and contact was maintained with these customers through call backs.

Compensation

- Compensation was paid in the South Staffs area. The response indicated that:
 - Network models and pressure data was used to identify affected customers, the customer services team then made contact to determine the type of customer at the property.
 - Enhanced payments of £25 were made to residential customers only for supply interruptions, with a very quick turnaround. Residential customers experiencing low pressure and business customers received a level of compensation at the GSS level.
 - The company wrote to customers to invite them to contact the company to request compensation.

While overall South Staffs 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