

**Review of the 2018 freeze-thaw**  
**UUW response to Ofwat information request**

**Appendix C**  
**(6 May 2018)**  
**Additional information on executive engagement**

# UW review of 2018 freeze-thaw Appendix C 6 May 2018

## Appendix C: Supplementary information request: Executive involvement

This appendix sets out our response to Ofwat's 3rd May query on the freeze thaw. The text from the query is set out in black text, our response is in blue text

**Query – “To assist our analysis of your company’s response, we outline below a set of clarification questions” – “Detailed responses will help us better assess your preparation for the freeze and thaw”.**

We believe that our initial response contained detail setting out how we had prepared for the freeze and thaw. However this detail is contained in a number of sections of our response. We have therefore summarised and consolidated this information to provide a specific responses to each of the four clarification questions:

**Clarification question 1 – How were the executive and board involved in any planning or preparation, or approved any planning and preparation, for exceptional winter weather events. Please also detail when this occurred.**

The key areas where the executive and board were involved in planning for exceptional weather were set out in Section B5 and Section B1, the relevant points from these sections are summarised below:

**Section B5, demonstrates that we have learnt and implemented lessons from previous events, to improve the way that we plan and prepare for incidents such as exceptional winter weather.**

- The lessons learnt exercise following the Franklaw incident was chaired by a UU Group Board non-executive director, with these lessons being disseminated across the industry and used to enhance our risk assessment and planning process.

**Section B1, sets out the structured approach that we apply to risk assessment and planning, which allows us to manage incidents, the executive play a key part in this process.**

- We have learnt lessons from previous events, with these lessons being reflected in our current risk assessment and planning. In summary the approach we adopt involves:
  - a) Risk assessments to understand how potential risks could emerge and impact upon our assets;
    - We operate a holistic approach to risk assessment, with risks being owned by executive sponsors and key risks being reported directly to the Board.
    - This approach has enabled us to develop a thorough understanding of the risks to our water supply system and implement an integrated approach to managing resilience risk. As a result, we have made significant improvements in how we operate our systems, plan for issues and respond when they occur.
  - b) Scenario planning to fully test the detail of how we would respond to these risks and ensure that we are adequately prepared;
    - In 2017 we ran three major incident exercises that tested our procedures and response to a range of different scenarios, at all levels of the organisation, which directly involved other agencies and emergency responders to fully test multi-agency scenarios.

## UW review of 2018 freeze-thaw Appendix C 6 May 2018

- One of these scenarios trialled our response to a type four incident- this is our most severe classification of incidents and represents a crisis level situation (this freeze thaw incident was a lower level, type three incident). This type four scenario ran over a full day and involved the executive team including the Chief Executive Officer (UUG and UW board member) and Chief Operating Officer (UUG and UW board member). This exercise and similar scenarios planned for 2018 form part of a regular cycle of incident management tests and scenarios.
- One of the baseline scenarios we use for our scenario planning purposes is based upon a previous cold period from 21st November 2010 to 31st December 2010.
- c) Active monitoring and management of our networks, to identify issues and redirect our activities;
  - Our monitoring and management capability has been developed through an extensive transformation programme developed by the Executive and supported by the Board. With this capability proving instrumental in both planning for and managing the incident.
- d) Contingency planning to ensure that we are prepared for and able to respond to incidents.
  - Following the 2010/2011 winter storms (described in section B5), we have increased the resilience of our assets to the impacts of winter with the executive approving significant increases in investment in this area in recent years.
  - Active decisions have also been made to undertake seasonal weather contingency planning with Local Resilience Forum partners and to have agreements in place with third parties that we can now call upon with short notice.
- e) The operational plans are complemented by proactive communications, help and advice
  - Planning for our annual WinterWise campaign, which was led by our Customer services and people director, began in the summer of 2017, with the campaign being activated from November 2017 in recognition of the fact that a prolonged cold spell could happen at any time.
  - This campaign also held 17 'pop-up' shop events at key towns across the North West at which WinterWise advice packs were given out to customers, with information being carried by our water quality officers and provided to householders during water quality testing visits.

# UW review of 2018 freeze-thaw Appendix C 6 May 2018

**Clarification question 2 - How were the executive and board notified of each applicable weather status update (amber alert, red alert) and the earliest point at which this occurred.**

The ways in which the executive and board were notified about the event are set out in Section B2 and Section B3, the relevant points from these sections, are summarised below, along with some additional detail about the communication of weather messages:

**Section B2 demonstrates that the executive played an active role in successfully preparing for and managing this event.**

- The decision taken jointly by the Central Operations Director, the Chief Operating Officer (Group Board member) and Chief Executive Officer (Group Board member) to call a type 3 prior to the change in weather allowed us significant quality planning time to maintain our normal high levels of service.

**Section B3, sets out the key meetings and decisions that were taken in the lead up to the event**

- Our 24/7 duty managers (ICC Response Managers) are required to undertake a daily weather risk assessment. This takes place overnight and the assessment is sent to the business at the start of the day. They are also the point of contact for Met Office and EA weather advice and in emergency incidents they issue ad hoc assessments.
- All weather alerts (yellow, amber and red alerts) are issued to the operations team across UU, this includes sending the report to the Chief Operating Officer (main board member) who has responsibility for operations and service delivery. These reports are issued daily.
- For weather alerts at amber or red status received a specific weather update via email and SMS text to operations teams to heighten awareness also issued and dependant on the type of alert a proactive event or incident would be raised for the preparation and readiness activities (such as the proactive event raised in this incident).
- As an example, during December 2017 an Amber alert for snow was issued on Friday 8th December and a proactive incident was raised to prepare and manage this activity over the weekend, even though the impact was ultimately not significant to the region or to the service to customer.
- In addition on behalf of the Chief Operating Officer, the Director of Central Operations holds a start of day meeting each day with the heads of the operational departments where the detailed weather situation and forecast is reviewed to ensure response and preparation are co-ordinated across the region from the ICC.
- A precautionary incident meeting to assess preparedness for the freeze thaw event was held on 27 February, at this stage the situation was still classed as an 'Event', i.e. a significant occurrence but one below a formal declaration of an incident. However, as the forecast indicated imminent bad weather a precautionary incident meeting (rather than event meeting) was held. Issues discussed at this meeting included treatment works availability, leakage levels and emergency plant utilisation.
- A further meeting at 'Event level' took place on 28 February and the agenda included discussions around customer service and the possible implications of the eventual thaw and mitigation plan.

## UW review of 2018 freeze-thaw Appendix C 6 May 2018

- We participated in multiagency meetings with our Local Resilience Forum colleagues from 27 February onwards in accordance with our internal procedures and the Civil Contingencies Act.
- We declared a Type 3 incident on 28th February due to the potential effects on customers (the scale of events, the number of facilities affected, impact on resources and the multiagency aspects). This was in accordance with our incident assessment matrix, where a type 3 incident is typically characterised as one with significant multiagency response and is led by a director with a task team structure to co-ordinate a multi departmental response.

**Clarification question 3 - How were the executive and board involved in any planning or preparation in advance of the freeze and thaw event, following the amber or red alert notification. Please exclude any “business as usual” winter preparedness planning, unless the planning specifically considered the freeze and thaw event.**

The ways in which the executive and board were involved in planning for the freeze thaw are set out in Section B3, C3, B1 and C1 the relevant points from these sections, are summarised below:

**Section B3 demonstrates that we had effective emergency plans in place with the Executive being directly involved in this process.**

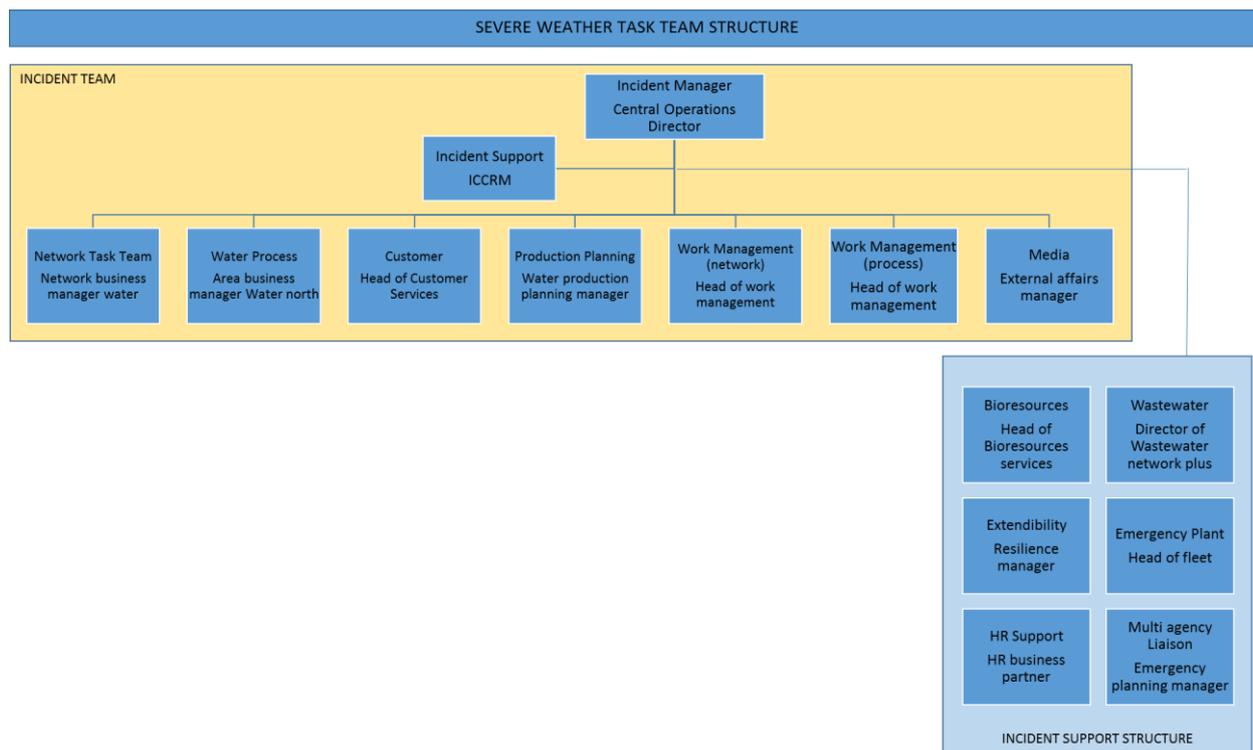
- We declared a Type 3 incident on 28 February. This was in accordance with our incident assessment matrix, where a type 3 incident is led by a director with a task team structure being put in place to co-ordinate a multi departmental response.
- During the “freeze part” of the event, the team undertook a detailed extendibility exercise, assessing and planning for a number of thaw scenarios across the business, with these scenarios and preparations being shared with the Chief Operating Officer (main board member)

**Section C3 demonstrates that we operated a multiagency approach to the incident led by the central operations director.**

- Our incident management approach is to adopt a dynamic task team approach to manage the different elements of the incident and provide the necessary support, whilst being flexible enough to adapt to changing circumstances. The initial task team structure included teams from across water and wastewater with the focus changing to water on 5 March when it became apparent that the impact on wastewater could be managed locally.
- The Task Team brings together key people from across the business with the necessary skills and experience to assess operational implications, prioritise responses and direct resources, (see diagram over page).

# UW review of 2018 freeze-thaw Appendix C 6 May 2018

Copy of Figure 8: Severe Weather Task Team Structure from 5<sup>th</sup> March to 12<sup>th</sup> March



## Section B1 sets out how we worked with key third parties to prepare for the incident.

- In preparation for severe weather, our commercial (supply chain) department compiled information on the company's intranet site to facilitate obtaining supplies for business-critical chemicals, consumables and essential services over the winter period.

## Section C1 sets out that the preparations for and management of the incident was in line with UK best practice with the executive initiating a number of proactive actions:

- all non-urgent work was cancelled, with planned work on WTWs suspended to maximise output;
- additional resources were secured and out of hours resource levels were increased;
- preparations were made for an increase in customer calls by re-deploying customer advisors;
- 80,000 bottles of water was made available in case of a large scale interruption; and
- a detailed and proactive customer communications plan was rolled out.

# UW review of 2018 freeze-thaw Appendix C 6 May 2018

**Clarification question 4 - How did the executive and board have the freeze and thaw event escalated to them, such that they were aware of the full scale and severity of the event.**

The ways in which the freeze thaw event was escalated to the executive and board are set out in Section B2 and Section D1, the relevant points from these sections, are summarised below:

**Section B2 demonstrates that the executive were fully engaged throughout the process:**

- Daily incident updates were provided to members of the Executive, which includes three UUG and UW Board members; the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer), senior management and key personnel. These senior directors were present on site, including the weekend, when the weather was at its worst in the region.
- As the incident was effectively managed, it was not necessary to formally escalate the incident to the non-executive members of the board at that stage.

**Section D1 demonstrates that the executive also played an active role in internal and external communications about the event.**

- Regular proactive updates were provided to key stakeholders including Defra, DWI, CCWater and the EA. Four out of the five regional areas (Cumbria, Lancashire, Cheshire and Merseyside) initiated multi-agency responses with the establishment of strategic and tactical co-ordination meetings, only one regional area (Merseyside) remained outside of a multi-agency response situation. We were involved in all of the meetings
- A summary of the main updates to key stakeholders:
  - We proactively notified Defra according to their SEMD requirements on 1 March
  - Update to Defra and CCW 4 March
  - CCW, DWI, Ofwat and EA updated 5 March
  - Update to Defra 6th March
  - Update to Resilience Direct
  - Update to Defra 7 March and a further DEFRA call with senior leaders for all water companies.