



South Staffs Water

incorporating

CAMBRIDGE  
**WATER**  
COMPANY



# South Staffs Water

Response to matters raised in Ofwat's  
'Out in the Cold' review following the  
Beast from the East in March 2018



28 September 2018

## 1. Introduction

This document responds to points raised during Ofwat's sector-wide review of the extreme weather event, 'Out in the Cold', and the company-specific issues highlighted in the subsequent letter to South Staffs Water (incorporating Cambridge Water), which set out Ofwat's assessment of the company's performance during that event.

We welcome Ofwat's overall assessment that "South Staffs Water performed well and largely met its customers' expectations"; however, we are far from complacent and have taken the opportunity to ensure we implement all of the learning so that we continue to deliver for our customers.

In our submission to Ofwat following the freeze/thaw event, and in our own internal reviews, we highlighted a number of areas that we felt we could improve.

- **Investment to make our operations more resilient and the delivery of a 'smart'/live network in AMP7.** On 3rd September we published our business plan for the period 2020 to 2025. In the period, we will invest £7.5 million to deliver a 'smart' network. This will allow us to operate the network better to prevent issues, and also to identify them quicker where they do occur. We are not waiting for the next planning period to deliver this; we have already started to deliver live networks in both our South Staffs and Cambridge regions, installing more than 1,200 acoustic loggers.
- **Enhanced winter communications.** We have reviewed our standard winter communications messages and have identified a number of areas for improvement, including launching winter preparedness messaging and expanding our social media coverage.
- **Helping customers prepare their properties for winter.** The impact of frozen pipework within properties bursting was not only distressing and expensive for our customers but also had a significant impact on our operations because of the increased demand for water. To ensure we all prepare better next time we are going assist customers in preparing for winter by lagging pipes and delivering education. We will focus our efforts on customers with any kind of vulnerability, who need our support the most. Vulnerable customers are often the most difficult to reach, so we will use traditional communications, together with our community hub in Wednesbury and our mobile customer support vehicle across both of our operating regions, which have the added benefit of allowing face-to-face engagement with customers.
- **24/7 social media capability.** By the end of October 2018, we will offer a 24/7 social media monitoring response on both Facebook and Twitter.

- **The addition of a dedicated role to manage the needs of vulnerable customers in our incident management team.** To further embed the needs of vulnerable customers into our incident management, we have incorporated a dedicated role to ensure the needs of vulnerable customers are met during incidents such as the Beast from the East.
- **Tackling 'void' properties.** During the rapid thaw that followed the Beast from the East, we identified a significant number of properties, both domestic and commercial, that were unoccupied and had experienced internal bursts which caused significant damage internally and also resulted in a significant amount of water being wasted. During the event, we mobilised field resources to visit potentially void properties that we were aware of from our records to check for internal leaks, which identified a significant number of properties that either had leaks, or were indeed occupied and needed to be added to our billing systems. Following the Beast from the East, we have continued our focus on void properties, with field teams deployed to visit all known void properties, both domestic and commercial.

In addition, we have played an active role at an industry level with WaterUK to ensure that the sector embeds all of the learning from last winter to improve resilience in the future. We presented the outcomes of our lessons learned process at an industry conference in July 2018, and supported the subsequent focus groups to ensure the sector as a whole delivers for our customers.

Ofwat's assessment of our performance focused on the following key areas.

## 2. Planning and preparation

Our existing Winter Action Plan processes helped us to prepare for the challenge posed by the freeze/thaw event winter by using historical peak demand scenarios, such as the 2010/11 freeze/thaw and also the 2010 Northern Ireland event to inform our demand planning scenarios. We have already updated our planning scenarios following the winter 2018 peak demands to further increase our resilience in future winters.

### 2.1 Incident response

We used existing flexibility within our supply chain contracts to move resource to bolster field resource in the areas we needed it most, mainly repairing leaking mains. We also drew on support from non-operational office-based staff to take up additional roles to support the event, which proved successful. To capitalise on this success, we are in the process of formalising our 'resource pool' of non-operational staff who can be trained in advance and equipped to deliver different roles in significant events.

### 3. Communication, support and vulnerable customers

On reflection, we need to do more to ensure that key messages about winter preparedness land with our customers ahead of severe weather such as that seen during the Beast from the East. The scale of the impact that the rapid thaw had on our customers' properties (both domestic and commercial) was significant. Many homes suffered damage because of frozen pipes thawing and leaking over the weekend of 3rd and 4th March 2018. Not only does this cause huge inconvenience and expense for our customers; the significant increase in demand for water put our water supply system under significant strain. For future winters we are going to significantly increase our winter messaging to help to educate our customers about the damage that improperly protected domestic plumbing can have in cold weather. We are still finalising our plans for winter 2018/19; however, we are planning to:

- re-launch our winter messaging around the 'chill' concept (check, heat, insulate, locate, lag);
- use our community hub to run awareness sessions on the need to prepare households for winter;
- offer free lagging kits to customers; and
- use case studies from the freeze/thaw to illustrate the message around the damage frozen internal pipework can cause.

In addition, we will be increasing our social media capability. Currently, and during the Beast from the East, our Twitter and Facebook accounts are only active between 8am and 6pm, Monday to Friday. By the end of October, we will roll out 24/7 monitoring and response of both channels, together with a more flexible platform that will allow us to initiate high-volume and sustained outbound campaigns and inbound contacts, while ensuring all channels are consistent in message and accuracy. We recognise, however, that not all of our customers are reached by campaigns on social media, so we will continue to use conventional media channels and also deploy our resource pool of non-operational staff to visit vulnerable customers on the doorstep.

During the Beast from the East, we allocated a dedicated manager to focus specifically on the needs of vulnerable customers, which was an addition to our existing incident management process. Such was the success of this role, we have since updated our Incident Management Plan to include this role in future incidents of this type.

### 4. Compensation

Where we failed to meet our service standards, we automatically paid compensation to our customers. In total, we paid compensation to just over 1,000 customers in our South Staffs region. We achieved all of our service standards in our Cambridge region so no compensation was paid.

We took the decision to compensate customers as rapidly as possible and also to provide a 'real' payment (either direct transfer to bank or cheque) rather than apply a credit to their account. This was completed for all domestic customers within ten working days of the event.

The feedback received from customers was that they were surprised at both our approach to automatically compensate them for their inconvenience and also at the scale of the compensation paid (£25). Obviously our intention is to meet customers' expectations and not need to pay compensation; however, we feel that our approach worked well and was well received by our customers.

## 5. Conclusion

We are pleased that Ofwat's assessment has concluded that we performed well in the freeze/thaw following the Beast from the East. However, we are acutely aware that we failed to meet the expectations of a small number of customers within our South Staffs region.

We have carried out an internal review of our performance, and taken note of the comments from all our regulators, to ensure that we deliver appropriate actions in increasing our winter preparedness ahead of this coming winter.

We have actively contributed to the national debate on the performance of the sector during the adverse weather seen in February and March 2018, and have challenged ourselves to learn lessons to ensure we perform even better in future events.