

Utility Week Awards winner case study

# Anglian Water blazes a trail on performance

In December, Anglian Water was named Utility Week’s Utility of the Year for 2018. Here are some of the reasons why it walked off with this coveted award.

## Utility of the Year 2018

Category sponsor: Capgemini



Award winner: Anglian Water

- Category title: Utility of the Year
- Category sponsor: Capgemini
- Award winner: Anglian Water
- Annual company turnover: £1.2 billion
- Employees: 5,000
- Customers: 6 million

### Entry criteria:

1. Customer satisfaction and engagement
2. Shareholder/owner’s return
3. CSR and sustainability
4. Staff development (own staff and supply chain)
5. Stakeholder (including supply chain) relationship
6. Acting as an exemplar company; an ambassador for utilities that promotes trust and confidence
7. Innovation and/or evidence of business transformation within the past two years
8. How the company has outperformed
9. Statement detailing why the company deserves to win Utility of the Year

The Utility Week Awards are held in association with Capgemini, CGI and Microsoft



The utility sector is under the spotlight like never before. In the past 12 months Anglian Water has systematically, repeatedly and successfully tackled operational and reputational challenges, building on more than a decade of leading performance – most notably in leakage and service.

The company says its approach is to innovate, learn and share, pushing the frontier for the whole industry while enabling the creation of a region in which it is a pleasure to live, learn and work. Years of insight and expertise were combined with half a million customer interactions to create its business plan for 2020-25, submitted to Ofwat in September 2018. It set out to tackle the challenges faced by the driest and one of the fastest-growing regions in the country.

Anglian Water is geographically the largest water company in England and Wales, supplying more than six million customers. For more than a decade, it says, it has pushed the boundaries of operational excellence, resilience and efficiency, achieving leading positions in leakage and service, while recalibrating customer relationships with its Love Every Drop strategy.

The company says its position gives it the responsibility to do more for customers and its region, and this has never been more important than during an exceptional 12 months.

### Doing the basics brilliantly

- Number one in service incentive mechanism (SIM), 2017/18, 15 years of upper-

quartile service performance.

- Most improved Compliance Risk Index score of any company over three years.
- Event Risk Index of 10.8, less than 5 per cent the national average of 249.
- One of industry’s best drinking water acceptability complaint rates.
- Catchment management approach to reducing metaldehyde recognised by DWI as leading.
- Never subject to punitive DWI Transformation Programmes.
- 84 per cent blockage reduction in 2018 after 2,000 Keep it Clear visits.
- On track for four-star EA Environmental Performance Assessment.

### Leading leakage

Anglian leads the industry, having cut leakage by more than a third since privatisation to record low levels at half the national average (water lost per km of main). Last year Anglian surpassed its target of 192ML/d, achieving 183ML/d. This contributes to a 10 per cent cut 2015-2020, to which the firm is adding a further 22 per cent by 2025.

### Weather challenges

Anglian has exceeded its interruptions to supply target every year in the current AMP, and in March successfully protected customers from the Beast from the East. Planning, resilience investment, industry-leading leakage, unique alliancing, excellent communications, plus a capable, motivated workforce, meant almost no customer impact from the cold.

Operational resilience was again tested

## What the judges said...

Judges said the winning entry stood out for its strong leadership, business transformation, long-term thinking and all-round performance. They wanted to reward this company in particular for its proactive approach to dealing with some of the biggest issues facing utilities

today. Water companies are high on the political agenda – and the winner recognised this and took action.

It’s a confident company, ready to get on the front foot without losing its focus on operational excellence.



during summer's heatwave. Again, no customers saw interruptions due to unprecedented heat, nor did Anglian contemplate usage restrictions.

Both leakage and interruption to supply measures remain ahead of target, despite more bursts caused by fluctuating weather.

### Setting standards

Utilities are in the spotlight. Last year Anglian's board committed to steps that improve the perception of its business and sector. It was the first to remove its Cayman company – with which it says it never gained tax advantage. The company also committed to reduce debt/gearing, changed its board so independent non-executive directors are the majority, and committed to reinvest £165 million this AMP into drought resilience and customer experience. Anglian believes it has moved fastest and gone furthest in response to the legitimacy challenge.

In 2017/18, it became the first European utility to raise a Green Bond. Its approach to carbon, governance, and its alliances mean the bond is accredited to the whole capital programme, not just specific projects.

In December 2017, Anglian developed, with Arup, a model to assess organisational "resilience-in-the-round", which six other companies have subsequently adopted in their business plan submissions. Arup's model shows Anglian is leading in many areas, and actively improving in others.

### Innovating for tomorrow

In 2018 Anglian launched "Water Resources East" – a collaborative, cross-sector approach to resource planning including agriculture, energy and the environment.

In the same year it also launched its innovation hub around Newmarket – The Smarter Drop. More than 100 partners participate in 95+ projects. This builds on the 1,000 small and medium-sized enterprises active through Anglian's "water innovation network". Anglian reduced consumption in Newmarket by 6 per cent, and leakage by 23 per cent, August 2017 to February 2018.

### Supporting customers

Since 1989, enabled by efficiency, Anglian customers have seen the sector's lowest bill increase – just 10 per cent versus an industry average of 46 per cent. The company reduced its average bill by 10 per cent in 2015-2020. This was the biggest decrease of any company and twice the sector average.

Where households struggle to pay, Anglian offers a range of support, best exemplified through benefit maximisation, delivered in partnership with Citizens Advice.

### Other shortlisted companies in this category were:

- Clear Business
- Northumbrian Water Group
- SGN
- So Energy
- UK Power Networks



Anglian Water on awards night at the Grosvenor Hotel in December 2018

### Winner's comments

**"We're extremely proud to be named Utility of the Year 2018. This award is a testament to all the hard work of our staff, partners and suppliers over the past 12 months.**

**"Water, along with other utilities, is vital in powering our region's businesses and local economy, and in the East of England we face some unique challenges; being the driest, but fastest growing region in the UK.**

**"On top of that it's been a challenging year, with extremes in weather from a freezing winter, to a long, dry summer, both of which we've managed without compromising service to our customers.**

**"Anglian Water has been leading the way in tackling some of the most pressing issues in our industry. This year we've made a pledge to tackle plastic waste across the East of England, launched state-of-the-art technology to drive down leakage even further, concluded our biggest ever consultation with our customers, issued a second Green Bond to generate sustainable finance for the future, and been awarded first place in the water industry league for customer service by our regulator.**

**"This award is a fantastic end to 2018, but we won't stop striving to be better; we'll continue to do even more for our customers, businesses and the environment in 2019 and beyond."**



PETER SIMPSON, CHIEF EXECUTIVE, ANGLIAN WATER

► The 2019 Utility Week Awards will be opening soon. Sponsorship opportunities are available – contact Utility Week business development manager Ben Hammond on [benhammond@fav-house.com](mailto:benhammond@fav-house.com) or call 01342 332116 for more information.