

Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

By email

18 August 2016

Environmental Information Regulations (EIR) 2004- Request For
Information

Reference: EIR 103082016

Dear 

Thank you for your email in which you request information concerning:

the reward or penalty imposed by the Outcome Delivery Incentives (ODIs) for AMP6 and information regarding investment post AMP6, any opinions you have or guidance you may be outlining for ODIs, or post AMP6 equivalent.

Ofwat confirms that most of the information you have requested can be found publicly available on our website.

Ofwat has published several publications in connection with AMP6 Outcome Delivery Incentives (ODIs) and I have included the links to the relevant publications below.

- Setting price controls for 2015-2020: Setting price controls for 2015-20: final methodology and expectations for companies' business plans - Appendix 1: Integrating the calibration of outcome delivery and cost performance incentives (July 2013): http://www.ofwat.gov.uk/wp-content/uploads/2015/12/pap_pos201307finalapproachapp1.pdf
- Setting price controls for 2015-20: final price control determination notice: policy chapter A2 - outcomes (December 2014): http://www.ofwat.gov.uk/wp-content/uploads/2015/10/det_pr20141212outcomes.pdf
- We have published a single table (Excel spreadsheet) that includes the Price Review 2014 (PR14) outcome, performance commitment (PC) and outcome

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delivery incentive base data: <http://www.ofwat.gov.uk/publication/pr14-outcome-performance-commitment-outcome-delivery-incentive-base-data/>

- As part of the July 2016 Annual Performance Report (APR), companies have published their 2015-16 actual performance against their PCs and any rewards/penalties that are payable or have accrued. These APRs are available to download from water company websites.
- As part of our company performance reporting work we will be publishing an updated version of this table setting out how each company is performing against each one of its PCs (we will be updating and publishing this annually). This is to ensure that all the publicly available information on company performance against the PR14 commitments and associated rewards and penalties is easily accessible. In the [2016-17 Ofwat forward programme](#) (page 20, within the Finance & Governance programme) we have said that in the October-December 2016 period we will assess monopoly companies against the company monitoring framework - we will publish the table as part of this.

With regards to investment post AMP6 in May 2016 we published our document [Water 2020: Our regulatory approach for water and wastewater services in England and Wales](#) where on pages 22-23 we stated

“We are also committing to a consultation this November covering the following aspects of our outcomes methodology for PR19:

- **the role of comparative information;**
- **the balance between bespoke and common PCs;**
- **the role of comparative assessments;**
- **asset health; and**
- **how resilience might be reflected in outcomes.**

To sharpen companies’ incentives for achieving their commitments to their customers, we will propose a licence modification that will enable - but not require - all companies to have in-period ODIs. Companies will need to engage with their customers on in-period ODIs and reflect that engagement in their proposals at PR19.”

I hope this information helps towards your project.

Freedom of Information/EIR Provide the Information

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If you have any queries or concerns with regard to the content of this email please do contact me, quoting the reference number.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request a review of the decision, please contact:

Programme and Project Management Office
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA
mailbox@ofwat.gsi.gov.uk

If you are not happy with the outcome of that review you can ask the Information Commissioner's Office to consider your complaint. Generally, the ICO will not make a decision unless you have exhausted Ofwat's complaints procedure. The ICO can be contacted at:

<https://ico.org.uk/>

or

The Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow

Yours sincerely,

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Centre City Tower, 7 Hill Street, Birmingham B5 4UA
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Christine Manise

Senior Associate, Freedom of Information

Programme and Project Management

Ofwat

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