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## Common performance commitment outline for the Priority Service Register (“PSR”)

### Introduction

This document outlines<sup>1</sup> our common performance commitment for the Priority Service Register (PSR). It aims to provide companies with detail on the definition, target levels and reporting guidance for this performance commitment. In addition, it sets out factors that companies should consider when adopting this performance commitment.

### Background

We previously issued guidelines for water companies on services for disabled, chronically sick or elderly consumers. This sets out the essential elements of policy and procedures we believe are required to meet the needs of these consumers, while allowing companies to continue to be innovative in developing additional policies.

The guidelines set out that each company should maintain an accurate and up-to-date record of consumers who have expressed a need for specific help or service. They also state that the register (known as a Priority Services Register (PSR)) should be open to anybody who needs one of the services that a company offers regardless of their age, health, disability, or indeed their lack of disability, and that companies should check with consumers that additional services are still required at regular intervals and update the register accordingly.

Please see a link to the guidance [here](#).

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<sup>1</sup> We plan to publish more detailed reporting guidance in due course.

It may be useful to read this outline in conjunction with our Vulnerability Focus Report from 2016, which provides an updated definition of ‘vulnerability’. Please see a link [here](#).

In company Business Plans, submitted to Ofwat in September 2018, there was significant variation in the proposed reach of priority services registers. In addition, the information did not give us sufficient confidence that companies currently have, or will maintain, up-to-date data on their priority services register membership. Therefore, we have proposed to introduce a reputational common performance commitment for the PSR. For further details on our decision to propose a common performance commitment for the PSR, please see annex 1 of Test Area Assessment – Addressing Affordability & Vulnerability.

## PC Definition

**PSR Reach:** the percentage of households that the company supplies with water and/or wastewater services which have at least one individual registered on the company’s PSR.

**PSR data checking:** The percentage of distinct households with individuals on the company’s PSR contacted at least once over the previous two years to ensure they are still receiving the right support. As per our App4 Business Plan data table, we define a contact as a proactive interaction in which contact was made with the customer and their personal information updated as a result (including confirmation of whether or not they need to remain on the register).

It is important to note that the data-checking element is a gate to comply with the performance commitment. Therefore, a company cannot achieve compliance unless it has met or exceeded both the PSR reach and PSR data checking targets.

## Outcome Delivery Incentive (ODI) type

This performance commitment is reputational.

## Reporting

Fast track companies should report revised targets for the common PC, and additional requested information in their resubmitted business plan data tables. Slow track companies should report revised targets and additional requested information in their revised Business Plans. Both fast track and slow track companies should report the targets in the relevant lines in the App4 Business Plan data tables. In addition, fast track and slow track companies should include the new performance commitment in their resubmitted App1 Business Plan data tables. In future, all

information should be reported annually to Ofwat through the Annual Performance Report (APR).

**PSR reach:** companies should report the percentage of households with individuals on the PSR on an annual basis. This should be calculated as follows.

$$\Sigma = \frac{\text{Number of households with individuals on the PSR (measured on 31st March)}}{\text{Total number of households served (measured on 31st March)}}$$

Companies should also report the total number of households with individuals on the PSR.

In addition, companies should present a breakdown of PSR membership by separately reporting forecast annual figures for individuals registered receiving support through PSR services for a) communication, b) support with mobility and access restrictions c) support with supply interruption, d) support with security and e) support with other needs.

When submitting revised targets, companies should set their end of period target for 2024/25. This should include forecast performance for each year of the 2020-2025 period. They should also include their forecast performance for 2019/20.

**PSR data checking:** companies should report annually, the percentage of distinct households with individuals on the PSR they have contacted over the previous two years to ensure they are still receiving the right support. Companies should also report the total number of individuals that they have added to or removed from the register, or amended services to, following contact being made.

When submitting revised targets companies should set end of year targets (31st March) for each year from 2020-2025. They should also include their forecast performance for 2019/20.

## Factors for consideration

We expect companies to consider the following factors below when setting their targets for the common performance commitment.

1. We have set a minimum target of 7% for PSR reach. When setting its own target, we expect companies to make effective use of data and engage with relevant third parties to understand the extent of vulnerability in their customer base.

Further, companies should also consider future vulnerability trends, as outlined in the UKRN report ‘[Making better use of data: identifying customers in vulnerable situations](#)’ (2017).

2. Companies should continue to work closely with energy companies to share PSR data. In particular, they should take account of the best practice and next steps outlined in the UKRN ‘[Making better use data](#)’ [follow-up report](#) (2018).
3. We have set a minimum target of 90% for PSR data checking every two years to help assure that PSRs are fit for purpose and deliver benefits for customers who are in situations of vulnerability. This is distinct from companies’ obligations under the [General Data Protection Regulation](#) (“GDPR”) and the [Data Protection Act 2018](#) (“DPA 2018”) which require them to take every reasonable step to ensure the accuracy of their customers’ personal data. For further information on data accuracy requirements in relation to the GDPR and the DPA 2018, companies should consider the relevant [ICO guidance](#).