

April 2019

Trust in water

**PR19 draft determinations:  
United Utilities – Addressing  
affordability and vulnerability actions  
and interventions**

## PR19 Draft Determinations: United Utilities - Addressing affordability and vulnerability actions and interventions

Following our initial assessment of plans, we categorised two types of actions for fast-track companies:

- agreed actions that fast-track companies committed to implement to ensure that their plans meet the threshold for fast-track status; and
- required actions for companies which in general were required for draft determinations (or final determinations for some aspects of past delivery).

Table 1 below sets out the agreed and required actions, a summary of the company’s response to the action, our assessment of the company’s response, and any further interventions we are making as part of the draft determination.

Each action has a unique reference. The prefix ‘UUW’ denotes the company United Utilities Water. The central acronym references the test area where the action has been identified, please see the ‘PR19 draft determinations: Glossary’ for a key of these acronyms. Actions whose numbers are preceded with an ‘A’ denote agreed or required actions.

Table 2 below sets out any further interventions that are not resulting from an action, which we are making as part of the draft determination.

Each further intervention that is not resulting from an action has a unique reference. The prefix ‘UUW’ denotes the company United Utilities Water. The central acronym references the test area where the action has been identified, please see the ‘PR19 draft determinations: Glossary’ for a key of these acronyms. Intervention numbers are preceded with a ‘C’.

For all other documents related to the United Utilities Water draft determination, please see the [draft determinations webpage](#).

**Table 1: United Utilities’ response to required actions and interventions for draft determinations**

Test area	Action reference	Action type	Action	Date required	Summary of company response to action	Our assessment and rationale	Required interventions
Addressing affordability and vulnerability	<b>UUW.AV.A1</b>	Agreed	The company has proposed a performance commitment on increasing Priority Services Register (PSR) membership (PR19UUW_D03-HH). However, this includes insufficiently high PSR reach for 2024/25 (1.6%) relative to other companies in the sector (15% being the highest). In addition, the proposed performance commitment includes an outperformance payment and the company has stated that it has checked only 27.2% of its PSR data in the past 2 years.  Common Performance Commitment on the PSR: The company should increase its PSR reach to at least 7% of	10am,  11 February 2019	United Utilities has accepted the requirement to apply a common performance commitment on the PSR.  United Utilities has proposed the performance commitment D03-HH “Priority services for customers in vulnerable circumstances” and has met the targets required in the action. United Utilities has also met the	No intervention required.  United Utilities has complied with the action.	N/A

Test area	Action reference	Action type	Action	Date required	Summary of company response to action	Our assessment and rationale	Required interventions
			<p>its customer base (measured by households) by 2024/25. It should also commit to checking at least 90% of PSR data every 2 years via its performance commitment. This performance commitment should be reputational only.</p> <p>For further information on the performance commitment definition, and reporting guidelines, please refer to 'Common performance commitment outline for the Priority Service Register ("PSR")', published on the <a href="#">initial assessment of plans webpage</a>.</p>		requirement to give this performance commitment a reputational only incentive.		
	<b>UUW.AV.A2</b>	Agreed	<p>The company's existing performance commitment on increasing PSR membership (PR19UUW_D03-HH) has a gate for outperformance payments, which would be contingent on it obtaining the British Standards Institution (BSI) standard for inclusive services: BS 18477. However, given our proposal to adopt the Common Performance Commitment on the PSR, we require the company to adopt a separate performance commitment on achieving the BSI standard.</p> <p>BSI Performance Commitment requirement: The company should propose a separate performance commitment on achieving the BSI standard for fair, flexible and inclusive services for all and maintaining it throughout the 2020 to 2025 period.</p>	10am, 11 February 2019	<p>United Utilities has accepted the requirement to introduce a new performance commitment on achieving BSI accreditation.</p> <p>United Utilities has proposed a new performance commitment D05-HH "Priority services- BSI accreditation".</p>	<p>Intervention required.</p> <p>We consider that the wording of United Utilities' targets for this performance commitment should be consistent with other companies, as it will better reflect the requirements of the performance commitment.</p>	We are intervening to change the wording of United Utilities' targets from "pass" or "fail" to "achieve" and "maintain".

**Table 2: Further interventions for draft determinations**

Intervention reference	Our assessment and rationale	Interventions
No further interventions required for United Utilities.		

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA

Phone: 0121 644 7500  
Fax: 0121 644 7533  
Website: [www.ofwat.gov.uk](http://www.ofwat.gov.uk)  
Email: [mailbox@ofwat.gsi.gov.uk](mailto:mailbox@ofwat.gsi.gov.uk)

April 2019

© Crown copyright 2019

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](http://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This document is also available from our website at [www.ofwat.gov.uk](http://www.ofwat.gov.uk).

Any enquiries regarding this publication should be sent to us at [mailbox@ofwat.gsi.gov.uk](mailto:mailbox@ofwat.gsi.gov.uk).

