

July 2019

Trust in water

# PR19 draft determinations

**SES Water – Addressing affordability and vulnerability actions and interventions**

## PR19 Draft Determinations: SES Water - Addressing affordability and vulnerability actions and interventions

Following our initial assessment of plans, we categorised two types of actions for slow-track and significant scrutiny companies:

- required actions for companies which in general were required for draft determinations (or final determinations for some aspects of past delivery); and
- advised actions for companies to do by a specific date but that are not required for our draft determinations.

Table 1 below sets out the required and advised 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 'SES' denotes the company SES Water. The central acronym references the test area where the action has been identified, please see the 'PR19 draft determinations: Glossary' for a key to these acronyms. Actions whose numbers are preceded with an 'A' denote required actions and actions whose numbers are preceded with a 'B' denote advised 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 'SES' denotes the company SES Water. The central acronym references the test area where the action has been identified, please see the 'PR19 draft determinations: Glossary' for a key to these acronyms. Intervention numbers are preceded with a 'C'.

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

**Table 1: SES Water's 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	SES.AV.A1	Required	Sutton and East Surrey Water has not provided sufficient evidence to demonstrate that it has tested multiple bills profiles beyond 2025 with customers. Sutton and East Surrey Water should undertake customer engagement on long-term bill profiles for the 2025-30 period and provide sufficient evidence to demonstrate customer support for each of the profiles tested. SES Water should confirm that testing has been assured by its customer challenge group and conducted in line with social research best practice.	1 April 2019	The company does not make any adjustments as a result of our required action. It states that it did not test bills with customers as it is applying the 'natural rate' over the period. The company does not provide additional evidence, but its customer challenge group supports this decision given the lack of time to undertake and assure any testing. The company makes a pledge to engage around affordability on an ongoing basis, stating 'we will however, as part of our ongoing engagement with customers from 2020, seek their views on affordability and priorities as we deliver our plan.' The company's customer challenge group notes that while 2025 - 30 bill	No intervention required. Long term bill profiles are not set as part of PR19. The company has not undertaken additional research or sufficiently addressed this required action. It states that it does not need to seek customer views on its bills, suggesting that its findings in research for bills in the 2020-25 period provides sufficient confidence in its plans as it is planning on using the 'natural rate' for bills in the 2025 - 30 period. The company is planning to cut bills by 6% in the 2025 - 30 period. However, we will note in its draft determination Sutton and East Surrey	N/A

					testing would have been useful before September 2018, time constraints mean it is in agreement with the company that it should not be completed at this time.	Water's pledge to seek customer views on affordability and priorities in its ongoing engagement.	
SES.AV.A2	Required	<p>Sutton and East Surrey Water has not proposed a performance commitment on Priority Services Register (PSR) growth. It is proposing to increase its PSR reach from 1.5% in 2019/20 to 15% of customers in 2024/25. This is a sector leading target. In addition, the company has checked 100% of PSR data over the past two years. This is sector leading performance as well.</p> <p>We propose to introduce a common performance commitment on the Priority Services Register (PSR): The company should include a performance commitment which involves increasing its PSR reach to at least 7% of its customer base (measured by households) by 2024/25 and committing to checking at least 90% of its PSR data every two years.</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 initial assessment of plans webpage.</p>	1 April 2019	See PR19 Draft Determinations: Sutton and East Surrey Water - Outcomes actions and interventions	See PR19 Draft Determinations: Sutton and East Surrey Water - Outcomes actions and interventions	See PR19 Draft Determinations: Sutton and East Surrey Water - Outcomes actions and interventions	
Advised actions	Advised	No advised actions.	N/A				

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

Intervention reference	Our assessment and rationale	Interventions
N/A	N/A	N/A

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.

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