

Notice of intention to change:

PR19 Outcome performance commitment appendix - Reference in Employee Engagement performance commitment definition

Background

Dŵr Cymru (Welsh Water) has a PR19 performance commitment (PC) to maintain the employee engagement score derived from an annual survey of colleague sentiment. As specified in the definition of this PC in the company's Outcome PC appendix, this engagement score is to be calculated by an external third party using its own working model appropriate for this service. This calculated score then would be reported by the Welsh Water in its annual performance report (APR) to us for its yearly performance assessment under the PR19 Outcome framework.

At the times of the 2019 final determination, Welsh Water appointed ORC International to undertake the survey for this PC as specified in the PC definition. ORC International has exited the market; and therefore, a replacement company needs to be appointed which can undertake this survey to enable Welsh Water to report its performance against this PC in its APR.

Welsh Water has appointed a replacement company, called Qualtrics, and has contacted us to amend the PC definition to reflect this appointment along with some additional changes to the survey questions which this newly appointed company will be using to determine this engagement score.

Changes to third party materials referenced in performance commitments may be made in certain circumstances, in line with Annex 2 of the companies' PR19 Outcomes PC appendices.

We have reviewed the evidence and consider that this change is within the scope of Annex 2 of the company's PR19 Outcomes PC appendix; and it does not affect the purpose of this non-financial PC to its detriment. We note that Dŵr Cymru (Welsh Water) has engaged its employees on this change. As a result, we accept these changes as proposed by the Welsh Water and will be updating the PC definition as shown in annex 1.

Next steps

If you would like to raise views in relation to this notice, please send these to OfwatPandO@ofwat.gov.uk by 10 February 2022.

Subject to considering views raised, we expect to change the performance commitment definition as shown in annex 1. This change will be effective from 3 March 2022.

Annex 1

Employee engagement

PR19WSH_Co3

The detail for this performance commitment is set out on pages [144-146](#).

Version 6.0 of this change log makes the following changes:

On [page 144](#), in the 'Performance commitment definition and parameters' table for:

Detailed definition of performance measure	<p>Engagement score calculated by ORC International's "say, stay and strive" model.</p> <p>ORC International uses responses to the following four questions to measure engagement:</p> <ul style="list-style-type: none">• I am proud to work for Welsh Water;• I would recommend Welsh Water as a great place to work;• I feel a strong sense of belonging to Welsh Water; and• Working at Welsh Water makes me want to do the best work I can. <p>Once the surveys are completed, ORC International provides the percentage positive score for each of those questions and calculates an average to create the overall engagement score.</p> <p>The company has set a response rate for the measure of 75%.</p>
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Read:

Detailed definition of	<p>Engagement score calculated by Qualtrics model.</p> <p>Qualtrics uses responses to the following four questions to measure engagement:</p>
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performance
measure

- I am proud to work for Welsh Water;
- I would recommend Welsh Water to people I know as a great place to work;
- I rarely think about looking for a new job with another company; and
- Welsh Water motivates me to go the extra mile.

Once the surveys are completed, Qualtrics provides the percentages positive score for each of those questions and calculates an average to create the overall engagement score.

The company has set a response rate for the measure of 75%.