

Summary of December Outcomes Working Group -

Common PCs

A number of members noted that the consultation represented the conversations that had occurred through the outcomes working group and that the content was largely as expected. Some considered that the groupings of customer/environment/asset health were helpful, but there was a suggestion that we needed to consider how we use PCs to communicate the broader story to customers and stakeholders. Some questioned if all the PCs measured outcomes. In terms of what could be missing there was a suggestion that we could consider adding a PC around plastics. There was general agreement with the proposed PCs, although some concern that the overall number of PCs may still be a large number and some concerns were expressed about individual proposals.

Some expressed concern that not all bathing water issues were under water company control, and some had no link to water company assets at all. There were a variety of views around leakage/PCC and business demand, but no consensus on the appropriate approach. Members also noted that ERI can be volatile.

Some companies noted the need for consistency in reporting and considered that there may be a current issue in reporting sewer flooding as there is a large disparity between the rates of incidents found at neighbouring properties between companies.

Members also suggested that we should look at PCs as a package and understand the overlaps/interactions between PCs – e.g., scenario testing once package is finalised, especially when setting ODI rates.

Bespoke PCs

Some were concerned that suggesting that bespoke PCs should be "by exception" is too restrictive. Most agreed with the first two criteria for having bespoke PCs. Others suggested an additional criterion on regional priorities supported by customers that are not national priorities, which could include public value issues. Some expressed concern that restricting bespoke PCs could lead to less innovation. It was suggested that Ofwat could provide guidance or a checklist on how it would assess bespoke PCs.

It was also noted that the changes to more common PCs may impact on the overall balance of the package, and it would be important to check that the package is not skewed to underperformance, if we have less bespoke PCs.