

AMP6 Reporter

2019/20 Annual Performance Assurance Report

Affinity Water

08 June 2020



Notice

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This document has 20 pages including the cover.

Document history

Revision	Purpose description	Originated	Checked	Reviewed	Authorised	Date
1	Draft for review	JAJ	JPA	BA	JPA	03/06/20
2	After review	AW	JAJ	JPA	JPA	05/06/20
3	Clarifications	JAJ	SJI	JPA	JPA	08/06/20
4	Minor revision	JAJ	SJI	JPA	JAJ	08/06/20

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Assurance Statement for Affinity Water's 2019-20 Annual Performance Report

Atkins is engaged by Affinity Water to provide independent assurance on non-financial aspects of the annual reporting activities that Affinity carries out. This assurance statement encapsulates observations we made during the technical audit of Affinity Water's Annual Performance Report for 2019/20. We presented our findings to Affinity Water's Regulation Team on 5th June 2020 and the Affinity Water Audit Committee on 17th June 2020. This statement is part of a continuous improvement process that has involved detailed consideration of the methodologies and their applications by which Affinity Water reports on its performance at financial year end.

For the areas we cover and from the information we have been provided with, we conclude that the Company has a full understanding of and has sufficient processes and internal systems of control to meet its reporting obligations. We also conclude that the Company has appropriate systems and processes in place to allow it to manage its reporting risks.

Our approach to technical assurance is to draw upon our experiences at previous rounds of audit and to plan in detail who should be present, what information will be covered, where and when. We issue a notification, carry out the audit, provide immediate verbal feedback and a formal feedback summary including requests for further information or clarification with a table of issues raised. The issues from all of the audits and subsequent interactions are compiled into an Issues Log, which is used to manage the resolution of reporting issues before the finalisation of the technical assurance process. This statement reflects the technical assurance position after the iterative process of resolving outstanding issues has concluded. It should be read in conjunction with Affinity Water's Risk and Compliance Statement 2019/20.

Affinity Water has 13 Performance Commitments (PCs), nine of which have associated financial penalties and in some cases rewards. As part of our independent assurance of Affinity Water's annual reporting, we have been engaged to audit the tables and submissions to be published in Affinity Water's 2019/20 Annual Performance Report and regulatory reporting to other bodies (CC Water, Water UK, Drinking Water Inspectorate).

The areas in scope for this assurance are:

- Data and commentary (where applicable) reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A - Outcome performance table
 - Table 3C – Abstraction Incentive Mechanism
 - Table 3D – SIM Proxy
 - Tables 4A, 4D, 4L, 4P and 4Q (formerly Wholesale Cost/Cost Assessment Tables)
 - Shadow reporting for C-MeX and D-MeX
- Table 3S – Shadow reporting of leakage, customer supply interruptions, unplanned outage, per capita consumption, mains bursts, risk of severe restrictions in a drought and customer vulnerability, including commentary
- Environment Agency – Annual average out-turns
- Report to CCWater
- UK Government Environmental Reporting of Green House Gases
- Water UK Discover Water data

In a series of approximately 26 video enabled meetings from April to June 2020, we carried out combined methodology and data audits designed to confirm whether:

- Affinity Water has appropriate systems, procedures and reporting mechanisms in place to control and meet its reporting obligations.
- Affinity Water understands the accuracy of the data that it is providing and is able to identify where specific reported data may not be appropriate to meet regulatory expectations. Many of the items that we audit inherently contain an element of uncertainty, so it is not possible to assure their absolute accuracy.
- The key assumptions and processes that are used to report against Affinity Water's Performance Commitments are consistent with the way that the target was set for the PR14 Final Determination.

- The methodologies that have been used for reporting of the common metrics are consistent with the technical guidance that has been published by Ofwat, and where there are shortfalls these have been identified appropriately using the Red, Amber, Green classifications provided by Ofwat.

The vast majority of reporting processes continue to demonstrate either consistent good practice or improvements from previous years. Where we have previously noted areas of inadequacy in reporting procedures these have now been addressed, and clear written procedures are in place for all the AMP6 ODIs, albeit that the extent to which checks and controls are explicitly indicated is variable.

Considerable progress has been made on the methodologies, documentation and supporting evidence in readiness for AMP7 ODI reporting, including on the AMP6 ODIs that transition into AMP7. We have seen a positive audit process, with challenge embraced and responded to rapidly. There is still further work to do, but we are seeing a real shift towards a continuing improvement culture.

We traced reported data back to data sources and information systems. There were 30 items of reported data where we identified some errors in calculations and/or areas of misunderstanding in relation to the reporting guidelines. These were all addressed prior to submission.

After completion of the assurance process, we identified two shortfalls in the documentation rather than the application of the methodology, and as this is the final year of their use, we believe the Company has correctly focused upon the impending AMP7 reporting documentation:

- The methodology for AMP6 leakage reporting is applied consistently but needs to be aligned to the current table entry requirements and line numbering.
- There needs to be a combined Average Water Use methodology document covering the measured and unmeasured household per capita consumption and the Met Office adjustment.

For the AMP7 ODIs reported in Table 3S, there is still work to be done on drawing together the detail of the methodology documentation and there are two specific areas of note:

- There is a need to complete and apply studies and analyses of components of the water balance for the reporting of both Leakage and PCC.
- The reporting of Supply Interruptions is upgrading Maximo and the reporting methodology is not yet fully documented or tested using this new process, which will provide greater detail capture.

We consider that the published metrics provide a fair and reasonable account of Affinity Water's performance in 2019/20 relative to its end-AMP6 targets. While we observed a number of issues for which we provide comment within our main report, we believe these do not impact materially upon the potential to sign-off the Company submission.

We confirm that Affinity Water has continued to provide us with full and transparent access to its systems and processes, including unrestricted access to all systems, files and documents that we requested from the Company. During the assurance activities, we had free access to the Director of Regulation and his team and the full cooperation of the people responsible for preparing and reporting the 2019/20 APR and regulatory submissions and the supporting information. There has been great flexibility and rapid adjustment by all concerned to the practicalities of remote auditing in the face of the Covid-19 restrictions.



Jonathan Archer
Regulation Director
Reporter providing Technical Assurance Services to Affinity Water

1. Scope of Work

Atkins Limited has been appointed to provide external assurance on the regulatory submissions presented by Affinity to Ofwat under the conditions set out in its Licence with the Secretary of State. There is also associated regulatory reporting to the EA, DWI, Water UK, CC Water and for Customers which falls within the scope of our assurance.

The areas in scope for assurance are:

- Data and commentary (where applicable) reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A - Outcome performance table
 - Table 3C – Abstraction Incentive Mechanism
 - Table 3D – SIM Proxy
 - Tables 4A, 4D, 4L, 4P and 4Q (formerly Wholesale Cost/Cost Assessment Tables)
 - Shadow reporting for C-MeX and D-MeX
- Table 3S – Shadow reporting of leakage, customer supply interruptions, unplanned outage, per capita consumption, mains bursts, risk of severe restrictions in a drought and customer vulnerability, including commentary
- Environment Agency – Annual average out-turns
- Report to CCWater
- UK Government Environmental Reporting of Green House Gases
- Water UK Discover Water data

A more granular scope of works is provided in Appendix A.

2. Governance, Processes, Reporting and Impact of COVID-19

All AMP6 reporting systems that are used for reporting are familiar to us, so we are able to comment on both their adequacy and consistency with previous report years, and in particular whether key assumptions and processes are consistent with the way that ODIs were set. The vast majority of reporting processes continue to demonstrate either consistent good practice or incremental improvements. Clear written procedures are in place for all AMP6 PCs, although the extent to which requirements for checks and controls are in place is variable.

The Covid-19 pandemic may impact upon the performance reported at APR21, but appears to have had a minimal effect upon the performance reported in APR20. Furthermore, all audited staff had been set up with access to the Company network, and it was possible to carry out effective audits remotely using Microsoft Teams and screen sharing. The effectiveness of the audit process was underpinned by the familiarity of the auditors with the Company systems and processes, and existing rapport with the auditees.

3. Key Findings

As with previous years we classify our findings into ‘red’, ‘amber’ and ‘green’ categories. The definition for each category as follows:

- ‘Red’. These are material reporting risks to the Company relating to either the application of the methodology, the accuracy of the reported data and/or the meeting of a performance commitment
- ‘Amber’. These are significant issues that may need to be addressed to mitigate the risk to the business. They may relate to the methodology and/or data and/or performance.

- ‘Green’ signifies either no issues or relatively minor issues that are designed to provide continuous improvement to the reporting process and are highlighted within the individual audit summaries that we provide for the Company.

3.1. AMP6 Performance Commitments

Table 3-1 Summary of key findings

Performance Commitment	Findings	Methodology	Data
W-A1 Leakage	<p>The audit comprised the detailed review of supporting reports and calculation spreadsheets. There is a considerable body of work underpinning the reported data. The Company appears to be keenly aware of where improvements need to be made at a component level to support assumptions and to use better quality and more recently acquired data to determine components of the water balance.</p> <p>The data is robustly reported and consistent throughout AMP6. The methodology is applied consistently but needs to be aligned to the current table entry requirements.</p> <p>The Company in-year performance was 162.12 MI/d against a target of 162.2 MI/d. This success reflects a combination of improved leakage control practice and targeting, and the relatively benign weather conditions during the report year.</p>	Amber	Green
W-A2 Average water use	<p>The data is robustly reported and consistent throughout AMP6. The component parts of the calculation of the average water use are well established and have remained consistent through AMP6.</p> <p>The WATCOM and Met Office supporting document has been updated and appears to provide robust reporting, albeit with an acknowledgement that the representativeness of the WATCOM sample has drifted from the overall population of the Central region. The estimation of UMPCC for Eastern and South Eastern regions remains basic. There needs to be a combined methodology document for the measured and unmeasured household per capita consumption and the Met Office adjustment.</p>	Amber	Green
W-A3 Water available for use	The input outage volumes for Brett and Dour WRZs are as forecast in the WRMP14 rather than actuals. We understand that the Company has plans to update its reporting systems to be able to report actual outage for all communities.	Green	Green
W-A4 Sustainable abstraction reductions	The methodology is well established and the reporting appears to be robust. Checks and controls are built into the Company's processes.	Green	Green
W-B1 Compliance with water quality standards (MZC)	The methodology is well established and the reporting appears to be robust. Checks and controls are built into the Company's processes.	Green	Green
W-B2 Customer contacts for discolouration (Nr per 1,000 population)	The methodology is well established and the reporting appears to be robust. Checks and controls are built into the Company's processes.	Green	Green
W-C1 Unplanned interruptions to supply over	All >12 hour interruptions have been fully investigated and we have found no issues with the reported data.	Green	Green

Performance Commitment	Findings	Methodology	Data
12 hours (properties)			
W-C2 Number of burst mains	The reporting process is robust and well established with appropriate checks and controls in place.	Green	Green
W-C3 Affected customers not notified of planned interruptions	Where supply interruption events have been fully investigated we have found no material issues with the reporting. The Company is reporting 433 properties and has missed the AMP6 annual target of 110 properties, however they have shown improvement over AMP6 as there have been fewer events caused by the Water Savings Program meter installations than were reported in the earlier years of AMP6.	Green	Green
W-C4 Planned work taking longer to complete than notified (GSS events)	Where supply interruption events have been fully investigated we have found no material issues with the reporting.	Green	Green
RA-1 Service Incentive Mechanism Proxy Score (SIM)	This is a transition year as the industry moves from the SIM to the new C-MeX measure. The metric is therefore a hybrid of the old and the new measure so it is not comparable to how it was reported before or will be reported in the future hence why it is referred to as a proxy score.	Green	Green
R-A2 Value for money survey	The methodology is robust, the survey is carried out by a third-party supplier that provides the score which has then been accurately transcribed for reporting purposes.	Green	Green

3.2. Reporting of Additional Regulatory Information

We have reviewed other data reported and highlight on an exception basis any notable issues encountered. There includes regulatory reporting to Ofwat, the EA, DWI, Water UK and CC Water.

Table 3-2 Notable issues encountered during audit of additional regulatory information tables

Submission	Findings	Methodology	Data
Table 4D.25 – Unit cost information (operating expenditure)	This is the first year we have assured these data lines. The changing volumes in the licenced volumes indicates that previous year's data was not accurately reported. Subsequent to our audit the Company have updated its approach to reporting abstraction at Ardleigh reservoir to be consistent with Anglian Water so that it is only reported once and is consistent with the data provided to the Environment Agency.	Green	Green
Lead communication pipe replacement programme	The Company completed 97.8% (32,385 out of the original estimate of 33,130) of the total AMP6 lead comms pipe replacement programme in Watford and Finchley that were known of and planned for at the beginning of the programme. As the programme has been implemented, further lead communication pipes have been identified and the revised total is 36,848, of which 34,622 are deemed achievable by the Company. We note the Company has plans in place to complete all of the outstanding achievable replacements by the end of December 2020. We understand the Company is awaiting a response from the DWI on the acceptability of its proposals.	Green	Green
Ofwat, Table 4Q.28 Compliance Risk Index	Lack of documented methodology has subsequently been addressed.	Green	Green

Submission	Findings	Methodology	Data
Ofwat, Table 4Q.29 Event Risk Index	Lack of documented methodology has subsequently been addressed. The Company has also agreed to build in a check to monitor its performance and allow for validation of the score reported by the DWI.	Green	Green
UK Government Environmental Reporting - Greenhouse gas accounting	The Company has significantly improved its methodology and created process flow charts. We made some suggestions to further improve the methodology and the flow charts to improve clarity and minimise confusion. Through the audit process, some errors were found which had the effect of changing the reported emissions value. These have been corrected and the emissions value and commentary updated.	Green	Green
4Q.24 Energy consumption - Network plus 4Q.25 Energy consumption - Water resources 4Q.26 Energy consumption - Wholesale	These lines take the energy data as determined through the GHG process. As some of the errors found related to energy consumption, the errors in the Greenhouse gas accounting also fed through to these lines.	Green	Green

3.3. Summary of Changes in Company Submission

We have listed below a summary of the impact of changes made as a result of the technical assurance of the Company's submission. These changes relate to either or both changes to the Company methodology and the reported data.

Their RAG status was at one time either likely to be "Amber" or "Red" but these areas generally have a "Green" status now because the issue(s) identified have been addressed and therefore are no longer likely to represent notable issues or risks.

In total, there have been 30 changes to reported data and methodology compared with what was originally presented for audit (compared to 81 in 2018/19). If a reporting area is not listed herein, there were no issues identified with the reported data and if any changes to the methodology were suggested, they were only minor improvements to the documentation of the end-to-end processes.

Table 3-3 Summary of Changes to Company Methodology and/or Reported Data

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data		
			Line/Subject	Audit	Final
W-A3 Water available for use	N/A	Given the drought conditions experienced in the reporting year, we indicated that the Company ought to use the Dry Year Annual Average deployable output to report this measure (rather than normal year). The WAFU ODI figure was been updated accordingly.	3A - WAFU	1,106.4	1,075.3
Table 3A W-B1 Compliance with water quality standards (MZC)	Gaps in methodology documentation have subsequently been addressed. The sampling programme also required updating	An error was identified in the calculation as an odour failure had not been captured. Correction did not	Table 3A.6 and Table 4Q.27	99.97%	99.97%

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data		
			Line/Subject	Audit	Final
	as it did not reflect the modification in 2018 for the ammonium parameter.	impact on reporting as this is only to two decimal places.			
Table 3A W-B2 Customer contacts for discolouration (Nr per 1,000 population)	Significant gaps in methodology documentation have subsequently been addressed.				
Table 3S W-C1 Developer measure of experience (D-MeX)	Gaps in methodology documentation identified.	We queried the approach to calculating the score and the Company is seeking further clarification from Ofwat's supplier.	Published in APR not included in Data Tables		To be confirmed
Table 3A and Table 3D RA-1 Service Incentive Mechanism Proxy score (SIM)	Some improvements made.	The incorrect property number was being used in the calculation presented at audit. We understand this was being reported correctly in the Master spreadsheet which is the source of the regulatory reporting but being reported incorrectly internally.	Table 3A.12 and Table 3D.8	78.94	78.85
Table 4D.25 - Abstraction volumes	Updating the approach to abstraction in the East (Brett) Region away from DI and accounting for process losses as well as the allocation of abstraction volumes at Ardleigh reservoir to be consistent with Anglian	Changed to account for the changes to the methodology	Table 4D.25 - Abstraction Volumes (ML)	338689.153	336586.825
Table 4D and 4L Capital Expenditure	Specific section added to reference capital expenditure,	18 allocation minor errors noted, or challenges made, and 16 adjustments made to the tables.	Various	Various	Various
4P.80 Number of lead communication pipes	The Company updated the approach to classifying not recorded comms pipes to apportion across all categories pro-rated. The Company also updated the approach for apportioning the split for East and South East Regions.	Changed to account for the changes to the methodology	4P.80 Number of lead communication pipes	316,688	316,796
4P.81 Number of galvanised iron	The Company updated the approach to classifying not recorded	Changed to account for the changes to the methodology	4P.81 Number of galvanised iron	256,747	246,799

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data		
			Line/Subject	Audit	Final
communication pipes	comms pipes to apportion across all categories pro-rated. The Company also updated the approach for apportioning the split for East and South East Regions.		communication pipes		
4P.82 Number of other communication pipes	The Company updated the approach to classifying not recorded comms pipes to apportion across all categories pro-rated. The Company also updated the approach for apportioning the split for East and South East Regions.	Changed to account for the changes to the methodology	4P.82 Number of other communication pipes	491,415	489,576
Table 4Q.9 - Number of residential meters renewed	Work codes and descriptions has been updated in the methodology. Discussions and communication will be sent out to stakeholders to have all jobs closed and cut off will be 30 days from year end and this will be updated in the methodology.	A small number of meter replacements accrued on the reporting since the report was run prior to audit	Table 4Q.9 - Number of residential meters renewed	11.173	11.264
Table 4Q.11- Number of meters installed at request of optants	Work codes and descriptions has been updated in the methodology. Discussions and communication will be sent out to stakeholders to have all jobs closed and cut off will be 30 days from year end and this will be updated in the methodology.	A small number of meter replacements accrued on the reporting since the report was run prior to audit	Table 4Q.11- Number of meters installed at request of optants	4.248	4.253
4Q.24 Energy consumption - network plus		Changes were made to correct errors in the information from outsourced suppliers SunGard, and most significantly, consumption of self-generated energy.	4Q.24	206,540 MWh	204,778 MWh
4Q.25 Energy consumption - water resources		Changes were made to correct errors in the information from outsourced suppliers SunGard, and most significantly, consumption of self-generated energy.	4Q.25	34,660 MWh	31,905 MWh

Table, Line and Subject	Changes to Methodology	Changes to Reported Data	Reported Data		
			Line/Subject	Audit	Final
4Q.26 Energy consumption - (i.e. including imports, self-generation, excluding exports) wholesale		Changes were made to correct errors in the information from outsourced suppliers SunGard, and most significantly, consumption of self-generated energy.	4Q.26	241,200 MWh	2236,683 MWh

3.4. Shadow Reporting of New Definition Data (AMP7 ODIs)

Companies have been submitting shadow reporting in Table 3S for three years in anticipation of some of the new common Performance Commitments which will apply across the industry for AMP7. These relate to leakage, customer supply interruptions, unplanned outage, per capita consumption (PCC), mains bursts, risk of severe restrictions in a drought and customer vulnerability. Ofwat has also requested that C-MeX and D-MeX scores are published in the APR report.

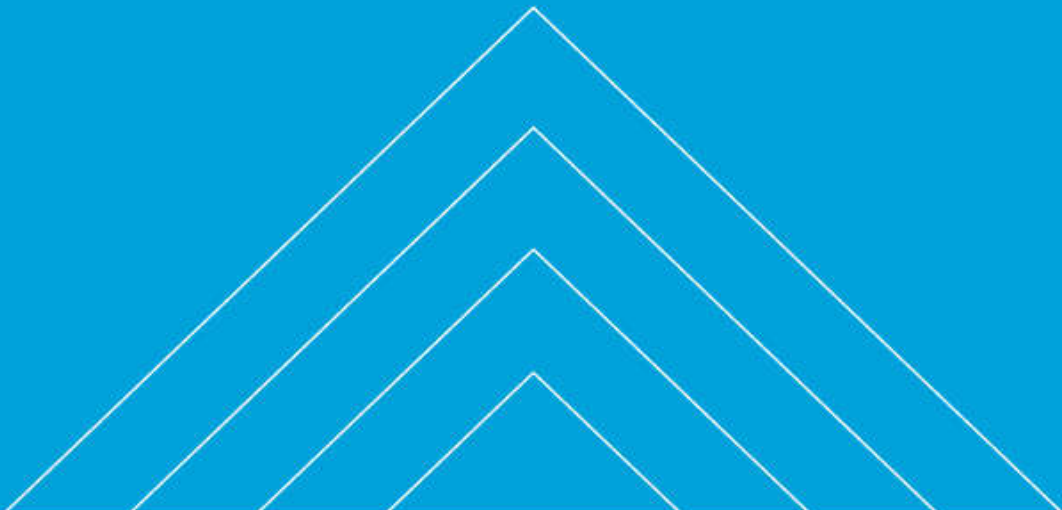
Table 3-4 Summary of issues for AMP7 shadow reporting

Performance Commitment	Issue	Methodology	Data
WB-1 & 3S-A Leakage and Leakage % reduction (secondary measure)	<p>The data is based upon some components that are in the process of being updated for AMP7. There is a considerable body of work underpinning the reported data and the Company is keenly aware of where improvements need to be made.</p> <p>The methodology of the AMP7 leakage measure is defined by the Reporting Guidance issued by Ofwat. However, we believe there should be a specific methodology document produced to capture checks and controls and to stipulate what is done.</p> <p>The data sources and calculation of the AMP7 Leakage figures are broadly the same as for the AMP6 measure, albeit that the in-year figures are converted to a three-year rolling average.</p> <p>The data used for the AMP7 Leakage reporting is the current best available data and further work is ongoing to substantiate assumptions and values of component parts of the water balance for reporting next year. While it is not anticipated that there will be material changes to the component data, it is appropriate that source data improvements are happening, and these should address the shortfalls against Ofwat's compliance checklist.</p>	Amber	Amber
W-D1 & 3S-B Supply interruptions	<p>There is not yet a completed reporting methodology for AMP7 as the Company is transitioning to a new procedure incorporating Maximo system improvements and manager investigations. We understand reporting improvements are due to 'go live' in June 2020. As such there has not been a complete year of shadow reporting with full event investigations undertaken.</p> <p>The Company is shadow reporting 00:13:36 (hours:minutes:seconds) for this measure. The target is to reduce this to 00:06:30 in 2020/21.</p>	Amber	Amber
W-D2 & 3S-F % of population served that would experience severe supply restrictions in	<p>The current shadow reporting numbers are based on WRMP14 as per the Ofwat guidance. Next year the Company will report against its WRMP19 figures. Within the Company's WRMP19, from 2024 the Company will not rely on drought permits to support its Supply-Demand Balance. Against the baseline this would increase the at-risk population from 43% (as reported at audit) to 58% across the same period without any supply side or demand enhancements. This is for information only and it is not considered an issue unless there are significant delays with any of the schemes.</p>	Green	Green

Performance Commitment	Issue	Methodology	Data
a 1 in 200 year drought			
W-D3 & 3S-D Proportion of unplanned outage of the total company production capacity	For the Unplanned Outage convergence metric, we found that the method used by Affinity Water is generally compliant with Ofwat's good practice guidance. We agreed with Affinity Water that all components are 'Green', with one minor exception due to the uncertainty about the definition of "emerging" water quality problems. We concluded that the Unplanned Outage figure is robustly reported.	Green	Green
W-D4 & 3S-C Mains repairs (also referred to as Water mains bursts per 1,000 kilometres of pipe)	No issues. There are Maximo system improvements being made as part of a Company-wide IT automation project to make investigations more efficient and streamlined.	Green	Green
R-B1 & 3S-E Per capita consumption and PCC % reduction (secondary measure)	The data is based upon some components that are in the process of being updated for AMP7. The methodology of the AMP7 PCC measure is defined by the Reporting Guidance issued by Ofwat. However, we believe there should be a specific methodology document produced to capture checks and controls and to stipulate what is done. The extra clandestine population output from a new study will be used in the AMP7 PCC performance measure calculation, insofar as it represents the best available information. Work is ongoing to update some of the other underlying assumptions within the PCC calculation. There are a number of shortfalls against Ofwat's compliance checklist. The Company is not yet compliant against Ofwat's updated market definition (April 2017) for Business properties; there is no evidence for adjustments/allowances made to measured volume for leakage allowance; further justification is required on assumptions required for supply pipe leakage deductions; there are shortfalls in the household sample; and there is no evidence in place for the exclusion of plumbing losses. The Company is actively working on resolving these shortfalls. The Company in-year performance (155 l/p/d) results in a three-year rolling average outturn of 156.1l/p/d. We believe the use of this outturn figure to determine the three year rolling average is appropriate.	Amber	Amber
R-N3 & 3S-K % of households registered for priority services and 3S-8 % of households contacted over the previous two years to ensure they are still receiving the right support (attempted and actual)	There were areas identified where the Company's documentation of processes could be improved which has subsequently been addressed. The reason cited for the lack of retention of the audit trail for the end of year reported value has also been queried and this is inconsistent with how other areas of the business operate.	Green	Green
W-C1 Developer measure of	The D-MeX score is based on a quantitative component (WaterUK Levels of Service metrics) and a qualitative component (monthly survey of developers) which are equally weighted.	Amber	Green

Performance Commitment	Issue	Methodology	Data
experience (D-MeX)	<p>Considerable progress has been made since the last review. The Developer Portal where transactions are managed has been significantly improved, a written methodology now exists and quality assurance checks are being documented from 1st April 2020 (the new report year). There is still room for improvement in terms of strengthening some of the processes, the documentation of the end-to-end processes and the robustness of the checks being carried out, which are being addressed. The programme to make the portal fit for purpose is also nearing completion.</p> <p>We queried the way that the overall score was being calculated as rounding appeared to introduce small errors. The final score has not yet been calculated as the last quarter of survey results are not yet available.</p>		
R-C1 Customer measure of experience (C-MeX survey)	<p>The methodology is fit for purpose and robust internal quality assurance has been put in place to address the biggest compliance risk (unlogged contacts). There were two IT issues identified through audit which have led to some contacts being excluded. The first issue was addressed immediately and only affected the survey sample in one month's submission, the solution for the second issue is still being developed. The provision of the survey sample would not impact in any way on the actual score received.</p>	Green	Green

Appendices



Appendix A. Detailed Scope of Works

Table 3-5 Scope of assurance – AMP6 Performance Commitments

Performance Measure	Methodology and Data Audit
W -A1 Leakage	✓
W-A2 Average water use	✓
W-A3 Water available for use	✓
W-A4 Sustainable abstraction reductions	✓
W-A5 Abstraction incentive mechanism (AIM)	✓
W-B1 Compliance with water quality standards (mean zonal compliance)	✓
W-B2 Customer contacts for discolouration	✓
W-C1 Unplanned interruptions to supply over 12 hours - DATA	✓
W-C2 Number of burst mains	✓
W-C3 Affected customers not notified of planned interruptions	✓
W-C4 Planned work taking longer to complete than notified	✓
R-A1 SIM service score	✓
R-A2 Value for money survey	✓

Table 3-6 Scope of assurance – APR Section 3 and Table 3S Shadow reporting

Table	Methodology and Data Audit
3A - Outcome performance table (excluding underperformance penalties and outperformance payments)	✓
3B - Sub-measure performance table	N/A
3C – Abstraction Incentive Mechanism (AIM)	✓
3D - Service Incentive Mechanism proxy score (SIM)	✓
3S - Shadow reporting of new definitions (leakage, supply interruptions, unplanned outage, PCC, mains bursts and risk of severe restrictions in a drought, customer vulnerability)	✓

Table 3-7 Scope of assurance - APR Section 4 Tables (financial and non-financial information)

Table	Methodology and Data Audit
4A - Non-financial information Lines 1 to 5 only	✓
4B - Totex analysis	X
4C - Impact of AMP performance to date on RCV	X
4D - Wholesale totex analysis	✓
4F - Operating cost analysis - household retail	X
4G - Wholesale current cost financial performance	X

Table 3-8 Scope of assurance – APR Section 4 Tables (4J to 4V - previously Wholesale Cost Tables)

Table	Lines	Line numbers	Methodology and Data Audit
4J - Atypical expenditure by business unit	Operating Expenditure	1 to 11	X
	Capital Expenditure	12 to 21	X
	Cash Expenditure	22 to 24	X
	Atypical Expenditure	25 to 30	X
	Total Expenditure	31	X
4L - Enhancement capital expenditure by purpose	Enhancement expenditure by purpose	1 to 33	✓
4P - Non-financial data for WR, WT and WD: Resources	Proportion of distribution input by source type	1 to 8	✓
	Number and capacity of sources	9 to 23	✓
	Length of raw mains	24, 27	✓
	Average pumping head - raw water abstraction and transport	25 to 26	✓
	Water resources capacity	28	✓
4P - Non-financial data for WR, WT and WD: Treatment	Total water treated	29 to 43	✓
	Number of treatment works	44 to 58	✓
	Zonal population receiving water treated with orthophosphate	59	✓
	Average pumping head - treatment / Average pumping head - resources	60	✓
4P - Non-financial data for WR, WT and WD: Distribution	Main lengths	61 to 68	✓
	Capacity	69 to 71	✓
	Distribution input	72	✓
	Water Delivered	73 to 76	✓
	Leakage	77 to 79	✓
	Comms pipes	80 to 82	✓
	Network	83 to 85	✓
	Age of Network	86 to 93	✓
	Pumping head	94	✓
	WTW in size bands	95 to 102	✓
	Proportion of Total DI band	103 to 110	✓
4Q - Non-financial data - Properties, population and other	Properties billed	1 to 5	✓
	Properties connected	6 to 8, 13 to 14	✓
	Meters	9 to 12, 16 to 17	✓
	Total Population Served	15	✓
	Company area	18	✓

	Lead Communication pipes	19	✓
	Supply / Demand	20 to 23	✓
	Energy Consumption	24 to 26	✓
	Mean zonal compliance	27	✓
	Compliance Risk Index	28	✓
	Events Risk Index	29	✓
	Volume of leakage	30	✓
4V - Operating cost analysis	Opex	1 to 22	X

Table 3-9 Scope of assurance – AMP7 Performance Commitments: Shadow reporting not included in Table 3S

Performance report	Methodology Audit or Methodology and Data Audit*
W-C1 Developer measure of experience (D-MeX)	✓
R-C1 Customer measure of experience (C-MeX)	✓

Table 3-10 Scope of assurance - GSS payments

Performance Measure	Methodology and Data Audit
Guaranteed Standards Scheme (GSS)	X

Table 3-7 Scope of assurance – Environment Agency – Annual average out-turns (WRMP Annual Review)

Performance report	Methodology and Data Audit
Supply	✓
Demand	✓
Customers	✓

Table 3-8 Scope of assurance – Report to CCWater

Performance report	Methodology and Data Audit
Connected and Billed Properties	✓
Complaints – Household only	✓
Vulnerable customers	✓
Leakage	✓
Supply Interruptions	✓
Metering	✓
Water demand	✓

Table 3-9 Scope of assurance – UK Government Environmental Reporting

Performance report	Methodology and Data Audit
Scope 1, 2 and 3 emissions	✓

Table 3-10 Scope of assurance – Water UK

Performance report	Methodology and Data Audit
Discover Water data	✓
Developer Services Levels of Service	Indirectly as part of D-Mex assurance

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