

Yorkshire Water amendments to historical Annual Performance Reports

July 2023

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YorkshireWater

About this document

Whilst completing our assurance checks for our 2022/2023 Annual Performance Report (APR), we identified several amendments required within our historical APRs. This document explains the changes that we have made and the reason why these changes have been made.

Summary of data changes

The below tables displays which data items are being corrected, the original stated value and the corrected value:

| Reporting year | Data item | Original stated value | Corrected value |
|----------------|-------------|-----------------------|-----------------|
| 2021/2022 | 3B.3 | 11.71 | 12.03 |
| 2021/2022 | 3G.5 (Calc) | 614 | 631 |
| 2020/2021 | 3B.3 | 15.67 | 15.69 |
| 2020/2021 | 3G.5 (Calc) | 821 | 822 |
| 2021/2022 | 3B.10 | 2ha | 3ha |
| 2021/2022 | 3B.10 (ODI) | -0.010 | -0.005 |

Details of data changes

Sewer Collapses:

During the reporting process for 2022/2023, we identified 17 collapses that were completed in 2022/2023 but the impact of which was during 2021/2022. Our restated figure for 2021/2022 includes these 17 collapses.

This change will have no impact on the ODI calculation (associated penalty or reward) as we have still achieved the required performance commitment level, and the ODI is penalty only:

| Data item | Original stated value | Corrected value |
|------------------------------------|-----------------------|-----------------|
| 3B.3 (Sewer collapses) | 11.71 | 12.03 |
| 3G.5 (Sewer collapses calc) | 614 | 631 |

There was also 1 collapses identified during 2022/2023, where the impact of which was during 2020/2021, again, there is no ODI impact caused by this change:

| Data item | Original stated value | Corrected value |
|------------------------------------|-----------------------|-----------------|
| 3B.3 (Sewer collapses) | 15.67 | 15.69 |
| 3G.5 (Sewer collapses calc) | 821 | 822 |

Surface Water Management:

The reporting against this Data Item, should have been populated as an accumulative, and include year 2020/2021. However, for 2021/2022, only the in-year performance was used, and didn't include the 1ha recorded against 2020/2021.

This change does impact on the ODI value recorded against 2021/2022, reducing the penalty from £10,000 to £5,000:

| Data item | Original stated value | Corrected value |
|---|-----------------------|-----------------|
| 3B.10 (Performance level - actual) | 2ha | 3ha |
| 3B.10 (Outperformance or underperformance payment) | -0.010 | -0.005 |

2020/2021 Revenue Recorded:

On completing the assurance process during APR22 over our 2021/2022 capex tables, our external auditors, Atkins, queried the classification of a scheme (YW.201514), which was allocated using an Investment Category to S185 diversion scheme category. The scheme in 2021/2022 APR reported £7.4m expenditure and £4.4m income.

On further investigation, our internal reviews indicated this scheme is a NRSWA scheme and therefore should not be allocated under the s185 diversions.

There is no impact to 2021/2022 or 2022/2023 reporting. However, with respect to our 2020/2021 reporting in APR21, the scheme was live and allocated incorrectly against S185 diversion, £6.2m expenditure and £6.1m income.

We carried out a further check of all other diversion schemes for 2021/2022 and 2020/2021 to confirm they were all correctly allocated as either price control or non-price control. As a result of this exercise, we identified two further schemes (YW.002964 & YW.003160) which were also allocated to s185 investment categories but which on further investigation were found to be NRSWA schemes. These two schemes actually had reversals of income accruals in 2020/2021, totalling £0.3m income.

The impact of this is an incorrect allocation of the expenditure against developer services and of the income against the price control income.

We would like to retrospectively correct this for 2020/2021 and we will be republishing our APR21 to this effect.

This change impacts a number of APR tables and additionally would result in an increase of our 2022/2023 Revenue Allowance as follows:

- £5.8m to be removed from the revenue recovered in 2020/2021 (recognised in Table 2M)

an adjustment to the D-MeX penalty for 2020/2021 has also been requested.

| Data item | Original stated value | Corrected value |
|---|-----------------------|-----------------|
| 2B.18 Developer services capital expenditure (Wastewater network plus) | 17.288 | 11.132 |
| 2B.18 Developer services capital expenditure (Total) | 41.101 | 34.945 |
| 2B.19 Total gross capital expenditure(excluding third party) (Wastewater network plus) | 237.096 | 230.940 |
| 2B.19 Total gross capital expenditure(excluding third party) (Total) | 432.783 | 426.6247 |
| 2B.20 Third party services (Wastewater network plus) | 0.198 | 6.354 |
| 2B.20 Third party services (Total) | 4.888 | 11.044 |

| | | |
|---|---------|---------|
| 2B.22 Grants and contributions - capital expenditure (Water Network+) | 13.371 | 0.000 |
| 2B.22 Grants and contributions - capital expenditure (Wastewater Network+) | 11.514 | 0.000 |
| 2B.22 Grants and contributions - capital expenditure (Total) | 25.245 | 0.000 |
| 2B.23 Net Totex (Water Network+) | 373.789 | 387.520 |
| 2B.23 Net Totex (Wastewater Network+) | 405.178 | 416.692 |
| 2B.23 Net Totex (Total) | 888.336 | 913.581 |
| 2B.26 Totex including cash items (Water Network+) | 379.317 | 393.048 |
| 2B.26 Totex including cash items (Wastewater Network+) | 411.089 | 422.603 |
| 2B.26 Totex including cash items (Total) | 900.809 | 926.054 |
| 2E.24 Diversions - s185 (Capitalised and amortised (in income statement)) | 8.711 | 2.903 |
| 2E.24 Diversions - s185 (Total) | 8.711 | 2.903 |
| 2E.26 Price control grants and contributions before deduction of income offset (Capitalised and amortised (in income statement)) | 11.781 | 5.973 |
| 2E.26 Price control grants and contributions before deduction of income offset (Total) | 13.553 | 7.745 |
| 2E.28 Price control grants and contributions after deduction of income offset (Capitalised and amortised (in income statement)) | 11.781 | 5.973 |
| 2E.28 Price control grants and contributions after deduction of income offset (Total) | 13.553 | 7.745 |
| 2E.29 Diversions - NRSWA (Capitalised and amortised (in income statement)) | -0.267 | 5.541 |
| 2E.29 Diversions - NRSWA (Total) | -0.267 | 5.541 |
| 2M.2 Grants & contributions (price control) (Wastewater network+) | 13.553 | 7.745 |
| 2M.3 Total revenue governed by wholesale price control (Wastewater network+) | 508.356 | 502.548 |
| 2M.10 Revenue Recovered (Wastewater network+) | 508.356 | 502.548 |
| 2M.11 Revenue imbalance (Wastewater network+) | -1.935 | 3.873 |
| 4E.10 Developer services capital expenditure (Foul) | 6.972 | 4.565 |
| 4E.10 Developer services capital expenditure (Surface water drainage) | 8.814 | 5.512 |
| 4E.10 Developer services capital expenditure (Highway drainage) | 2.132 | 1.055 |
| 4E.10 Developer services capital expenditure (Total) | 17.288 | 11.132 |
| 4E.11 Total gross capital expenditure (excluding third party) (Foul) | 61.829 | 59.422 |
| 4E.11 Total gross capital expenditure (excluding third party) (Surface water drainage) | 49.387 | 46.715 |
| 4E.11 Total gross capital expenditure (excluding third party) (Highway drainage) | 18.071 | 16.994 |
| 4E.11 Total gross capital expenditure (excluding third party) (Total) | 267.716 | 261.560 |
| 4E.12 Third party services (Foul) | 0.079 | 2.486 |

| | | |
|---|--------|--------|
| 4E.12 Third party services (Surface water drainage) | 0.087 | 2.759 |
| 4E.12 Third party services (Highway drainage) | 0.032 | 1.109 |
| 4E.12 Third party services (Total) | 0.198 | 6.354 |
| 4O.5 s185 diversions Capex (Foul) | 4.172 | 1.765 |
| 4O.5 s185 diversions Capex (Surface water drainage) | 5.873 | 3.201 |
| 4O.5 s185 diversions Capex (Highway drainage) | 1.550 | 0.473 |
| 4O.5 s185 diversions Capex (Total) | 11.595 | 5.439 |
| 4O.9 Total developer services expenditure – Capex (Foul) | 6.972 | 4.565 |
| 4O.9 Total developer services expenditure – Capex (Surface water drainage) | 8.184 | 5.512 |
| 4O.9 Total developer services expenditure – Capex (Highway drainage) | 2.132 | 1.055 |
| 4O.9 Total developer services expenditure – Capex (Total) | 17.288 | 11.132 |
| 4O.11 Total developer services expenditure – Totex (Foul) | 6.972 | 4.565 |
| 4O.11 Total developer services expenditure – Totex (Surface water drainage) | 8.184 | 5.512 |
| 4O.11 Total developer services expenditure – Totex (Highway drainage) | 2.132 | 1.055 |
| 4O.11 Total developer services expenditure – Totex (Total) | 17.288 | 11.132 |
| 4P.1 Diversions – NRSWA (Wastewater network+) | 0.198 | 6.354 |
| 4P.1 Diversions – NRSWA (Total) | 4.879 | 11.035 |
| 4P.3 Total expenditure on non-price control diversions (Wastewater network+) | 0.198 | 6.354 |
| 4P.3 Total expenditure on non-price control diversions (Total) | 4.888 | 11.044 |