

# Annual Performance Report 2021/2022

The changes we have made

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YorkshireWater

## 1. Purpose of this document

The information in our Annual Performance Report (APR) goes through several checks before it reaches you, this is to reduce the risk of errors within it. Sometimes, despite our checks, minor errors find their way into our report or changes can be made as a result of clarifications from our Regulator, Ofwat. Rather than just updating this information in our APR, we thought it would be better to be open and transparent and tell you about any changes we make.

This document describes the changes and the reason for each change in our 2021/2022 APR. You may find it helpful to read this document in conjunction with the Excel Data Tables published on our website.

### **Where to find our Annual Performance Report and the Excel data tables**

You can find our updated 2021/2022 Annual Performance Report and Excel Data Tables on our reports webpage: [www.yorkshirewater.com/reports](http://www.yorkshirewater.com/reports)

They were published in March 2023.

### **How we will improve**

We will learn from the errors to improve our performance reporting in future Annual Performance Reports. This includes conducting a review of the checks in place, conducting a risk assessment and using this to inform improvements to our future Assurance Plan.

## 2. Changes to data tables

### Data Table Changes:

Table Number	Data Item ID	Line Description/Column	Column Description	July Submission Input	Resubmitted Input
1A	1A.1	Revenue	Statutory	1,116.590	1,118.520
1A	1A.1	Revenue	Differences between statutory and RAG definitions	15.941	14.011
1A	1A.1	Revenue	Total adjustments	0.572	-1.357
1A	1A.2	Operating costs	Statutory	-878.165	-876.260
1A	1A.2	Operating costs	Differences between statutory and RAG definitions	-20.361	-34.641
1A	1A.2	Operating costs	Total adjustments	-6.168	-20.449
1A	1A.2	Operating costs	Total appointed activities	-884.333	-896.709
1A	1A.3	Other operating income	Statutory	12.305	0.000
1A	1A.3	Other operating	Differences between statutory and RAG definitions	0.000	12.305
1A	1A.3	income	Total adjustments	0.000	12.305
1A	1A.4	Operating profit	Statutory	250.730	242.259
1A	1A.4	Operating profit	Differences between statutory and RAG definitions	-4.420	-8.325
1A	1A.4	Operating profit	Total adjustments	-5.595	-9.500
1A	1A.4	Operating profit	Total appointed activities	245.135	232.759
1A	1A.5	Other income	Statutory	3.905	0.000
1A	1A.5	Other income	Differences between statutory and RAG definitions	12.112	16.017
1A	1A.5	Other income	Total adjustments	11.973	15.878
1A	1A.9	Profit before tax and fair value movements	Statutory	29.389	17.013
1A	1A.9	Profit before tax and fair value movements	Total appointed activities	21.060	8.684
1A	1A.11	Profit before tax	Statutory	-340.241	-352.617
1A	1A.11	Profit before tax	Total appointed activities	-348.570	-360.946
1A	1A.14	Profit for the year	Statutory	-356.208	368.584
1A	1A.14	Profit for the year	Total appointed activities	-354.646	-367.022
1A	1A.15	Dividends	Statutory	52.559	-52.559
1A	1A.15	Dividends	Total appointed activities	52.559	-52.559
1A	1A.19	Imported sludge	Non-appointed	0.037	0.000
1A	1A.20	Tankered waste	Non-appointed	5.572	5.609
1B	1B.1	Profit for the year	Statutory	-356.208	-368.584
1B	1B.1	Profit for the year	Total appointed activities	-354.646	-367.022
1B	1B.4	Total Comprehensive income for the year	Statutory	331.742	319.366
1B	1B.4	Total Comprehensive income for the year	Total appointed activities	333.304	320.928
1D	1D.1	Operating profit	Statutory	250.730	242.259
1D	1D.1	Operating profit	Differences between statutory and RAG definitions	-4.420	-8.325
1D	1D.1	Operating profit	Total adjustments	-5.595	-9.500
1D	1D.1	Operating profit	Total appointed activities	245.135	232.759
1D	1D.2	Other income	Statutory	35.859	31.954
1D	1D.2	Other income	Differences between statutory and RAG definitions	-32.188	-28.283
1D	1D.2	Other income	Total adjustments	-32.327	-28.422
1D	1D.6	Pension contributions	Statutory	-12.376	0.000
1D	1D.6	Pension contributions	Total appointed activities	-12.376	0.000
1D	1D.12	Net cash generated from operating activities	Total appointed activities	446.917	446.918
1D	1D.17	Net cash used in investing activities	Statutory	-394.613	-394.614
1D	1D.17	Net cash used in investing	Total appointed activities	-362.659	-362.660

		activities			
4H	4H.4	Post tax return on regulatory equity	Current year	0.79%	0.13%
4H	4H.12	Return on RCV	Current year	3.43%	3.26%
4H	4H.13	Dividend cover	Current year	-6.75	6.98
4H	4H.18	Effective tax rate	Current year	29.73%	72.11%
4H	4H.19	Retained cash flow (RCF)	Current year	392.302	392.303

### Why have these data item changed?

As part of our original APR submission, an adjustment was made to remove a pension deficit recovery payment, which was reflected in operating costs as Yorkshire Water accounts for its pension scheme as a defined contribution scheme.

However, after several queries between Ofwat and ourselves, it was decided that the adjustment shouldn't have been made and we were asked to restate our figures for the impacted tables. The changes within the above table, are as a result of this.

Table Number	Data Item ID	Line Description/Column	Column Description	July Submission Input	Resubmitted Input
3A	3A.1	Water quality compliance (CRI)	Performance level - actual	4.83	4.76
3A	3A.	Water quality compliance (CRI)	Outperformance or underperformance payment	-3.470	-3.384

### Why have these data item changed?

As part of Ofwat's 'Final determination of Yorkshire Water's in period outcome delivery incentives for 2021-22', Ofwat intervened to reduce our underperformance payment in relation to its water quality compliance performance commitment by £0.086m, to align with the latest Drinking Water Inspectorate (DWI) data, which was not available at the time we submitted the data. We reported a CRI of 4.83 but the latest DWI data shows that our CRI was 4.76.

Table Number	Data Item ID	Line Description/Column	Column Description	July Submission Input	Resubmitted Input
3A	3A.13	Significant water supply events	Performance level - actual	41	43
3A	3A.13	Significant water supply events	Outperformance or underperformance payment	-7.420	-7.950

### Why have these data item changed?

As part of our original APR submission, we excluded two events within our reported performance for significant water supply events. This was due to our ability to temporarily offer restoration of supplies to customers during an ongoing incident, but being unable to do so without having a detrimental impact on overall customer service. These events were at Tandem Way and High Bradfield.

However, as part of Ofwat’s ‘Final determination of Yorkshire Water’s in period outcome delivery incentives for 2021-22’, Ofwat decided to intervene to include the Tandem Way and High Bradfield events. Ofwat considered that companies need to bear appropriate risks and remain incentivised to deliver for their customers.

The intervention increases our underperformance penalty by £0.530m to £7.950m for the 2021-22 reporting year.

For more information on our original in-period outcome delivery incentive for 2021-22 submission, and Ofwat’s decision to intervene against these Performance Commitments, please [click here](#).

Table Number	Data Item ID	Line Description/Column	Column Description	July Submission Input	Resubmitted Input
3A	3A.4	Per capita consumption	Performance level - actual	0.1	-4.1
3F	3F.6	Per capita consumption (PCC)	Performance level - actual (2020-21)	125.1	141.2
3F	3F.6	Per capita consumption (PCC)	Performance level 3 year average (current and previous 2 years)	128.1	133.5
3F	3F.6	Per capita consumption (PCC)	Calculated performance level to compare against PCLs	0.1	-4.1

### Why have these data item changed?

Following our publication of the APR in July 2022, we had identified a manual input error against item ‘Performance level – actual (2020-21), within 3F.6. This resulted in the 3 year average calculation being incorrect which in turn, produced a wrong outturn for 2021-22. A new quality control has been implemented to ensure this error doesn’t occur again in future APR reporting.

We haven’t carried out further external assurance on the changes stated within this document, meaning the assurance reports within our APR document are aligned to our original submission. However, all stated changes been highlighted to and accepted by Ofwat.

# Thank you

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