

Yorkshire Water Services Limited

Annual Performance
Report 2023/2024



Published July 2024



YorkshireWater

How to view this document

Contents page

Our contents page links to every section within this document. Clicking on a specific section will instantly take you to it.

- 1 Click on the contents button to return to the contents page.
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There are also many other clickable links within this document which we've made easy to spot by underlining and **highlighting** them in blue.

Reading our APR

Our Annual Performance Report (APR) is designed to be read on screen using a PDF viewer. You can print our APR if you prefer, but because it's a long document you may wish to print in black and white and use the contents page to print the sections you wish to read.

Definitions

We have included definitions on the same page as the content to make it easier to understand. You can find our full regulatory glossary on our reports webpage: yorkshirewater.com/reports

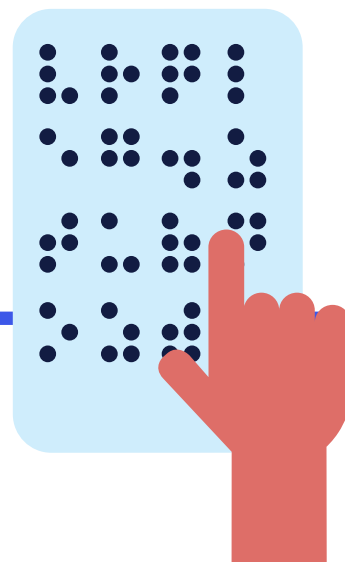


Accessibility matters. That's why we want all of our customers to be able to engage, navigate, and understand our Annual Performance Report.

By using assistive technology like screen readers, text-to-text speech programmes and Braille displays, we can provide equal access to anyone with visual, mobility, or cognitive impairments.

We've taken steps to ensure this document supports additional accessibility needs:

- Screen readers will recite content in a logical order, as well as identifying headers and providing alternative text for images.
- Table of contents and bookmarks to aid navigation.
- Easy-to-read text that's structured using headings, clear paragraphs and tables.
- Comfortable colour contrast.



Welcome to our 2023/2024 Annual Performance Report

This is our fourth Annual Performance Report (APR) for Asset Management Period (AMP) 7 and it covers the period from April 2023 to March 2024.

It tells our customers and stakeholders about the progress we are making to deliver our commitments and gives information on our service levels, cost information and financial performance. This Annual Performance Report provides information required by Ofwat (Water Services Regulation Authority), the body that regulates the water sector to protect customer interests.

Definition

AMP

An 'Asset Management Period' is the term given to the five- year period covered by a water company's business plan. AMP1 refers to the first planning period after the water industry was privatised and this covers the period from 1990 to 1995. We are currently in AMP7, which covers 2020 to 2025 and we report on our performance in the financial year 2023/2024 in this APR.



Get in touch with us

We welcome your comments and feedback on this Annual Performance Report. If you have any questions, comments or would like to give us feedback on this or any of our other publications, please get in touch with us.

There are lots of ways to get in touch:



Email us
[**publicaffairs@yorkshirewater.co.uk**](mailto:publicaffairs@yorkshirewater.co.uk)



Send comments via our website link
[**yorkshirewater.com/get-in-touch**](http://yorkshirewater.com/get-in-touch)



Facebook message us
[**@yorkshirewater**](https://www.facebook.com/yorkshirewater)



Or post them to us
Western House, Western Way, Bradford, BD6 2SZ



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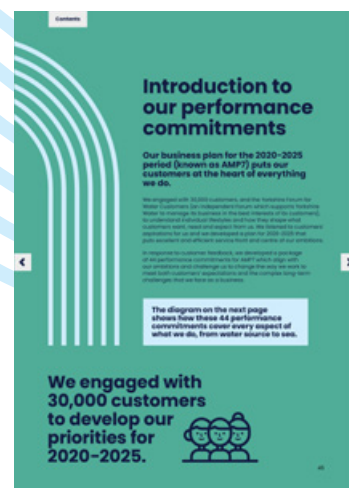
We've created colour-coded sections to help you to navigate this report easily. Just click on the section you are interested in on the contents page, and it will navigate you to that section.

The report is structured as follows:

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This section includes a foreword and links to useful publications and websites and an introduction to what we do here at Yorkshire Water.	
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In this section you can find the Board statement on accuracy and completeness of data and information and the Board statement on our company direction and performance.	
3. How we're progressing with our performance commitments	38
In this section, we explain what our performance commitments are, how we are performing against them, a summary of the assurance activities we have completed for the information in this report, and the steps we are taking to improve trust in our information.	
4. Pro forma tables	134
This section includes the information that we must report to our economic regulator, Ofwat. Information is shown in tables with supporting commentary. This section includes a statement from our financial auditor, Deloitte and our technical auditor, AtkinsRéalis.	
5. Meeting our licence conditions	345
In this section we confirm our compliance with the licence conditions relevant for the annual performance report such as the ring-fencing certificate.	
6. Board, leadership, transparency and governance	354
In this section we include information on our company structure and how we are governed. We also include disclosures such as the statement on executive pay and performance.	
7. Transactions with associates and the non-appointed business	407
In this section we disclose all the transactions between us and our associated companies.	

Finding important information in our annual performance report

This report is quite long. We pack this report with useful and important information. So, to help you find what you're looking for, we created a list of the highlights from each section.



[1. Introduction](#)

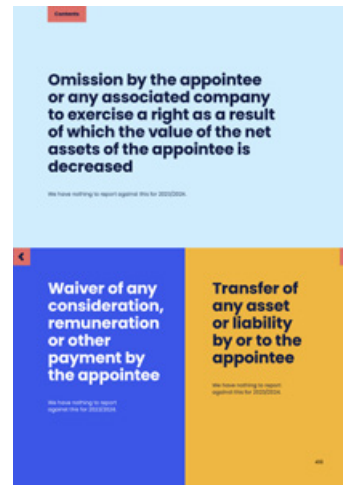
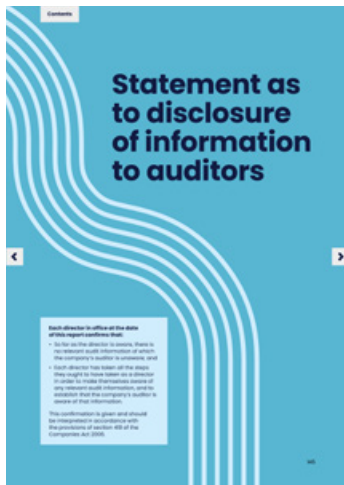
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[2. Statements from our Board](#)

- [Board statement on accuracy and completeness of data and information](#)
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[3. How we're progressing with our performance commitments](#)

- [Our assurance process](#)
- [Our assurance plan for the annual performance report](#)
- [Our data improvement plans](#)
- [Introduction to our performance commitments](#)
- [Outperformance and underperformance](#)
- [How did we perform against our performance commitments?](#)



4. Pro forma tables

[Financial auditor's opinion](#)

[Statement as to disclosure of information to auditors](#)

[Statement on differences between statutory and regulatory accounting guidelines \(RAG\) definitions](#)

[Tax strategy for the appointed business](#)

[An accounting policy note for price control units](#)

[Note on revenue recognition](#)

[Note on capitalisation policy](#)

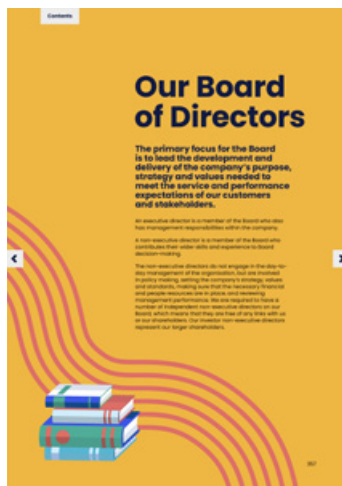
[Note on bad debt policy](#)

[Technical assurance statement](#)

[Statement on innovation competition](#)

5. Meeting our licence conditions

[Statement on sufficiency of financial resources and facilities](#)



6. Board, leadership, transparency and governance

[Our Group structure](#)

[Our Board of directors](#)

[Statement on dividend policy](#)

[Statement on executive pay and performance](#)

7. Transactions with associates and the non-appointed business

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1. Introduction

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Foreword

Welcome to our 2023/2024 Annual Performance Report which covers the period from April 2023 to March 2024.

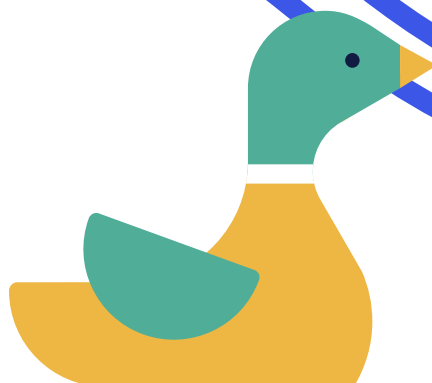
It tells our customers and stakeholders about the progress we are making to deliver our commitments and giving information on our service levels, cost information and financial performance. This Annual Performance Report provides information required by Ofwat (the Office of Water Services), the body that regulates the water sector to protect customer interests.

In April 2020 we started AMP7 – this is our business plan for the period 2020–2025. Our AMP7 plan sets out how we will maintain and improve water and wastewater services in Yorkshire to make sure they are resilient and sustainable.

For AMP7, we have 44 performance commitments. In this report you will be able to see how we are doing in terms of delivering on our performance commitments.

We hope that you will find this report useful and engaging.

We always value your feedback on how we can improve our annual reporting – you can find details about how to contact us on [page 4](#).





Statement from our Chair

The importance of Yorkshire Water's operations to our customers and the environment is clear, and we hear and understand the expectations from our customers, stakeholders and regulators. We share the desire for improved performance, particularly in relation to the environment, and I am really pleased that the investments and operational changes we are making are starting to show improvements in our performance across many measures over the past year, which in turn are helping to drive better outcomes for our region.

We know there is still more to do, however, before we fulfil our strategic vision of 'a thriving Yorkshire, right for customers, right for the environment'. This vision forms part of our corporate strategy, launched internally in 2023, which is a guiding document for both our colleagues and the Board. The plans we put in place, and the decisions we take, are focused on achieving this vision.

Ongoing performance improvement

We have seen consistent improvement on the majority of our key performance measures across the past financial year, but we are committed to speeding up that improvement to ensure we can meet the high standards expected by our customers, stakeholders and regulators.

In areas where we are not yet meeting our regulatory performance commitments we have ongoing dialogue with our regulators, and the Board is involved in oversight of the improvement plans that we share on our website. These plans show our current performance, as well as our activity to resolve problem areas.

The Board is acutely aware of public anger in relation to pollution and is focused on driving significant improvements in this area. Our performance this year in terms of the number of pollution incidents has been disappointing. Whilst this reflects the significant rainfall that we have experienced throughout most of the year, we know that there is more that we need to do to improve and our investment plans are very much focused in this area.

The specific measures the business has already taken to drive performance, which include modernisation of our processes and significant investment schemes, are covered more extensively within the [Chief Executive's Report](#).

Our PR24 Business Plan

In October 2023 we submitted our Business Plan to our economic regulator, Ofwat, including priority areas for investment between 2025 and 2030. The Board was closely involved in the development of the £7.8bn plan and we believe it provides ambitious, but deliverable, levels of investment across our region.

Our Business Plan is focused on areas of particular importance to our customers and stakeholders, as well as the investment required to meet our legal and regulatory obligations. If approved by Ofwat, our Business Plan will deliver wider environmental and social benefits for the Yorkshire region with £8 of benefit generated for every £1 we invest.

Board activity

In November, Scott Auty, one of our investor directors stepped down from the Board after six years of service. He was replaced by Isabelle Caumette, who has been working with Yorkshire Water for many years and therefore brings with her much experience of the sector. I would like to thank Scott for his important contributions to Yorkshire Water during his time on the Board.

During the year Board members have taken the opportunity to visit some of our key operational and investment sites across the county, including Elvington Water Treatment Works near York, a new Fish Pass in Sheffield, and a Wastewater Treatment Works in Ewden.

The Board has also had the opportunity to engage with key stakeholders, both external and internal to the business. This has included engagement with the Environment Agency, Ofwat, the Drinking Water Inspectorate and our industry body, Water UK, as well as meeting with members of our Colleague Engagement Forum and representatives from our trade unions.

Looking forward

We are now in the final year of the Business Plan for 2020 to 2025, and we will be investing approximately £800m to complete our Asset Management Period 7 investment. This will bring further improvements for our region, and delivery of new schemes is a priority for the Board and our Executive team.

The water sector continues to be a challenging sector to work in. We understand the issues that concern our customers and local communities, and we are committed to doing what is right for our customers and the environment, both now and in the future.

Our colleagues and partners have worked extremely hard throughout the year, including through some very challenging weather events. We operate 24 hours a day, seven days a week to provide essential services to our customers and resolve any issues. At times during the year some of our colleagues and partners have been subjected to verbal or physical abuse while simply doing their jobs, and this is entirely unacceptable.

Our colleagues and partners are passionate about the service they deliver and do their best for our customers day in and day out.

I would like to thank all those who have contributed to our work at Yorkshire Water in the past year, from our colleagues, contractors and partners, to all of our customers and stakeholders who have contributed their views to our PR24 Business Plan, helping us to work towards a thriving Yorkshire, right for customers, right for the environment.



Vanda Murray OBE DBA
Chair

3 July 2024



Chief Executive's Report

This year, our Yorkshire Water colleagues and key contract partners have worked well together to improve performance under our new strategy of working towards 'A thriving Yorkshire, right for our customers and right for the environment'. We are committed to doing even more to improve outcomes for our region in the future.

2023/2024 performance

We have seen continued success in leakage reduction on our clean water network – staying on track to achieve a 15% reduction between 2020 and 2025. We have made very good progress in delivering our large capital programme for the year, including delivering a new sewer at Ilkley and starting on site at many projects which will complete in 2025.

Our investment across Yorkshire reflects the need to address the impact of climate change and a growing population. The 2023 calendar year was reported as being the sixth wettest year since Met Office records began and between September 2023 and January 2024, we experienced ten named storm events compared to one in the prior year. This led to flooding, high ground water levels and associated pollution incidents as our network was inundated with surface water.

Where flooding has occurred, our teams have worked with partners to respond and find long term solutions. Unfortunately, given the weather across the winter, our environmental performance in the 2023 calendar year (and since then into the 2024 calendar year) is substantially below the levels we want to achieve.

To reduce both flooding and pollution incidents, we are investing to improve the resilience of our networks to severe weather events.

The severe weather contributed to an increased number of discharges from our Combined Sewer Overflows, as well as increased pollution incidents. This increase in numbers has contributed to a drop in our Environmental Performance Assessment (EPA) rating for 2023 calendar year.

This is disappointing, however, we are confident that our previous investment in our network, immediate operational response, and prior partnership working, reduced the overall impact of severe weather for our customers and the environment.

On our clean water network, some residents in Goole and nearby areas experienced issues with their drinking water supply across late October and early November 2023. Unfortunately, the incident took longer than we anticipated to resolve due to a number of complications on our network, and we have subsequently contributed to a review of this incident by Ofwat and the Consumer Council for Water. As well as providing compensation to individuals and goodwill payments to community groups, we have implemented learnings from the incident to lessen the impact on customers of any future network event.

We deeply regret when our customers are affected by issues on our networks, and we know that we need to do more to avoid such circumstances in future.

Environmental performance

Our record on the environment, and the record of the entire water sector, has been in the spotlight. We have therefore placed the ambition of making decisions that are 'right for the environment' as a central objective in our corporate vision.

We have not always provided the right outcomes, and we need to face into those occasions. In 2016, we discharged into Hookstone Beck due to an operational issue on our network. Yorkshire Water was found to have caused the pollution and in November 2023 we made a £500,000 contribution to local environmental charities, having already conducted a clean-up of the affected area and invested £1.85m in capital works increasing storage in the sewer system.

As we increase our investment in environmental outcomes we are seeking the widest possible benefits for our region. In October 2023, we published our Nature First commitment. Nature First prioritises nature-based solutions when we invest over more traditional energy intensive assets. By investing in solutions which reduce carbon output, support biodiversity and increase resilience, we will mitigate the impacts of climate change for our customers and the environment.

In February 2024, we announced plans to build a new integrated wetland at South Emsall Wastewater Treatment Works. This will include a wetland area the size of five football pitches, filled with 220,000 plants, treating wastewater as it travels through the wetland and lowering the number of discharges from the works.

We want to use innovative nature-based solutions to ensure that we reduce our carbon impact when making investment in core areas, such as reducing sewage discharges. To do this we will need to work with neighbouring communities, planning authorities and the Environment Agency to find solutions which are appropriate and meet all expectations.

As well as looking at maximising environmental outcomes from our new investment, we have been looking at our sites to determine where we can achieve more. This has included a programme to install solar panels at 28 sites, beginning in January 2024, and purchasing more UK-generated renewable energy.

Combined sewer overflows

In 2022, we announced our £180m discharge reduction programme, separate to investment in our approved five-year business plan. The investment will lead to an average reduction of discharges by 20% from our 2021 baseline figure.

As part of the programme, we identified 130 of our most frequently operating overflows where we wanted to invest and improvements have begun, including sites at Whitby and York, with more sites coming online each week.

Due to an agreement with our regulator this investment must be completed by April 2025. For this reason, we are working swiftly to identify which sites are deliverable and we are working closely with our regulators and partners.

Separate to this programme, our PR24 Business Plan includes over £1bn of investment in discharge reduction. This is in line with the Government's Storm Overflow Discharge Reduction Plan, published in 2022, which prioritises investment at bathing water sites and those with environmental importance. Whilst our PR24 Business Plan has yet to be approved, we are bringing forward c.£14m of investment at overflows in Barnsley and Bradford due to the complexity of delivering improvements in these areas.

Storm overflow maps

In December 2023 we completed the installation of Event Duration Monitors at all of our Combined Sewer Overflows. We prioritised this investment in response to the public interest in discharges from sewers, and since April 2024 our customers have been able to access a live overflow map on our website, which shows whether the overflow has operated in the past 48 hours.

In our move towards greater transparency, we have worked with water and sewerage companies across the UK to share an online National Storm Overflows Plan for England, which has an interactive map showing the proposed timeframe for investment at each overflow across the country.

Wider investment in river health

All wastewater treatment works have a release point for treated effluent, which has passed through the treatment works. Working with our regulators, during each investment period we invest to improve the final effluent leaving the works.

Between 2020 and 2025, we will have invested £500m in reducing the levels of phosphorus entering Yorkshire's rivers and seas by 56%. This investment is one of the primary reasons we were able to improve 117km of Yorkshire's rivers by the end of March 2024.

The level of investment under this programme is significant, including work at Knostrop (c.£60m), Blackburn Meadows (c.£40m), Killinghall (c.£19m), Dewsbury (c.£18m), Dronfield (c.£10m) and five sites across Barnsley (c.£11m). These schemes don't just allow us to meet our regulatory requirements, they improve the health of waterways across Yorkshire.

Bathing waters

We are constantly working to improve our impact on our customers and the environment, and our coastal sewer overflows operated for less than one percent of the time in the 2023 bathing season. This contributed to 89% of bathing waters within our region being rated as Good or Excellent for that season.

As we want to reduce our impact even further, we have brought forward investment at sites which may impact bathing waters, and in Scarborough work is underway at the Wheatcroft sewer overflow.

Unfortunately, two of the coastal bathing waters in the region have been ranked as poor – Bridlington South and Scarborough South. Since our operations are only one potential cause of poor bathing water quality, we are working closely with partners to investigate the root cause of poor status and to understand what we can collectively do to resolve the situation.

At Ilkley, the first inland bathing water site in the UK, we have invested in a new 835-metre £15m sewer. This work was completed in early 2024 and is already reducing discharges above the bathing water designation.

At all bathing waters there is the need to work with partner organisations to ensure that the water is fit for bathing. This means the removal of pollution from agriculture, industry, road run-off and other sources, as well as our own impact.

In March 2024, we shared plans to invest a further c.£60m in our networks in Ilkley, including expanding the capacity at the treatment works. Whilst these proposals still require approval from our regulators and local decision-makers, I am pleased that we have been able to share our plan to improve bathing water quality with the local community.

In May 2024, the Government announced 27 new inland bathing water designations, including two in Yorkshire at Knaresborough and Wetherby. We supported these applications at consultation stage and will work closely with our local partners to improve river health.

Supporting customers

Inflation has unfortunately led to rises in bills and we have continued to support customers in challenging circumstances. This includes:

- Providing five financial support schemes helping customers who are struggling to pay their bill, covering a range of circumstances including income and existing debt.
- Supporting over 120,000 customers who needed extra help paying their bills in the last 12 months.
- Doubling the number of customers on the Priority Services Register to more than 200,000.

Our bill levels are overseen by our regulator, and we will not turn off the water supply of any household which is unable to pay their bill.

Secure and safe water supplies

The continued provision of safe drinking water is crucial for our customers. Our Water Resources Management Plan, produced in conjunction with neighbouring water companies, ensures our wider region will have the required resources to meet population growth for decades to come.

This year we have seen investment to improve supplies across Yorkshire, including to Bradford and Skipton, as well as a £30m investment at our Tophill Low Water Treatment Works in East Yorkshire which provides drinking water to Hull.

We are also making good progress on reducing leakage as noted above. We are using innovative measures to reduce leakage, and have installed over 1,000 'Smart' Pressure Control Valves controllers on our network. By investing in our networks, we are able to reduce the likelihood of bursts and maintain supply to customers.

Financial performance

Our ability to invest in our networks, either through revenue, reserves or borrowing, is critical in allowing us to maintain our networks and improve outcomes for our customers and the environment. I am therefore pleased that throughout 2024 we have been able to demonstrate fiscal prudence and operational efficiency.

Our revenue increased by £82.3m (7.2%) to £1,227m, and we managed to ensure our costs increased only by a similar amount. Given the inflationary pressures we have seen on our input prices, such as energy and chemical costs, this was a good result.

We also worked hard to improve our productivity and lower energy costs, including through the self-generation of electricity. This helped us to mitigate operational cost pressures, such as those from adverse weather conditions.

Our investors also, going further than they had previously committed, repaid £400m of the outstanding intercompany loan in June 2023, improving the regulatory assessment of our financial resilience. Since the end of the financial year our investors have repaid a further £100m, well in advance of the April 2025 commitment.

All of this is important to ensure that we remain financially resilient and able to deliver the investment we need to improve outcomes for customers and the environment.

Our PR24 Business Plan

Alongside the delivery of our approved investment programme for Asset Management Period (AMP) 7, our team have also been busy developing our PR24 Business Plan for 2025 to 2030, which was submitted to Ofwat in October 2023.

Whilst much of our Business Plan was based on statutory requirements and guidance from regulators, our preparation included extensive engagement with customers and stakeholders to understand their priorities for our region. This included over 54,000 individual engagements.

Our submission to Ofwat detailed £7.8bn of investment across the region, including £3.1bn of investment in secure, safe clean water supplies, a £4.3bn investment in improving the natural environment, and a further £446m allocated to deliver first-class customer service.

When creating the plan, we have been conscious that much of the investment between 2025 and 2030 will ultimately be funded through customer bills. We are therefore keen to support customers who may struggle with higher bills, and the plan includes £250m worth of targeted bill reductions by 31 March 2030.

Given the expectation of Government and the public for increased investment, we are hopeful that our plan will be approved. We anticipate that the delivery of the plan will provide employment for more than 10,000 people across Yorkshire.

We have yet to receive Ofwat's Draft Determination, after which there will be a consultation period prior to receiving the Final Determination before Christmas 2024.

Our team

Our colleagues and key contract partners respond to issues when they occur and deliver investment on our networks across Yorkshire. I am grateful for the commitment and energy with which our team carry out their roles. Many of our colleagues and partners feel a keen responsibility to our region, and this is reflected in our corporate vision.

Safety and wellbeing is our primary consideration for both customers and colleagues. I am therefore pleased that the Lost Time Injury rate for colleagues has reduced this year to be the best result we have ever had. This will remain a top priority for me and the leadership team moving forward, and we will also ensure that the wellbeing of colleagues is prioritised, particularly at a time when focus is on the water sector.

Looking ahead

We are now in the final year of the 2020–2025 investment period and we are driving to deliver improvements to our water and wastewater networks by the end of the regulatory period in March 2025. We are also working closely with our colleagues, partners and supply chain to ensure we are prepared for the proposed increased investment across AMP8.

At such a crucial time for the sector we will continue to strive for increased outcomes for Yorkshire, helping us secure 'A Thriving Yorkshire, right for customers, and right for the environment'.



Nicola Shaw, CBE
CEO

3 July 2024

Supporting publications

We publish a suite of documents alongside our Annual Performance Report which provide additional information on our services and performance.



Regulatory Glossary

Sometimes we use words that are specific to the water industry. We've put the most frequently used words here into the Regulatory Glossary. yorkshirewater.com/about-us/reports



Yorkshire Water Annual Report and Financial Statements

Our Annual Report and Financial Statements (ARFS) provide information on our financial performance and how we are progressing with strategic business objectives. yorkshirewater.com/about-us/reports



Kelda Eurobond Co Ltd Accounts

Kelda gives the owner of Yorkshire Water. This publication gives information on Kelda's performance. keldagroup.com/investors/document-library



Risk & Compliance Statement

Our Risk and Compliance Statement provides confirmation that we have complied with the requirements of our licence to operate as a water supplier and the requirements set out in law. yorkshirewater.com/about-us/reports



Our Performance Summary

This is a summary of our how we have performed against our performance commitments. yorkshirewater.com/about-us/reports



Accounting Separation Methodology Statement

This document includes the enhancements made to processes this year and details the methods of the allocation of totex costs between price controls, as well as the allocations for the upstream services. yorkshirewater.com/about-us/reports



Assurance Plan

The Assurance Plan explains our approach to how we check our information so that you can have trust and confidence in the information we publish in our APR. yorkshirewater.com/about-us/reports

Supporting websites

We can't always fit all the information we would like to into our APR, instead we reference with websites which contain useful supporting information.

Our websites

Our reports

We'd like to let you know how well we're getting on, on all the key parts of the service we provide. You can find all our regulatory reports here on this page. yorkshirewater.com/about-us/reports

Our performance

We want to let you know about how we're doing in delivering water and waste services and how we're operating as the leading responsible business that we strive to be. Throughout the year you can see how we're performing against the performance commitments that matter to you. yorkshirewater.com/about-us/our-performance

Our business plan for 2025-2030

Over the last couple of years, we have been developing our business plan for 2025-2030 with our customers and stakeholders. You can read all about it here on this page. yorkshirewater.com/about-us/our-business-plan

Yorkshire Forum for Water Customers

This webpage provides details of the membership of the group, minutes of recent meetings and information on the challenges which the Forum have provided to Yorkshire Water. It also includes the independent reports published by the Forum. yorkshirewater.com/about-us/yorkshire-forum-for-water-customers

Corporate governance and structure

This webpage provides information on the members of the Board, our company structure chart and corporate governance terms of reference and policies. yorkshirewater.com/about-us/corporate-governance-and-structure

These webpages can be found on our 'About us' webpage. yorkshirewater.com/about-us

External websites

Discover Water

Some of our information is published on the Discover Water website, allowing customers and stakeholders to easily see comparative performance between water companies. discoverwater.co.uk

Ofwat

Ofwat also publish information about how companies are performing in reports and publications. These can be found by visiting ofwat.gov.uk

Consumer Council for Water (CCW)

CCW is the independent voice for water consumers in England and Wales. Since 2005, they have helped thousands of consumers resolve complaints against their water company or retailer, while providing free advice and support. They publish a number of reports, including information on how all companies perform with regards to the areas that matter most for customers. You can find out more about them on the link: ccw.org.uk

Open Data

What is Open Data?

Open data is data that is made publicly available to be used, re- used and shared by anyone. Data is typically provided without conditions of use to private and commercial users alike. Data is provided with ease of access and use in mind, for Yorkshire Water, this means publication online in a accessible format.

Why is it important?

Open data is useful for sharing aspects of company performance with a wider audience and can create positive results in terms of engagement and trust. Sharing data more broadly allows a number of stakeholders to review and use our data, this has the potential to create collaboration between interested users and groups and Yorkshire Water.

Open Data Releases

We are committed to working with the rest of the industry and our regulators to open up access to our data in a standardised and accessible way. We are an active part of an industry open data initiative called **STREAM**, where together with others from the industry, we are moving to make more of our data available to stakeholders.

We have already released a number of datasets found here portal-streamwaterdata.hub.arcgis.com and continue to develop the roadmap for future releases of data.

If you have any questions in relation to Open Data, please contact us at APR@yorkshirewater.co.uk

Publication of Data Tables associated with the APR

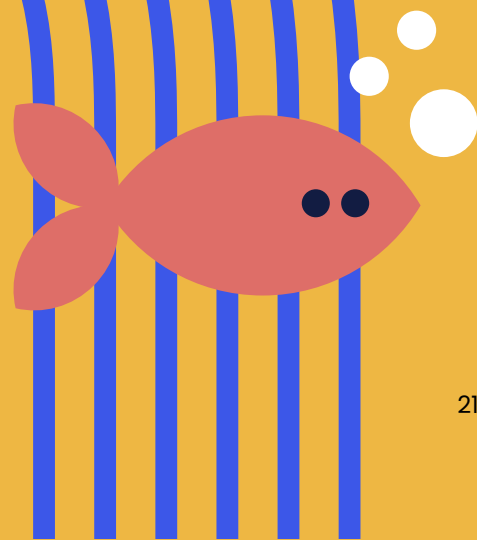
Yorkshire Water's 2023/2024 data tables have been created with the intent of publishing under an open data license. It is hoped that this improves accessibility and transparency by exposing the underpinning data to a broad range of stakeholders. Increasing the number of stakeholders able to access and review the data under an open data licence, allows the opportunity for additional data uses or insights to be derived that may not have previously been possible.

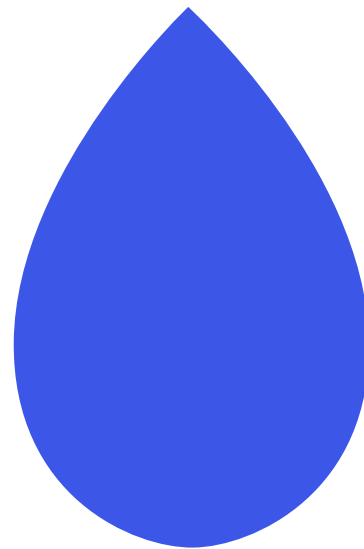
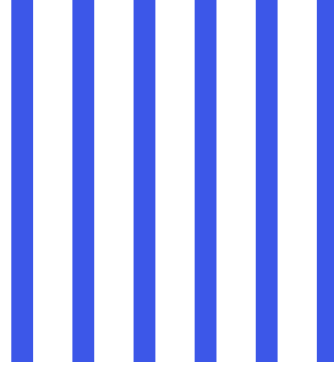
To maximise the possibility of stakeholders to review, use or interrogate the data, the datasets have been released with the following characteristics:

- In a machine-readable format to make the consumption of data as easy as possible.
- With meta data to allow stakeholders to understand the meaning of the data.
- Under an open license to maximise the access, distribution or use.
- With a feedback mechanism to allow stakeholders to contact us.
- The Annual Performance Report data is governed by [CC BY 4.0 Deed | Attribution 4.0 International | Creative Commons](#) (the "Open Data Licence") and by using the data you agree to comply with its terms.

Sharing data with stakeholders is an important part of being transparent about our performance. We are committed to working with the industry to publish appropriate datasets under an open license.

About us





Today, every day and forever it's our job to make sure that everyone in Yorkshire has the water they need for their busy lives. And, when they've used it, it's our job to take it away and return it safely back to Yorkshire's environment.

Water is one of life's most basic essentials and we care deeply about taking care of it in the right way for everyone, all of the time.

But how we do that really matters; the resources we use and recycle, the way we look after land, our broader support to local communities, and the partnerships we develop will make a massive difference to getting it right for Yorkshire's people and places.



What we do

We provide essential water and wastewater services to the people and businesses of the Yorkshire and Humberside region.

To do this, we collect 1.3bn litres of raw water from the environment every day. We use energy and chemicals to treat the water so that it's safe to drink. To get the water to where it's needed we use gravity where we can, but we also have to use energy to pump it through 32,000 km of pipes.

We collect and treat about 2.2bn litres of wastewater from homes and businesses (and rainwater that goes into the 53,000 km of sewers) every day as well. To do this, we use chemicals to help the treatment process and energy to run the treatment plants and pumps.

Find out more about what we do here:

yorkshirewater.com/about-us/making-yorkshire-brilliant

Look after and improve over £1m every day to look after and improve Yorkshire's network of pipes, pumps and treatment works.

Managing 28,000 hectares of land to protect water quality and enable recreational opportunities.

Managing £1bn of water bills every year and providing customer service when it's needed.

Recycling nutrients and generating energy from leftover human waste.

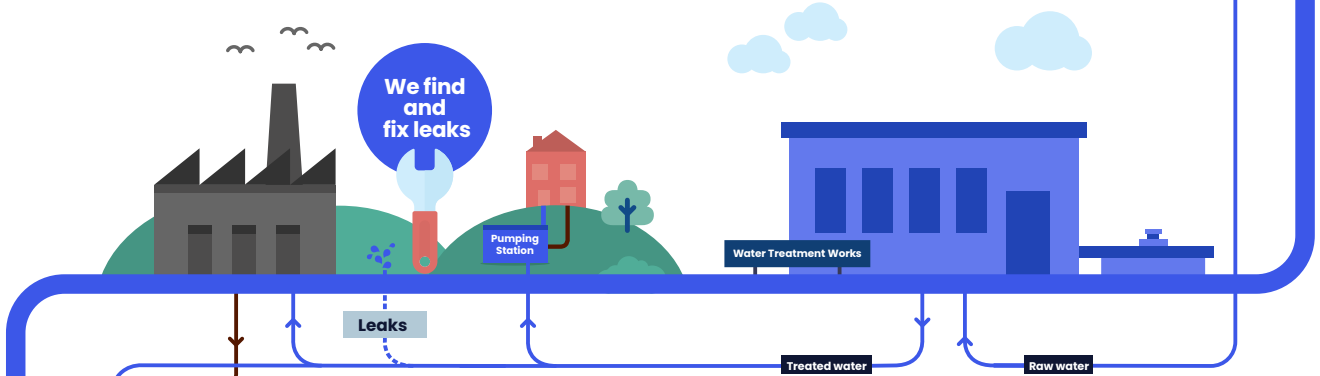
All maintained by around **3,775 employees**, using a fleet of over **2,000 vehicles** and increasingly complex technology, delivering for today and planning for the long-term.

We're one of Yorkshire's biggest land owners

We collect water from three main sources

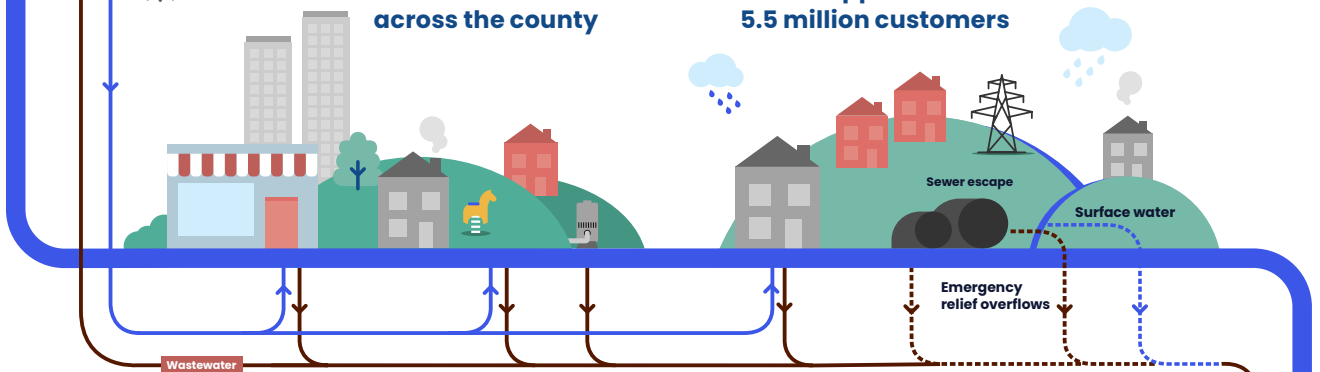


We have over 650 wastewater treatment works and 50 water treatment works



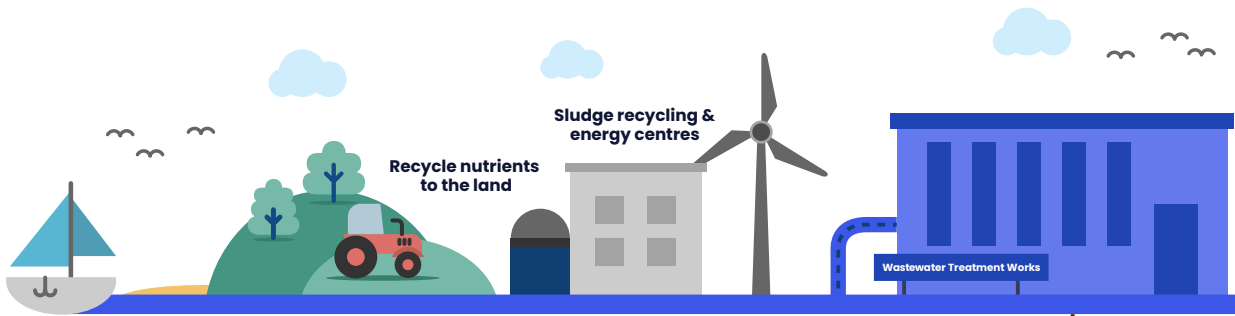
We supply water to homes and businesses across the county

Our customer service team support our 5.5 million customers



We safely return water back into the environment

We collect and treat 2.2 billion litres of wastewater and rainwater every day



2. Statements from our Board

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Board statement on company performance and direction	30



Board statement on accuracy and completeness of data and information

Our aim is to produce an Annual Performance Report that covers the key information that our customers and stakeholders have told us they want to see and are interested in, while also meeting the requirements of our regulator, Ofwat.

We believe that good assurance needs to be provided at the right time, proportionate to the level of risk identified, asking the right questions and producing good evidence to support the statements made within this report and the information we publish. Assurance is vital to ensure that the data and information published is accurate and complete.

This statement is being made by the Board of Yorkshire Water to confirm the information that is provided through our regulatory reporting for the year 2023/2024 is accurate and complete.

The Board has full ownership of the provision and publication of accurate and complete data and information.

Within this statement, the Board will explain how it takes this role seriously and the approach that the Board has taken to satisfy itself that the information is accurate and complete.

Our assurance framework

The Board of Yorkshire Water has continued to review the effectiveness of assurance approaches for regulatory reporting and to identify further opportunities for improvement.

A new regulatory reporting assurance framework has been implemented for AMP7. This new framework improves the focus of regulatory reporting assurance activities throughout the year, changes the way external assurance is used and improves the risk-based approach applied to regulatory reporting. The new framework was developed in line with best practice from the water industry and other regulated industries.

Our assurance framework and approach are described in more detail in our published Assurance Plan yorkshirewater.com/about-us/reports/

Our risk-based approach

Our assurance approach is risk based (this means that we place more focus in areas that are higher risk). The approach to assuring data in AMP7 must be reflective of the risks involved and needs to consider the scale of reporting requirements.

The Board recognises the importance of effective assurance over the information that it bases its decisions on and the information that we publish externally. The importance of transparency, clarity and accuracy is always emphasised by the Board and there have been detailed discussions during the year at the Audit and Risk Committee about the approach to regulatory assurance to ensure that it adequately reflects the associated risks.

It is essential that the assurance programme is responsive to the assessed risk and new risks arising. The new risk assessment process is designed to be dynamic as performance over the AMP period changes and risks increase or decrease against specific data points.

Our three-levels of assurance

Our assurance approach uses a method called 'three levels of assurance'.

The first level of assurance is from management controls in our frontline operations which measure performance throughout the year. The second level of assurance consists of line management reviews and reviews by oversight teams with specialist knowledge such as our finance, regulation and legal teams. Yorkshire Water has been developing the alignment of Level 2 assurance across the company, to ensure the assurance obtained, or any lessons learnt from one area, are shared with another. The third level of assurance is provided through independent assurance which includes our Internal Audit function and external auditors. New external auditors for regulatory reporting were appointed from September 2020. Four providers have been awarded a contract on a new framework, rather than just one external company as in AMP6.

A framework of suppliers, rather than one main supplier, is cost effective, provides access to a wider network of specialists and provides wider access to industry insight, knowledge and solutions. The Audit and Risk Committee of the Board has been involved in the procurement process for the new external auditors for our regulatory reporting and have approved these appointments.

Assurance in 2023/2024

To satisfy ourselves that our published information is accurate and complete all elements of our 2023/2024 regulatory reporting are subject to an appropriate assurance process. In particular:

- The assurance process includes checks and reviews of data throughout the year then additional audit checks and challenges by Data Providers, Data Managers, Senior Managers and Directors ahead of publication.
- A review of current performance, challenges, issues and risks takes place on a monthly basis by directors and other senior leaders to aid decision making on priorities in the period.
- The assurance process includes review and challenge by our financial auditor, Deloitte, and our technical auditor, AtkinsRéalis. We have reviewed and actioned all findings from these assurance processes, taking action to ensure that any exceptions and weaknesses in the assurance approaches have been addressed.
- We have worked with the Yorkshire Forum for Water Customers, and listened to customer's feedback, to ensure we meet our ambitions for a document that is accessible for customer's.
- The Board has utilised specific individual Directors to support the activities required in this area. The Chief Financial Officer and the Director of Strategy and Regulation have accountability for the development, assurance and publication of the various regulatory and financial submissions at the end of the reporting year. They ensure appropriate resources are in place to deliver the requirements to an appropriate standard and review and challenge compliance with the requirements.

- The Board uses the Business Investment Committee to consider the AMP7 funding strategy, in relation to the funding position and priorities for this regulatory period.
- Performance in matters relating to social purpose and public accountability are regularly reviewed by the Public Value Committee on behalf of the Board.
- The Audit and Risk Committee monitors the effectiveness of Yorkshire Water's enterprise risk management process as well as the effectiveness and operation of Yorkshire Water's system of internal control on behalf of the Board. More information on this is included in the signed Risk and Compliance Statement.
- The Board uses the Audit and Risk Committee to support key assurance activities for regulatory reporting. This Committee takes an active role in engaging with and challenging the assurance approaches in place. It has reviewed the procurement process of external auditors, the effectiveness and independence of the external auditor, the integrity of external reporting, including significant areas of judgement, the new regulatory reporting assurance framework for AMP7 and the proposed assurance plans in place.
- The Audit and Risk Committee has reviewed the integrity of the regulatory reporting process relating to the APR and other regulatory submissions.
- The outputs from the completed assurance processes have been reviewed and challenged by the Audit and Risk Committee. The Committee has satisfied itself that the approaches taken have appropriately identified and addressed any risks to the provision of accurate and complete data and information in particular areas. The independent external assurance providers, AtkinsRéalis, and the external financial auditors, Deloitte, independently reported their findings to the Audit and Risk Committee in July 2024.

Exceptions and Weaknesses

The Board has taken action to ensure that any exceptions and weaknesses in the assurance approaches have been addressed. As detailed above, the Audit and Risk Committee has been involved in the development and continued challenge of the assurance approach. The Audit and Risk Committee is responsible for the integrity of the content of those regulatory submissions for which Board approval is required by Ofwat. New submissions and Board requirements, or amendments to the assurance process, are reviewed, discussed, and approved in advance of submissions. Regulatory submissions are owned at an individual Director level, with the Audit and Risk Committee and Board all being engaged throughout the process, enabling them to test and challenge the progress, risks, mitigations, assurance approach and the Board statements themselves prior to approval and publication.

The key assurance findings from the APR 2023/2024 end of year audits have been independently reported to the Audit and Risk Committee, allowing the Audit and Risk Committee and the Board to challenge further where necessary.

The Risk and Compliance Statement provides more information on any exceptions that have been identified during 2023/2024 to achieving our regulatory obligations. All exceptions and departures, regardless of materiality, are reviewed and scrutinised before they are endorsed by Board prior to publication. In summary, the exceptions identified are as follows:

- Water Industry Act: maintain maps of their sewers.
- Planning Conditions – Town and Country Planning Act 1990: conformity with a planning condition attached to previously granted consents.
- YW Instrument of Appointment Licence condition L – Underground asset management plans: now satisfied through other obligations.
- Environmental Permitting Regulations 2016: conditions of environmental permits
- Performance commitments: We have met or exceeded 21 of our 44 performance commitments that have targets for 2023/2024.

For more information on these exceptions, please see the Risk and Compliance Statement yorkshirewater.com/about-us/reports/

Statement

The Company is required by the terms of the Instrument of Appointment to prepare regulatory accounts for each financial year in accordance with Condition F of the Instrument of Appointment and the Regulatory Accounting Guidelines. In preparing the regulatory accounts, the Board ensures, through all the measures detailed earlier within this statement, that appropriate accounting policies have been adopted and applied consistently, that applicable standards have been followed and that reasonable and prudent judgements and estimates have been made.

The Board confirms that the APR sets out how the regulatory accounting statements have been completed in accordance with the Regulatory Accounting Guidelines.

The Board of Yorkshire Water is accountable for the quality and transparency of the information provided within this report. Following reasonable and relevant enquiries the Board is satisfied that there are appropriate controls and assurance processes in place and that key risks identified have been responded to, regarding the provision of accurate and complete data and information.

Approval

The Audit and Risk Committee reviewed the processes and approach to delivery of the APR in March 2024. The Audit and Risk Committee then reviewed the completion of the process, including receiving the assurance findings from the independent financial auditor and the independent technical auditor, on 1 July 2024. At these meetings, appropriate enquiries were made on the executive team and the relevant experienced members of staff involved in delivering the APR, in particular the Director of Strategy and Regulation and also the independent financial auditor and the independent technical auditor. In between these meetings, the Board members were provided with versions of the developing report and have been able to review and provide comment.

Following feedback from the Audit and Risk Committee and having made reasonable and relevant enquiries, the Board considers that there are appropriate systems, controls and assurance processes in place regarding the information contained within report. The Board approved the APR, including the wording of this Board Statement on Accuracy and Completeness of Data and Information, and approved the release of the APR for publication on 1 July 2024.

The Board authorised the Company Secretary to sign this Board Statement on Accuracy and Completeness of Data and Information on behalf of the whole Board.

Signed on behalf of the Board



Kathy Smith
Company Secretary

Board statement on company performance and direction

Over 5 million customers who live in Yorkshire, and the millions of people who visit Yorkshire each year, rely on our services for their basic health and lifestyle. Our water is used to supply 140,000 businesses and non-household customers who provide goods and services that support our economy, not only in Yorkshire, but across the UK and beyond.

This statement shows how our Board sets and reviews our ambitions and targets so that we provide our goods and services to all our customers and stakeholders who depend on Yorkshire Water. Within this statement, we also provide information on the relationship between our financial performance, rewards for our executives and how we deliver our services.

This statement has the following sections:

- How we set our ambitions
- How we monitor performance and make decisions
- How we involve our customers and stakeholders
- How we change and update our commitments
- How we have performed in 2023/2024
- How we balance the relationship between financial performance, rewards for executives and delivering our services.

How we set our ambitions

Our vision is **a thriving Yorkshire, right for our customers and right for the environment**. We want to deliver safe, clean, drinking water, take away and treat wastewater, maintain essential assets and all the while providing exceptional service to our customers 24/7, 365 days a year.

The water industry works in five-year asset management periods (AMPs). One of the main aspects of the regulatory framework that supports this five-year planning cycle is called the 'price review'. The price review process sets the prices we charge, investment we make and services we provide to customers in each AMP, set in consultation with our customers and Ofwat, our industry regulator, who provides the final sign-off of our plan.

In 2018, we published our plan for AMP7 to set out how we proposed to maintain and improve water and wastewater services in Yorkshire, ensure resilience and sustainability for the short and long-term; at a fair and affordable price to customers in their water bills. We built our plan after engaging with our customers and regulators to understand their priorities. We used the feedback we received to define our goals and to develop measures that would support these goals. AMP7 covers the period from April 2020 to March 2025.

Our promises to you over the five years of AMP7 are defined through our performance commitments. There are 44 performance commitments in AMP7. This annual performance report provides performance in the fourth year of this AMP7 period.

In October 2023 we published our PR24 Business Plan, including priority areas of investment. This covers the period from April 2025 to March 2030. The Board was closely involved in the development of the £7.8bn plan and we believe it provides ambitious, but deliverable, levels of investment across our region. Our Business Plan, which is supported by our customers, is focused on areas of particular importance to both customers and stakeholders, as well as the investment required to meet our legal and regulatory obligations. If approved by Ofwat, our economic regulator, our Business Plan will deliver wider environmental and social benefits for the Yorkshire region with £8 of benefit generated for every £1 we invest. Ofwat is currently considering the plans from all water companies across England and Wales and will provide us with its draft determination on 11 July 2024.

As well as delivering against our regulatory performance commitment targets, we must meet a range of legal obligations, and broader duties to customers, to the environment and other stakeholders. You can find more details of how we identify these requirements, and manage the risks of keeping to them, in our Risk and Compliance Statement yorkshirewater.com/about-us/reports/

Our business planning process was accompanied by the development and launch of a new customer supported corporate strategy last year. The strategy contains a clear vision for our company, which is **a thriving Yorkshire, right for our customers and right for the environment**. As the water and sewerage company for Yorkshire, the services we provide have a significant impact on our county and we want to help ensure Yorkshire thrives, both now and into the future, with services that are right for our customers and right for the environment. Our strategy remains unchanged and has influenced our thinking and decision-making throughout the year.

A thriving Yorkshire means we invest in infrastructure, create jobs and support skills development and education, working in partnership with other organisations across the region.

Right for our customers means:

- Quality drinking water that tastes great
- Bills that everyone can afford
- An easy and reliable service that's tailored to customers' individual needs.

And right for the environment means:

- Keeping wastewater in the pipes to reduce pollution
- Protecting our precious water resources by reducing consumption and leakage
- Eliminating carbon from our business to achieve net zero.

You can read more about our strategy within our Annual Report and Financial Statement, published on yorkshirewater.com/about-us/reports/

How we monitor our performance and make decisions

There has been one change to the Board during 2023/2024. In November, Scott Auty, one of our investor directors stepped down from the Board after six years of service. He was replaced by Isabelle Caumette, who has been working with Yorkshire Water for many years and therefore brings with her much experience of the sector.

The Board makes all decisions with a view to ensuring positive results for our customers, delivered in a sustainable manner. We have already mentioned our ten-year strategy, which provides the pathway and vision for all our decision making. In October 2023, we also published a long term strategy delivery statement alongside our PR24 business plan.

The Board had six scheduled Board meetings in 2023/2024, with one additional ad-hoc meeting held to make a final decision on the PR24 submission to Ofwat. At each scheduled meeting, the Board considers health and safety, financial and non-financial performance, including past and expected future performance.

To ensure that all Board members stay up to date, they receive a full monthly company report. This consists of an update on our financial and operational performance, how our employees are getting on, our impacts on customers and the environment, and a summary of how we are keeping to our standards and following health and safety guidelines. We do this whether or not a Board meeting is scheduled.

The Board meets both formally and informally with senior management across the business, gaining insight into the day-to-day operations and the main risks and opportunities facing each part of the business. Members of the Executive Team and senior managers are regularly invited to attend meetings with the Board to share information and to give the non-executive Board members regular direct access to the senior management team.

There is a schedule of matters reserved for the Board which sets out the specific matters that must be referred to the Board for approval. These include matters relating to the structure of the company, our policy on dealing with dividends, significant issues to do with regulations and press releases, along with significant operational matters.

In 2019 the Board created a Colleague Engagement Forum, which continued to meet regularly throughout the year. At least one non-executive Board member attends each meeting and minutes from the meetings are circulated to all Board members for information.

Forum members are free to raise any matters at the Forum and key topics on which the Board would like to receive feedback are also included on the agenda for each meeting.

There is also a colleague engagement survey which seeks to understand the views of colleagues across multiple topics. The feedback from our survey is shared with the Board for information, to give the Board a clear understanding of our colleague sentiment.

The Board also meets colleagues through site visits, at both operational and office locations across Yorkshire, and has met with trade union representatives during the year to hear first-hand from colleagues on their experience of working for Yorkshire Water.

Decision making will inevitably involve some trade-off to make sure we take a fair and reasoned approach to delivering our services. To help us with our decision making, we use the six capitals concept to shape our investment choices and better understand the impacts of our activities. The six capitals are shown below:

1. Financial capital – our financial health and efficiency
2. Manufactured capital – our pipes, treatment works, offices and information technology (IT)
3. Natural capital – the materials and services we rely on from the environment, for example water
4. Human capital – our colleagues’ capabilities and wellbeing
5. Intellectual capital – our knowledge, processes, innovations and strategic partnerships
6. Social capital – our relationships, trust and contribution to wider society.

Our decision-making is improved by considering the positive and negative impacts and trade-offs between all six capitals. This helps us take a more holistic approach to decision making and investment choices, provides a rich understanding of business risks and opportunities, and ultimately ensures we deliver sustainable long-term value for our customers and other stakeholders.

'Our Contribution to Yorkshire' report was published in September 2023 and covers the 2022/2023 reporting year. This report assesses the outputs and impacts, both public and private, created by Yorkshire Water's business activities during the 2022/2023 financial year. In addition to the public health benefits created through the provision of our core water and sanitation services, the report also captures the additional benefits we create through our other activities. Our assessment highlights areas of strong and improving performance over the past year, as well as other areas where further action is needed to improve our performance. The report is available at yorkshirewater.com/capitals

Beyond our six capitals approach to decision making, we also consider the dynamic, external environment in which we operate.

We actively horizon scan, through a systematic process. The purpose is to identify, assess and provide insight into external, high materiality, emerging and enduring trends.

These trends present potential threats and opportunities that could impact the business.

Our horizon scan has three objectives to enable informed decision-making and ultimately, future business readiness:

- Drive the external focus of the organisation,
- Set the context for opportunities and development of strategy, and
- Inform the company of external risks that may need to be managed through our existing risk processes.

This is an annual process which has matured each year to suit business needs. At the 2024 horizon scan, we have further grown our subject matter expert network and actively involved them in a series of collaborative workshops; to identify, challenge and prioritise the trends. This has been supplemented for the first time with customer and stakeholder research, to understand their views and considers the 'right for customers, right for the environment' tenets of our corporate strategy.

Our horizon scan and recommended actions are shared with the Board and the Audit and Risk Committee. They are also used to inform the company's Annual Report and Financial Statement (ARFS) and the company's Strategic Annual Review. Beyond this, the horizon scan serves multiple purposes to inform:

- Future outlook: to enable Executive and Board engagement and subsequent business planning, including future price reviews.
- Testing existing plans: to stress-test both our strategy, and core future plans (Long Term Delivery Strategy and the Strategic Planning Frameworks). The purpose is to determine if the external trends are reflected in these deliverables and to identify if further business-readiness or strategic planning action is required.
- Informing existing business processes: the horizon scan has been further embedded into other existing business processes, this includes our Policy & Influencing Group for any external advocacy/influencing needs.
- Informing near term operational risk: whilst the horizon scan is strategic, we also have a separate but closely linked Resilience Steering Group. This group considers more immediate term and operational risks to the business and how to manage these. The horizon scan is shared with this group to provide an additional layer of insight.

We will continue to monitor and adapt our approach to horizon scanning, to suit business needs. This includes complementing our existing corporate processes.

How we involve our customers and stakeholders

We have undertaken substantial research and engagement with our household and non-household customers since 2020 to find out what they want and expect from our water and wastewater services. We've had 54,000 quality conversations with our customers in different ways since then, including surveys, focus groups, one-to-one in-depth interviews and online forums – all this insight has helped us shape our PR24 Business Plan that we submitted to Ofwat in October 2023. We have also worked with The Yorkshire Forum for Water Customers, our independent Customer Challenge Group who are experts and representatives from different stakeholder groups, to make sure that our business plan matches the views and interests of our customers and society.

Our customer engagement has happened during a time of economic uncertainty and challenges, after a pandemic followed by a cost-of-living crisis. Many of our customers have faced money problems, mental stress, and less confidence in the future. As a result, they have struggled to engage with our long-term plans and goals, especially those about environmental and climate issues. However, they have also shown their gratitude for our essential services and their support for us to not forget this important work, especially that which is focused on environmental improvement.

Our customers have given us their opinions and feedback on various aspects of our service, such as water quality, supply reliability, affordability, customer service and environmental performance. We have found the following main themes and priorities that our customers want us to deliver, do more of, and continue for the long term:

- **Keep high quality drinking water and security of supply.** Our customers appreciate the quality and safety of the water we supply, and they want us to make sure that there is enough water for now and for the future, without harming the environment or increasing the price.
- **Make our bills affordable and help those who need it** – our customers want bills to be affordable for everyone, in fact, they also are willing to pay more to help those who have difficulty paying their bills, even those who have money problems themselves.
- **Keep wastewater in the pipes** – stop pollution and environmental damage. Our customers care about the effect of our wastewater services on the environment and public health, and they want us to stop sewer flooding, pollution and leaks. They also want us to lower our carbon footprint and use green energy sources.
- **Look after and improve our assets** – our customers want us to take care of our infrastructure and assets, and to invest in making them more resilient and efficient. They also want us to cut down water leakage and waste, and to promote water conservation and efficiency among our customers and ourselves.

We don't see our customer engagement and research as a one-time thing, but as a continuous and changing process. We know that our customers' needs, and expectations may change over time, because of various factors such as technology and economy. In Year 5 of AMP7, our customer research and engagement will help the business provide better service standards to our customers as we ready ourselves for an ambitious AMP8.

We have a Board committee with a focus on the social purpose and public accountability of the organisation. We call this the Public Value Committee. We understand that we provide an essential public service, as well as playing a key role in the health, wellbeing and prosperity of the region. For more information on the Public Value Committee, please see the report in the ARFS yorkshirewater.com/about-us/reports/

Our senior management regularly meets with organisational stakeholders such as councils, Members of Parliament, environmental groups, charities prioritising support for vulnerable customers' and many other groups based in the region. These meetings shape operational decisions as well as feeding into the business planning process.

Working in partnership with Yorkshire

As a major provider of services to the public, we work closely with place-based organisations and partners to maximise our positive impact on the region's environment, economy and social fabric.

Yorkshire Water is the second biggest landowner in Yorkshire and we have known for some time that the management of our landholdings has a significant part to play in climate response and adaptation as well as aiding nature recovery. Realising that anything we can achieve on our own will be magnified by collaboration with other institutional landowners, we regularly speak with other landowners on issues of land change and best practice.

We continue to engage with the Yorkshire Leaders' Board, which has played a significant role in the creation of our PR24 Business Plan. The Leaders' Board brings together the leaders and chief executives of Yorkshire's local and mayoral authorities, so this engagement delivers on the aspiration of the National Infrastructure Strategy for regional elected bodies to help set the priorities for water utilities. The Leaders Board recognises that investment in our network is a really important enabler for the growth ambitions of local authorities, particularly with regards to house building. Prior to the submission of our PR24 Business Plan in October 2023, the Yorkshire Leaders Board submitted a letter supporting specific areas of investment in the plan.

The Living with Water partnership has matured significantly over the period of AMP7 with dedication from all partners to ensure the vision, objectives and goals of the partnership are met. The AMP7 investment programme has benefited hugely from the advance in partnership relations and a series of model improvements and improved technical understanding. The partnership is now aligning programmes beyond water management and looking at opportunities to merge housing, highways and other regeneration projects with surface water management, all of which is visible now through the specific projects and outputs that the Living With Water partnership has delivered across 2023.

The Living with Water partners have developed a city water resilience approach and a joint blue green vision for the city which will be the framework within which future flood resilience investment will be delivered. In addition to investing in flood resilience infrastructure, the partnership focusses on improving resilience through education; community engagement and co-creation; and the effective planning for and responding to extreme weather incidents.

In 2023, we continued to play a leading role in developing the maturity of the Connected by Water partnership, working in partnership with four local authorities – Barnsley, Doncaster, Rotherham and Sheffield – as well as the South Yorkshire Mayoral Combined Authority and Environment Agency. Together, our South Yorkshire alliance is addressing the challenges and opportunities of flood risk, increasing the resilience of our communities, and improving the built and natural environment.

The flooding in November 2019 provided the catalyst for the creation of the alliance and our first Action Plan, with a joint commitment that resilience to flooding needed to be managed on a catchment wide basis with a single strategic plan and aligned investment from all the partners.

The Connected by Water team have created a vision and road map for the way that the Partnership will operate into the future. In addition to some of the shorter term projects being delivered, this has enabled the Partnership to secure external investment for new roles, in order to provide additional focus on delivering the ambitious objectives.

Relationships are being formed with other local authorities across the region about how we can replicate our partnership models to deploy mutually beneficial approaches more broadly across the region.

How we change and update our commitments

In October 2023 we published our PR24 Business Plan, including priority areas of investment. This covers the period from April 2025 to March 2030.

Whilst much of our Business Plan was based on statutory requirements and guidance from regulators, our plan is supported by our customers, following extensive engagement with customers and stakeholders to understand their priorities for our region. This included over 54,000 individual conversations with customers.

Our Business Plan detailed £7.8bn of investment across the region to accelerate performance improvements and build future resilience, including £3.1bn of investment in secure, safe clean water supplies, a £4.3bn investment in improving the natural environment, and a further £446m allocated to deliver first-class customer service.

When creating the plan, we have been conscious that much of the investment between 2025 and 2030 will ultimately be funded through customer bills. Our plan includes additional support to customers who may struggle with their bills. We are putting in place our largest ever package of financial support to customers who will struggle to afford their bill, with £250m worth of targeted bill reductions by 31 March 2030.

Given the rising expectations from customers, stakeholders and Government for increased investment, we are hopeful that our plan will be approved by Ofwat. We anticipate that the delivery of the plan will provide employment for more than 10,000 people across Yorkshire.

We have yet to receive Ofwat's Draft Determination, after which there will be a consultation period prior to receiving the Final Determination before Christmas 2024.

Although we set our regulatory performance commitments using a five-year cycle, our customers' needs and priorities can change. We need to review and respond to these changes, working within our regulatory framework.

How we have performed in 2023/2024

In 2023/2024, we met 21 of our performance commitments. You can find more information on our performance against performance commitments within [Section 3](#) of the Annual Performance Report.

We and the other water companies in England and Wales provide information to a central hub so you can compare how we are performing against each other and how the water industry compares with other sectors. Visit discoverwater.co.uk to find the latest information on water quality, environmental performance, customer service and water bills.

Yorkshire Water is committed to working with the rest of the industry and our regulators to open up access to our data in a standardised and accessible way. We are an active part of an industry open data initiative called STREAM, where together with others from the industry, we are moving to make more of our data available to stakeholders.

How we balance the relationship between financial performance, rewards for executives and delivering our services

We believe in the importance of being open and transparent about paying our directors and we try to make sure we pay our directors fairly in relation to their experience, their performance, the demands and complexity of their role and the experience our customers have. We strive to ensure the reward received by our directors is market competitive, consistent, simple, value based and balanced, as well as ensuring it is reflective of the pay and employment conditions across the rest of the business and in the communities we serve. We want to ensure we remunerate fairly; we are able to attract and retain the right calibre of talent; and we want to ensure the reward structure drives the right behaviours, appropriately rewarding strong performance whilst not rewarding poor performance.

Our Yorkshire Water Remuneration Committee operates entirely independently from our executive directors and has always operated in accordance with best practice. The Committee takes into account not just the formulaic outcome of the variable pay scheme that we have in place, but also the performance of the company in the round when making its decisions on the appropriate level of pay each year. This has included performance against all of our Performance Commitments, financial resilience, reputational issues, compliance issues and any other overall performance considerations in the year.

You can find full details of our directors' pay in our Directors' Remuneration Report, which is published in our ARFS yorkshirewater.com/about-us/reports/

Statement approval

The Board approved this statement on 01 July 2024. The Board authorised the Company Secretary to sign this statement on behalf of the whole Board.

Signed on behalf of the Board



Kathy Smith
Company Secretary

3. How we're progressing with our performance commitments

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Links to more information

We've provided more information on our performance than ever before. Click on the links below to view our other publications and webpages on our performance.

Want to see the Ofwat performance tables?

Go to [Table 3](#) in this APR

Want a summary of our performance?

Visit yorkshirewater.com/reports/ to view our Performance Summary report

Want to know more about how we assure our information?

Visit yorkshirewater.com/reports/ to view our Assurance Plan

Want to see how we've performed on our performance commitments throughout the year?

Visit yorkshirewater.com/about-us/our-performance/ for more information

Visit yorkshirewater.com/about-us/yorkshire-forum-for-water-customers/ to see the Yorkshire Forum for Water Customers independent report on our performance

Want to know how our performance compares with other water companies?

Visit discoverwater.co.uk to view the Discover Water website

Our assurance process

Assurance is the process we use to make sure the work that we do and the information we provide is correct and trustworthy. We use it to identify any potential errors, make improvements and monitor the ways we work. It's important to us that our customers and stakeholders can trust the quality of the information we publish.

To make sure our information is accurate and you can trust what we publish, we use a way of working called the three levels of assurance. This is a process for checking our activities and information. It's our methodology. This is a comprehensive approach which uses layers of assurance that are effective in identifying where things can be improved. This also gives us consistency across our work and, combined with a comprehensive risk assessment, we can apply the right amount of assurance at the right time.

Level 1

The first checks take place when the people doing the work check what they have done is correct. These checks can be during or after what they are doing.

Level 2

Teams specifically in place to carry out checks make sure that the work carried out is correct and support level 1 to do so. They also do risk assessments, check we are working within provided guidance and write reports for the Board to evidence their work.

Level 3

Internal Audit and our external assurance providers check the overall processes and output to make sure we are compliant, we have identified all risks and undertake plans for improvement. They report directly to the Board.

The Audit and Risk Committee

The assurance process is overseen and approved by this committee.

The Board

The outcome of our audits are presented to the Board and they approve the information that we report.

Stakeholders

We ask our customers to give us feedback and our regulator, Ofwat, also assesses the information that we provide.

Our assurance plan for the annual performance report

We have specific assurance processes in place to make sure that the data within our APR is accurate. The steps within the process are detailed below.

1: Planning

We review the guidance available to understand what is required within the new APR and to review what our customers, regulators and other interested parties want from the APR. We put a plan in place to make sure we can deliver what is required by the publication deadline.

2: Risk Assessment

When we make our plans for assurance, we know that different information may require different amounts of assurance. We risk assess all data to identify which processes produce the data which may be higher risk. Higher risk processes are those which have a greater likelihood that something could deviate from what was planned which may affect what we report if it does.

We use this information to create a risk-based assurance plan. A risk-based assurance plan helps us target our assurance to these high-risk areas of reported information and focus on improvements that are in our customers' best interests.

3: Developing and completing our assurance

We have specific activities that take place within our three lines of assurance to make sure that our data is complete and accurate. We have detailed these steps on the next page.

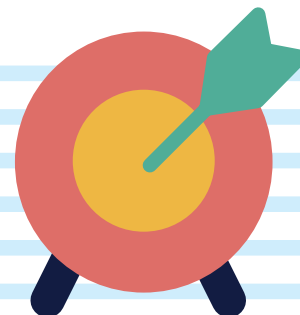
4: Approval and publication

We present the outcomes of our assurance to our Audit and Risk Committee who then report to our Board. The Board is accountable for the quality of the information that we publish. It owns and approves the information within our APR. If the Board is satisfied that processes have been followed and any findings from assurance have been appropriately actioned, it will give approval for our APR to be published. You can read more about the assurance the Board provide in the Board Statement of Accuracy and Completeness of Data and Information in [Section 2](#) of this APR.

5: Review

When we have published our APR we look back over the assurance process that we applied to understand what we could improve. We gather feedback internally, from customers and other stakeholders, and we review what could have gone better to create an improvement plan which we implement within our next risk-based assurance plan.

Our data improvement plans



Our external auditors, AtkinsRéalis, identified some areas where we could improve and develop our reporting. These areas received amber ratings to reflect this. We've listed these areas below, together with our plans for improvement. Some of the areas we need to target are under review to understand the best actions to take.

Performance Commitment	Improvement identified	Plan
Per capita consumption	There is an underlying concern about the accuracy of customer meters and in particular, newer domestic meters which have 5-6% meter under-registration (MUR) compared with 2-3% for older meters. This could in the longer term have an impact on the Domestic Consumption Monitor, from which PCC is derived.	The risk has been noted and we will work with our colleagues across procurement and operational areas of the business to ensure we have a full understanding of the impact this could have on future reporting. A company position on this risk will be obtained and fed into the future audit process.
Low pressure	There are opportunities for improvement to reporting and resolution of issues. In the field there are 20-25% of properties not covered by a logger in Netbase.	We will undertake a training programme for Analysts to improve the quality of reporting and reduce the time taken to resolve issues. We will continue to increase logger coverage, building on Year 4 improvements made.
Sewer collapses	There is a need for further evidence to support confidence around the inclusion of collapses also reported as flooding or pollution failures.	We are integrating pollution, sewer flooding and sewer collapse reporting responsibilities to strengthen our confidence in reporting in this area.
Surface water management	There is an opportunity to improve the data collected.	Through our Partnership Steering Group we will ensure future projects scope includes an understanding of outputs to further support our reporting requirements.
Living with Water	Through the assurance processes in place and following challenge from our auditors, we have identified inconsistencies in the language for the definition of our reputational gateway within the performance commitment definition.	We will engage with Ofwat to ensure there is alignment with the definition of the reputational gateway and the PR19 redetermination as provided for by the Competition and Markets Authority.

Data item	Improvement identified	Plan
Household complaints	A robust sample of checks have been carried out and this has shown areas for improvement in the recording of complaints, particularly those with the origin of operational telephone calls. We are confident that we are reporting in line with the guidance, although the results of our checks have indicated that the confidence in our reporting may be outside of the +/-10% that we strive for, and is likely to be around +/- 14%.	We will create an enhanced approach for internal checks and complete additional training, enhancing the feedback loop where errors are identified. A new customer relationship management system is being developed, which offers opportunities to significantly improve customer management and reporting controls.
Population (Water and Wastewater)	Atkins challenged our approach, whereby property data is used as a starting point to derive the population.	Over the next year, we are going to further investigate population, and review data to decide if we can improve our current process or to use an external provider for AMP8.
Large STWs, volume of trade effluent and loads received	There is a potential impact on the classification of works within bands and the loads being received.	The procedure will be updated to include recognition of expectational items in year.

Introduction to our performance commitments

Our business plan for the 2020–2025 period (known as AMP7) puts our customers at the heart of everything we do.

We engaged with 30,000 customers, and the Yorkshire Forum for Water Customers (an independent Forum which supports Yorkshire Water to manage its business in the best interests of its customers), to understand individual lifestyles and how they shape what customers want, need and expect from us. We listened to customers' aspirations for us and we developed a plan for 2020–2025 that puts excellent and efficient service front and centre of our ambitions.

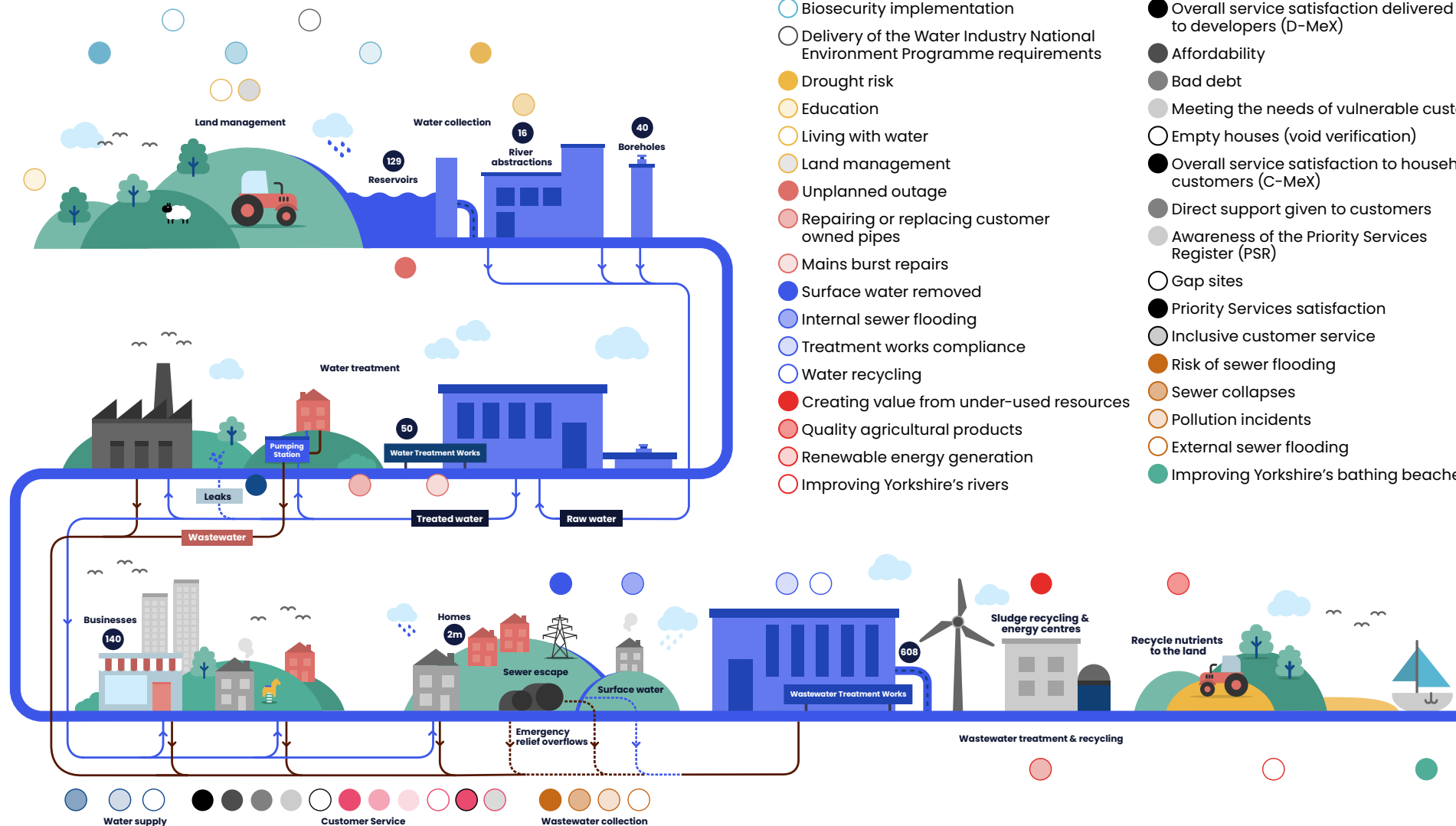
In response to customer feedback, we developed a package of 44 performance commitments for AMP7 which align with our ambitions and challenge us to change the way we work to meet both customers' expectations and the complex long-term challenges that we face as a business.

The diagram on the next page shows how these 44 performance commitments cover every aspect of what we do, from water source to sea.

We engaged with 30,000 customers to develop our priorities for 2020–2025.



Our source to sea operation



Key to our performance commitments

- Reducing our carbon footprint (x2)
- Leakage
- Integrated Catchment Management
- Water usage (per capita consumption)
- Land conserved and enhanced
- Water supply (x3)
- Solutions delivered by working with others
- Drinking water quality (x2)
- Biosecurity implementation
- Overall service satisfaction delivered to developers (D-MeX)
- Delivery of the Water Industry National Environment Programme requirements
- Affordability
- Drought risk
- Bad debt
- Education
- Meeting the needs of vulnerable customers
- Living with water
- Empty houses (void verification)
- Land management
- Overall service satisfaction to household customers (C-MeX)
- Unplanned outage
- Direct support given to customers
- Repairing or replacing customer owned pipes
- Awareness of the Priority Services Register (PSR)
- Mains burst repairs
- Gap sites
- Surface water removed
- Priority Services satisfaction
- Internal sewer flooding
- Inclusive customer service
- Treatment works compliance
- Risk of sewer flooding
- Water recycling
- Sewer collapses
- Creating value from under-used resources
- Quality agricultural products
- Renewable energy generation
- Pollution incidents
- Improving Yorkshire's rivers
- External sewer flooding
- Improving Yorkshire's bathing beaches



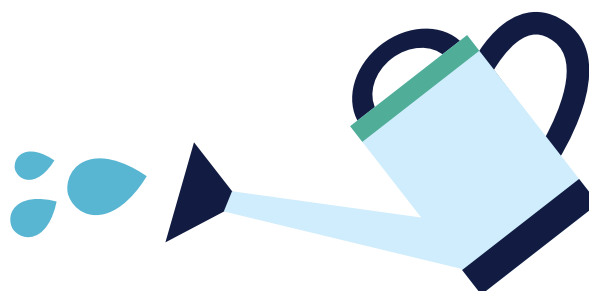
Outperformance and underperformance

Some of our performance commitments have been identified as being of greater importance to our customers or our Regulator. To reflect this importance, some of the performance commitments have Outcome Delivery Incentives (ODIs) attached to them.

ODIs are financial rewards and penalties that are triggered by hitting set performance commitment targets. The targets are designed to challenge us to improve the levels of service provided to our customers and often become more challenging each year.

This means that, for some performance commitments, if we fall short and don't hit our targets, we will receive a financial penalty. If we were able to deliver more, we may receive a financial reward. Some ODIs are penalty only, meaning if we do not perform as expected we will receive a penalty, but there is no reward if we outperform.

Not all our performance commitments have financial incentives, some have only reputational incentives. Although performance commitments with a reputational incentive don't offer a reward or penalty, how we perform can affect how we are seen as a company, making them just as important.



Comparing our performance

All water companies have their own set of performance commitments which have been individually developed to meet the needs and concerns of each company's customers. This can make it difficult to compare performance across different water companies, even similar sounding performance commitments can have different definitions.

Yorkshire Water have 44 performance commitments in total. 15 of these are shared across the water industry, known as common performance commitments. We talk about our common performance commitments on [page 54](#) onwards.

Discover Water

Discover Water (discoverwater.co.uk) was launched in 2016 to bring key water company information together in one place for customers. The dashboard provided by Discover Water is a clear and simple source for trustworthy and factual information including how companies are performing against each other in key areas.

Ofwat

Ofwat publish a '**Monitoring financial resilience**' report each year using the information published by water companies in their Annual Performance Reports. The report compares the financial resilience and performance of the water industry. ofwat.gov.uk/regulated-companies/resilience-in-the-round/monitoring-financial-resilience/

Ofwat also publish a **Water Company Performance Report** annually in December. They assess the performance of water companies and rank them in various areas including pollution, water supply interruptions and leakage. ofwat.gov.uk/publication/water-company-performance-report-2022-23/

**Yorkshire
Water have
44 performance
commitments
in total**

How did we perform against our performance commitments?

Overall we achieved 21 of our performance commitments this year. The table below gives an overview of each performance commitment, the target, and our actual performance for this year. Over the next few pages we explain in more detail what went well and what we need to improve.

Performance commitment	Unit (how it's measured)	Target	Performance (how we did)	Pass or fail	Reward or Penalty
Water quality compliance (CRI)	Numerical CRI score, reported to two decimal places.	0.00	9.27	✗	£9.526m Penalty
Water supply interruptions	Hours:minutes:seconds (HH:MM:SS) of water supply lost per property per year.	00:05:23	00:10:35	✗	£6.395m Penalty
Leakage	Percentage reduction of leakage from 2019/2020 baseline.	11.70%	12.70%	✓	£431k Reward
Per capita consumption	Percentage reduction of measured water usage, per person, per day, from 2019/2020 baseline.	8.3%	1.0%	✗	£2.065m Penalty
Mains repairs	Number of repairs per 1,000 km of mains.	178.4	175.3	✓	n/a
Unplanned outage	Percentage of peak week production capacity.	3.03%	2.95%	✓	n/a
Risk of severe restrictions in a drought	Percentage of the customer population at risk of experiencing severe restrictions in a 1-in-200 year drought, on average, over 25 years.	0.0	4.0%	✗	n/a

Performance commitment	Unit (how it's measured)	Target	Performance (how we did)	Pass or fail	Reward or Penalty
Priority services for customers in vulnerable circumstances (in order to meet this performance commitment overall, all three sub measures must be met)	Priority Services Register (PSR) reach: percentage of households that the company supplies with water and/or wastewater services that are registered on the company's PSR;	9.1%	9.2%	✓	n/a
	Attempted contacts: percentage of distinct households on the PSR that the company has actually contacted over a two-year period.	90.0%	107.0%	✓	n/a
	Actual contacts: percentage of distinct households on the PSR that the company has attempted to contact over a two-year period;	35.0%	34.1%	✗	n/a
Internal sewer flooding	Number of internal flooding incidents per 10,000 sewer connections.	1.44	2.78	✗	£11.303m Penalty
Pollution incidents	Number of pollution incidents per 10,000 km of the wastewater network.	22.40	26.21	✗	£2.614m Penalty
Risk of sewer flooding in a storm	Percentage of population at risk from internal hydraulic flooding from a 1 in 50-year storm.	22.20%	5.68%	✓	n/a
Sewer collapses	Number of collapses per 1,000 km of sewer network.	16.11	12.37	✓	n/a
Treatment works compliance	Percentage compliance of our treatment works.	100.00%	99.68%	✗	n/a
C-MeX	Customer service level of service scoring out of 100.	n/a	76.54	✓	n/a
D-MeX	Developer services level of service scoring out of 100.	n/a	83.60	✗	£1.049m Penalty
Working with others	Number of projects completed to 31 March 2024.	30	32	✓	n/a
Land conserved and enhanced	Number of hectares of land conserved or enhanced by land management and biodiversity activities to 31 March 2024.	12,191	11,045	✗	n/a

Performance commitment	Unit (how it's measured)	Target	Performance (how we did)	Pass or fail	Reward or Penalty
Integrated catchment management	Percentage of catchments with the 'Natural Capital Operator' approach implemented with stakeholders to 31 March 2024.	2.6	0	✗	n/a
Length of river improved	Cumulative length of river improved in kilometres to March 2024.	69.7	117.92	✓	n/a
Biosecurity implementation	Cumulative number of pathways where company biosecurity interventions have reduced the risk of that invasive species spread to 31 March 2024.	9	6	✗	n/a
Operational carbon	The percentage reduction in real terms of net operational carbon equivalent emissions from the 2019/2020 baseline.	9.6%	-177.3%	✗	£2.738m Penalty
Capital carbon and carbon arising from owned land	Percentage reduction in capital carbon emissions and carbon emissions arising from land the company owns.	n/a	21.1%	✗	n/a
Education	Number of learning hours that Yorkshire Water provides to raise understanding of the value of water.	20,000	29,203	✓	n/a
Creating value from waste	The cumulative value the company creates from resources currently under-used or classified as waste (£m) to 31 March 2024.	20	281	✓	n/a
Water recycling	The volume of water recycled in the company's treatment sites in megalitres per day (Ml/d).	6.04	0	✗	£89k Penalty
Affordability of bills	Percentage of customers who give positive responses to independent survey.	84%	78%	✗	n/a
Direct support given to customers	The number of residential customers who receive financial support through one of the company's approved schemes each year.	79,000	124,396	✓	n/a

Performance commitment	Unit (how it's measured)	Target	Performance (how we did)	Pass or fail	Reward or Penalty
Cost of bad debt	Percentage of the annual bill which represents the cost of unrecovered residential customers' bills ('bad debt').	3.61%	3.39%	✓	n/a
Priority services awareness	Percentage of household customers who state, when questioned, that they are aware of the additional services offered by the Priority Services Register (PSR).	62%	50%	✗	n/a
Priority services satisfaction	Percentage of residential customers on the Priority Services Register who are satisfied with their experience of the Priority Services Register.	92%	81%	✗	n/a
Inclusive customer service	Percentage improvement in the services provided to customers on the company's Priority Services Register (PSR).	16%	24%	✓	n/a
Gap sites	Percentage of gap sites brought into billing within 12 months of identification.	90%	99%	✓	n/a
Managing void properties	Percentage of household served which are classified as void.	3.98%	3.66%	✓	£1.157m Reward
Drinking water contacts	Number of times the company is contacted by consumers due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 10,000 population.	8.9	8.9	✓	n/a
Significant water supply events	Number of supply interruption events lasting for a duration of 12 hours or longer.	12	18	✗	£1.590m Penalty
Low pressure	Number of properties receiving or at risk of receiving pressure below the low pressure reference level.	12	10	✓	n/a
Repairing or replacing customer pipes	Number of residential supply pipe repairs and renewals carried out by the company each year for no charge.	7,687	4,576	✗	£1.397m Penalty

Performance commitment	Unit (how it's measured)	Target	Performance (how we did)	Pass or fail	Reward or Penalty
External sewer flooding	Number of external sewer flooding incidents per year.	6,053	5,873	✓	£1.422m Reward
Bathing water quality	Number of designated bathing waters which exceed the European Union Bathing Water Directive requirements.	18	16	✗	£2.470m Penalty
Surface water management	The cumulative number of hectares (Ha) of surface water run-off removed or reduced to 31 March 2024.	10	8	✗	£10k Penalty
Quality agricultural products	Percentage of biosolids sent to agricultural land that achieves Biosolids Assurance Scheme (BAS) certification.	100%	100%	✓	n/a
Renewable energy generation	The gigawatt-hours of energy generated from the biogas the company produces.	290	297	✓	n/a
Delivery of water industry national environment programme (WINEP) requirements	Number of required schemes completed each year, as per the latest WINEP programme published by DEFRA.	MET	MET	✓	n/a
Living with water	Amount of money (£m) invested into reducing the risk of internal flooding in the areas of Hull and Haltemprice.	n/a	9.617	n/a	n/a

Common Performance Commitments

This section sets out the detail of each of the 15 common performance commitments which Ofwat has put in place for AMP7. This means that our performance can be benchmarked against other water companies across some of the key services that we provide to customers.

We explain where you can find comparative performance on [page 48 'Comparing our performance'](#).

In this section we explain the 15 common performance commitments, and how we've performed against them. We also let you know what we have learned and how we will maintain or improve our performance going forward.

Each year Ofwat publishes an annual review of water company performance. Last year seven companies in the sector, including Yorkshire Water, were deemed to be 'lagging', while none of the companies were ranked as 'leading'.

We know that to be classified as 'lagging' is simply not good enough and we are working hard to improve our performance as best we can.

Whilst we met the stretching targets set by Ofwat in a number of areas, there are a areas where we are failing to meet the expectations of Ofwat and failing to deliver the service expected by our customers, including customer satisfaction, water supply interruptions, sewer flooding and in relation to our Priority Services Register.

We have a plan in place (named our Service Commitment Plan) to improve our performance. We have published this on our website and have shared this with Ofwat. We meet with Ofwat each quarter to provide them an update on our progress. We have already made considerable progress in some areas, but in others we still have more to do. We have identified a number of actions in our plan that will help improve our performance. This section of our Annual Performance Report provides you will more detail on our performance during 2023/2024 for the measures included in our Service Commitment Plan, which you can read at yorkshirewater.com/about-us/reports/



Water quality compliance (CRI)

Measuring the quality of our water

What is it?

This performance commitment shows how we measure the quality of our water. We test water samples, and the results give us a Compliance Risk Index (CRI) score. A lower score is better, and our score increases with each quality failure at all points in our water supply system.

Why is it important?

We want our customers to trust that the water we supply is clean, safe to drink and adheres to drinking water quality requirements.

This target is set at an aspirational level because no level of exceedance of water quality standards can be considered acceptable.

Our performance

Water quality compliance is measured on a calendar year basis, and 2023 was an extremely challenging year for performance.

In common with other companies, the wet weather in late 2023, led to a high number of bacteriological detections, thankfully there was no indication of a health risk to consumers in Yorkshire. The investigation of these detections indicates the likelihood of contamination of our assets due to high ground water levels. As part of the investigation into these detections, we agreed to enter into a new legal instrument to implement improvements at the main impacted site.

Each detection is investigated thoroughly. For Company assets, this will commonly involve taking tanks out of service to facilitate internal inspection. These inspections must be carefully planned. The challenge with this activity was highlighted in Goole in November 2023, where we removed the supplying water tower in order to protect public health, which resulted in a number of bursts and impacted customers in connected pipework.

Data indicated that despite the overall increase in detections of coliforms, there was no increase in the number of detections at customer taps with unconfirmed detections. This demonstrates good evidence of high-quality investigations, and also indicates that customers were protected due to residual chlorine concentrations as maintained by ourselves.

In the first 6 months of 2023, there was also a high number of exceedances of the aesthetic parameter iron. However, no detections of raised iron occurred in the final quarter of the year. This was longest period without iron exceedances on record and may indicate that long term investment to address sediments in mains systems are now delivering for customers.

There were no detections of the pesticide metaldehyde in 2023, which was the first full year since a national product ban had been implemented. In 2012, this chemical was found to exceed the standard on 33 occasions.

The Company is investing in new on-line particle counter monitoring equipment at all of its highest risk sites. This equipment will allow much improved assessment of treatment work performance, and is expected to lead to reduced number of failures.

Three long-term investment programmes at water treatment works were completed in 2023/2024, and will provide a more resilient supply at reduced water quality risk. There more sites are due to complete their own improvements in 2024/2025.

Improving water quality compliance is at the core of our water quality ambition and our long-term strategy, although it will take time for our improvements to have an impact. We are forecasting an improvement in our performance in 2024.

How are we performing? Water quality compliance

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0.00	2.34	✘	£0.417m Penalty
2021/2022	0.00	4.76	✘	£3.384m Penalty
2022/2023	0.00	4.61	✘	£3.813m Penalty
2023/2024	0.00	9.27	✘	£9.526m Penalty



Water supply interruptions

Reducing the length of interruptions to your water supply

What is it?

This measures the average time each property is without a water supply for interruptions lasting more than three hours.

We report this in hours, minutes, and seconds.

Why is it important?

We understand how much of an inconvenience it can be to be without water. It's important that we reduce the time that our customers are without supply. This performance commitment drives improvements to the efficiency of restoring supply to our customers after an incident.

Our performance

We did not achieve our target for water supply interruptions this year, and our performance of 00:10:35 showed a deterioration from the previous year. In a modest year for mains repairs, this year has been challenging for water supply interruptions, with proportionally more bursts seen on trunk mains and an increase in the number of large scale, long running events experienced.

Soil moisture deficit during the summer led to a few events, impacting on our performance. The learning we have implemented from previous large winter weather events allowed us to mitigate the impact that the first freeze-thaw event in the winter had on our performance, although we did experience our largest impacting event during this period.

This year, we experienced a large impacting event in Goole, which was one of the most complex and difficult reviews that has been completed since the measure was introduced. Between 27th October and 13th November 2023, 12,700 properties in Goole were affected by problems with water supply and water pressure. The initial issue was caused by a pipe burst affecting a water tower, with multiple subsequent bursts occurring during repressurising of the system.

Overall, throughout a challenging 2023/2024, we experienced 17 large (greater than 10 customer seconds lost) impacting events that accounts for nearly 5 minutes of this year's performance. This is a significant increase on last years large events impact and demonstrates the issues we have seen in the volume of trunk main failures and large impacting events.

Our actions including mains renewal, a change in ways of working and enhancement to our supply restoration techniques should provide an improvement in performance for the final year of AMP7.

Plans are underway to renew/rehabilitate our top five impacting distribution maintenance areas to improve asset failure rates and overall water performance.

There is an ongoing project to ensure all network information is accurate and up to date. This will ensure that the field technicians and engineers have the right information to hand when out in the field to improve decision making. So far 500 schematics have been updated and are available for use with the remainder being work on throughout AMP7.

Visible Valve status updates provide key information of how and when our network and assets have been operated. They are critical for not only incident management, but in the hydraulic review process to create an accurate timeline of events. An IT change project is in delivery to provide critical improvements to this software, including adding 'part open/closed' functionality, expanding capability to capture the use of hydrants, and the option to manually enter the time operated if completing retrospectively to enhance our data capture. This is ongoing and a 'refresher' on the use of the system has been issued to all network operatives.

How are we performing? Water supply interruptions

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	00:06:30	00:07:14	✗	£0.909m Penalty
2021/2022	00:06:08	00:10:38	✗	£5.536m Penalty
2022/2023	00:05:45	00:09:27	✗	£4.551m Penalty
2023/2024	00:05:23	00:10:35	✗	£6.395m Penalty



Leakage

Reducing the water lost from our network as a result of leakage

What is it?

This measures the amount of water lost between our treatment works and our customers' taps.

It reports the percentage reduction of our leakage each year. In our 2019/2020 Annual Performance Report (APR) we reported our total baseline leakage level. This is a three-year average of annual values. It includes an average of 2017/2018, 2018/2019 and 2019/2020 leakage levels and is expressed in megalitres per day (Ml/d). The 2019/2020 baseline total leakage level is 315.3 Ml/d. Our targets represent a percentage reduction of that figure.

Why is it important?

It's important that we utilise all the resources that we have to continue to provide Yorkshire with a reliable supply of water. Reducing leakage means we use our water resources more efficiently and demonstrates the resilience of our network.

Our performance

Reducing leakage is hugely important to us. We have a plan to improve our leakage performance through a combination of initiatives that include; the utilisation of new technology to improve the performance of our assets; increasing our understanding of water use; and improving how quickly and efficiently we find and fix leaks on our water network.

Our total leakage performance for 2023/2024 was 260.0Ml/d, which is a 22.8Ml/d reduction from the 2022/2023 position. Our three-year rolling average performance is calculated as 275.3Ml/d, which is a 12.7% reduction from the 2019/2020 baseline. We had a reduction target of 11.7% from the baseline, so this means we are pleased to report that we have achieved target.

We also met our target in 2022/2023, but due to a challenging year where very dry weather conditions caused our network to fail at an increased rate, the leakage reduction that we achieved was not as much as we had planned. So, we are really pleased with the performance result we can report this year. This has been achieved partly through the weather conditions experienced in the year, but also through increased investment, enabling the delivery of a significant reduction in reported leakages. This included investing in our technology to better understand water use and customer consumption, as well as background and trunk main leakage, to allow us to more accurately identify and report water losses, enabling the easier locating of leaks on our network. We have also invested in network optimisation activity to increase metering and to create more discreet leakage zones that make finding leaks easier.

We have worked in partnership during the year with a number of other companies to utilise the most up to date leakage detection technology and adopt new ways of working to speed up leakage detection. We also changed our repairs and maintenance arrangement with our Service Partners, transitioning to a single partner arrangement. This has enabled us to drive greater efficiency in the contract and to reduce the time it takes to fix leaks detected across the Yorkshire region.

We look at leakage across District Metering Areas (DMAs), trunk mains and service reservoirs. We have seen a 17.8Ml/d reduction in District Metering Areas (DMA) leakage, and a 4.9Ml/d reduction in leakage on the trunk mains from last year. Service reservoir losses remain consistent with last year's performance.

We targeted performance improvements early in the year, giving some headroom against our target and allowed us some resilience to potential challenging weather impacts through the winter months. There were two colder periods in the winter, that did lead to associated breakout at the start of December, and another late January but we recovered from both quickly; finding and fixing leaks efficiently to get leakage under control, protecting performance.

The graphic below shows our daily leakage position throughout the year:

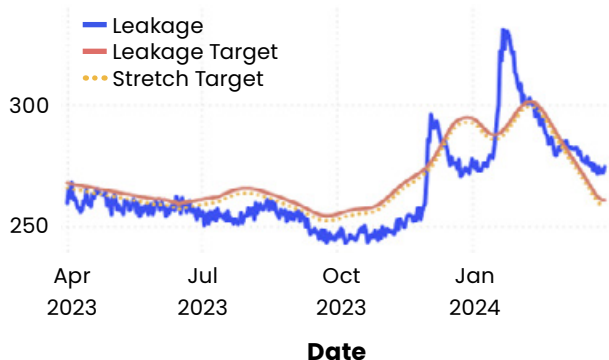
There have been plenty of other success stories, all contributing to our performance throughout 2023/2024:

Household Night Use (HHNU) Model

We continue with our improvements into the consumption elements of the leakage calculations, primarily our ‘Household Night Use Model’.

Implemented in 2022, we continue to refine our approach to calculating HHNU using Fast Logging Analysis completed by Crowders (crowderconsult.com/). We have increased the number of DMAs used in the analysis, and increased representation across some of the ACORN (a geo-demographic segmentation of residential neighbourhoods in the UK) sample groups previously underrepresented. This has been effective in reducing the increase in consumption, which would previously have masked as leakage.

Daily Leakage (MI/d) by Area



Operability

Operability is the measure of the validity of the flow data for a DMA. If a DMA is operable, it is suitable for the leakage calculation to be applied. Through 2023/2024, operability remained at a high level and achieved a year-to-date performance of 92.9%, which is just behind our internal stretch target of 93.5%. This means we only estimate leakage for 7.1% of our DMAs, this is a great achievement and remains a focus area for 2024/2025 and beyond.

Pressure Management

We have been increasing the amount of pressure management in Yorkshire over AMP7, with new pressure reducing valves (PRVs) installations taking our operational asset base for PRVs to circa 2,000, of which 1,200 now have advanced PRV control installed.

Advanced pressure management is helping us reduce leakage by creating a calmer network, reducing stress on the pipes, and reducing mains bursts and water pressure which reduces water being lost through background leakage.

The data from controllers is also providing transient monitoring on our network along with performance data, which enables us predictive interventions, refurbishing valves before they fail and cause impact to customers.

Water Balance

The water balance, or unaccounted for water (UFW) is the difference between the water input into the system against the sum of water delivered to customers, a company’s own water use, water delivered unbilled, distribution system use, and leakage. A water balance gap of up to ±2% is considered good practice, and we’re pleased to report we have maintained this for 2023/2024 with 1.45%.

HAL – Hydraulic Analysis Ltd

A hydraulic digital twin is modelled by Hydraulic Analysis Ltd for our 120 worst performing DMAs. Any points of interest and network anomalies identified in the modelling are issued to our partners Morrisons Water Services for further investigation. The aim is to highlight and resolve consumption, leakage, and network issues more quickly.

Smart Meter Rollout

The roll out of smart meters will support our calculations for both Household and Non-household, which will improve the accuracy of leakage reporting. Yorkshire Water are at the early stages of deployment but hopefully in the coming years this will start to have a material benefit on leakage reporting and inform the targeting of DMAs for leakage detection.

How are we performing? Leakage

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	3.4%	3.5%	✓	£56k Reward
2021/2022	7.4%	7.9%	✓	£209k Reward
2022/2023	9.4%	9.5%	✓	£70k Reward
2023/2024	11.7%	12.7%	✓	£431k Reward

Per capita consumption

Helping our customers to use water more efficiently

What is it?

Per capita consumption (PCC) is a measure on how much water the average person uses each day. It is reported as a percentage reduction of water usage each year from our 2019/2020 reported baseline level. Our baseline is calculated as an average of 2017/2018, 2018/2019 and 2019/2020 performance expressed in litres per person per day (l/p/d) and only covers household usage.

Why is it important?

It's important we use water carefully to make sure there's enough for everyone. We work with our customers so there is a better understanding of the way in which water is supplied and treated and taken care of. It's also important to us that our customers see the benefits of using less water where possible and we can support them. Reducing water usage mitigates possible long term supply and demand pressures and reduces the need for abstraction.

COVID-19

Due to the impact of Covid-19, our regulator, Ofwat, has taken the decision to assess this measure at the end of this AMP. This means the overall performance will be reviewed in 2024/2025. We will continue to report our performance annually against the targets that were set.

Our performance

At the end of 2022/2023, we were frontier in reducing PCC and annual performance was lower than baseline years.

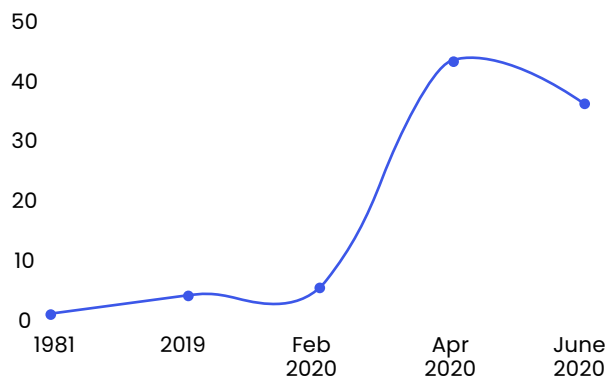
Our three-year rolling performance is 126.9 l/p/d, Our three-year rolling average PCC performance is the lowest it's been in AMP7 and is now lower than our baseline.

For 2023/2024, PCC was 125.3 l/p/d. This was higher than the previous reporting year.

In 2022/2023, we experienced a prolonged period of record-breaking temperatures over the summer period which resulted in a drought across our region and nationally, then a temporary use ban

was introduced in August 2022 through to the 6th December 2022, reducing water consumption. Whereas during 2023/2024, we experienced a cooler and wetter summer, meaning no temporary use ban, resulting in a slightly higher outturn overall for the year.

Our performance does not meet our three-year rolling average target, which was set prior to the Covid-19 pandemic, We are still trying to understand the impact Covid-19 has had on our customers consumption. We know that there is still a large proportion of customers working at home more than they were pre-Covid, which impacts water use and consumption habits, as shown in the chart below.



Population working from home (source).

Determining the new-normal following Covid-19, will enable us to understand the impact on PCC. Studies are currently being undertaken by Ofwat and Artesia artesia-consulting.co.uk to review the impact of Covid-19 on PCC, and determine what uplift can be applied to our existing ODI outturn position or PCC 2019/2020 baseline.

Artesia Consulting and Frontier Economics frontier-economics.com/uk/en/home/, have both conducted previous research that estimated an increase in PCC of 10-15% during the Covid-19 pandemic and that emerging from lockdown we have experienced new societal norms, which has impact water use ([Source](#)).

Once these studies have concluded, it will enable us to understand what the quantifiable impact Covid-19 has had on our PCC in AMP7, and help us to understand how we can further mitigate this impact going forward into 2024/2025 and AMP8.

We are working hard to help our customers use less water. Overall, linking the use of water efficiency products and services with improved customer access to their water usage information will provide the foundations needed to effectively communicate, educate and innovate with our customers on water use reduction so we can achieve our future targets and the below provides some examples of our key activities to improve our PCC performance.

Water Efficiency Smart DMAs

We have almost completed two Water Efficiency Smart District Metered Areas (DMAs) in Huddersfield, where smart meters have been fitted on almost all properties within these DMAs. This will provide us with a better understanding of consumption and leakage for these customers.

The benefit of having a completely smart metered DMA will allow us to conduct water efficiency activity with all customers and understand the quantifiable reduction and water saving benefits from this activity.

Flow Regulator Trial

We have now completed the installs of a 1000 flow regulator in the Leeds region. These devices have been fitted on measured household customer properties as a hard measure to reduce customers consumption without a need for behaviour change.

The uptake for the project was positive and we managed to install the 1000 units within the scheduled project delivery timeframe. During the trial, over 700 pre and post meter reads we taken so we can understand the impact pre and post install and calculate the benefit.

We have now begun the benefit realisation section of the project to understand the water usage savings per property and per device installed. Once complete we will have an average consumption saving across all properties fitted with a flow regulator and our plans for PR24 include installing more devices in AMP8.

Water Efficiency Home Audit Program

During 2023/2024, we recommenced our home audit program which had ceased in 2020 due to Covid-19. This program includes conducting 1,500 water efficiency home visits with measured household customers in the South Yorkshire region, starting in Doncaster as this is an area with higher consumption.

The aim of this program is to evaluate customers water use in their home, retrofit tailored water saving devices, and educate customers on how they can use water more efficiently in their homes to reduce their consumption.

The benefits from this program rely on customers changing their water use behaviour and sustaining this change to ensure that continual water saving benefits are achieved. Benefit realisation of this project will commence once all audits have been conducted.

Smart meter (AMI) deployment

We started the deployment of AMI smart meters last year, and we plan to replace all existing meters with an AMI smart meter in the future. This installation of AMI smart meters will enable us to view consumption data at a more granular level, which will allow us to see trends in consumption and allow us to communicate with customers about their usage.

We currently have circa 54,000 AMIs installed across the Yorkshire region, and we have started to see hourly data for these properties. This will enable us to understand measured household consumption on a more granular level, to help us enable our customers in understanding their usage better and where they can save water.

We have already started to utilise this data. Where we have identified continuous flows, we are contacting customers to notify them of this continuous flow and the requirement to repair them to reduce customer side leakage. To date we have contacted 316 customers, of which 48% have repaired their leaks, providing a saving of 0.27 MI/d.

How are we performing? Per capita consumption

Year	Target	Performance	Target achieved	Reward/Penalty*
2020/2021	2.4%	-3.4%	✗	£1.643m Penalty
2021/2022	4.9%	-4.1%	✗	£2.575m Penalty
2022/2023	7.4%	-3.1%	✗	£2.997m Penalty
2023/2024	8.3%	1.0%	✗	£2.065m Penalty

* This is the level of reward/penalty obtained within the year. However, this will be assessed overall in Year 5 when the full effects of the COVID-19 pandemic on consumption can be further understood.



Mains repairs

Maintaining and improving the resilience of our below ground water assets

What is it?

This measure reports the number of repairs that have been made per 1000km of mains in our network.

Why is it important?

This measure demonstrates the resilience of our network and ensures we continue to maintain and improve our network and provide a reliable water supply to our customers.

Our performance

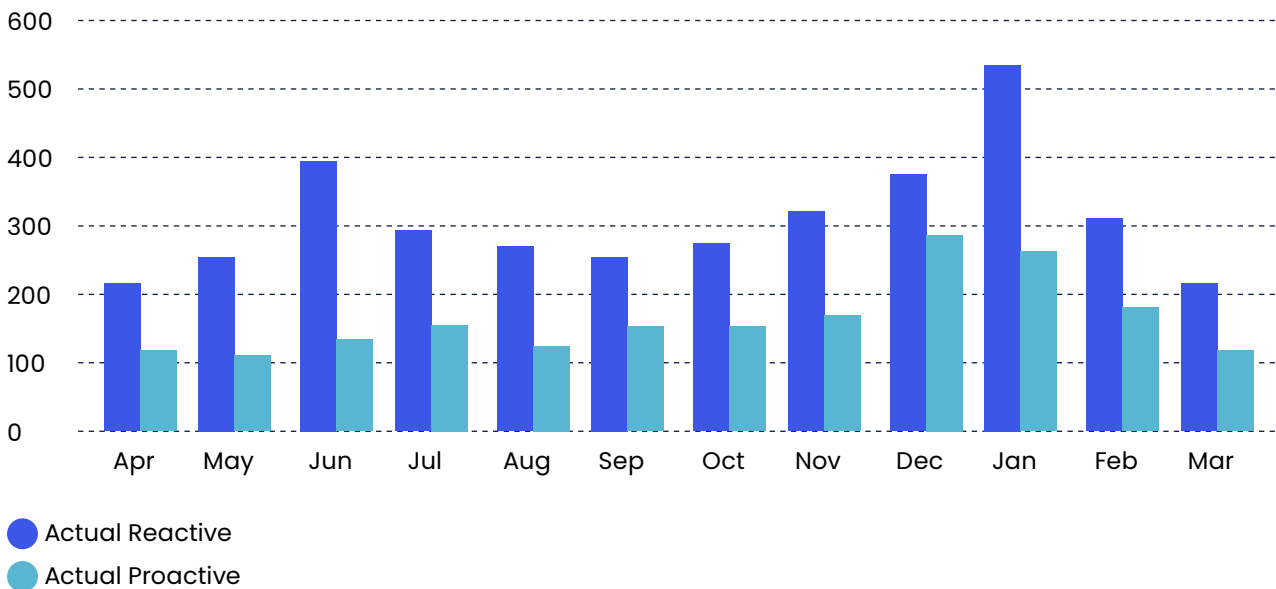
We have seen a 20% reduction in the number of mains repairs required throughout 2023/2024 and this has meant we have met our performance commitment target this year. Mains repairs is a measure that was targeted for performance improvement through our published Service Commitment Plan, and we have undertaken a number of key initiatives throughout the year to support improvements against our water supply interruptions, leakage and mains repairs performance commitments.

However, as we know, weather does have an impact on our operations and the warm summer and mild winter experienced in 2023/2024 did help protect our activities and aided in the performance we are reporting.

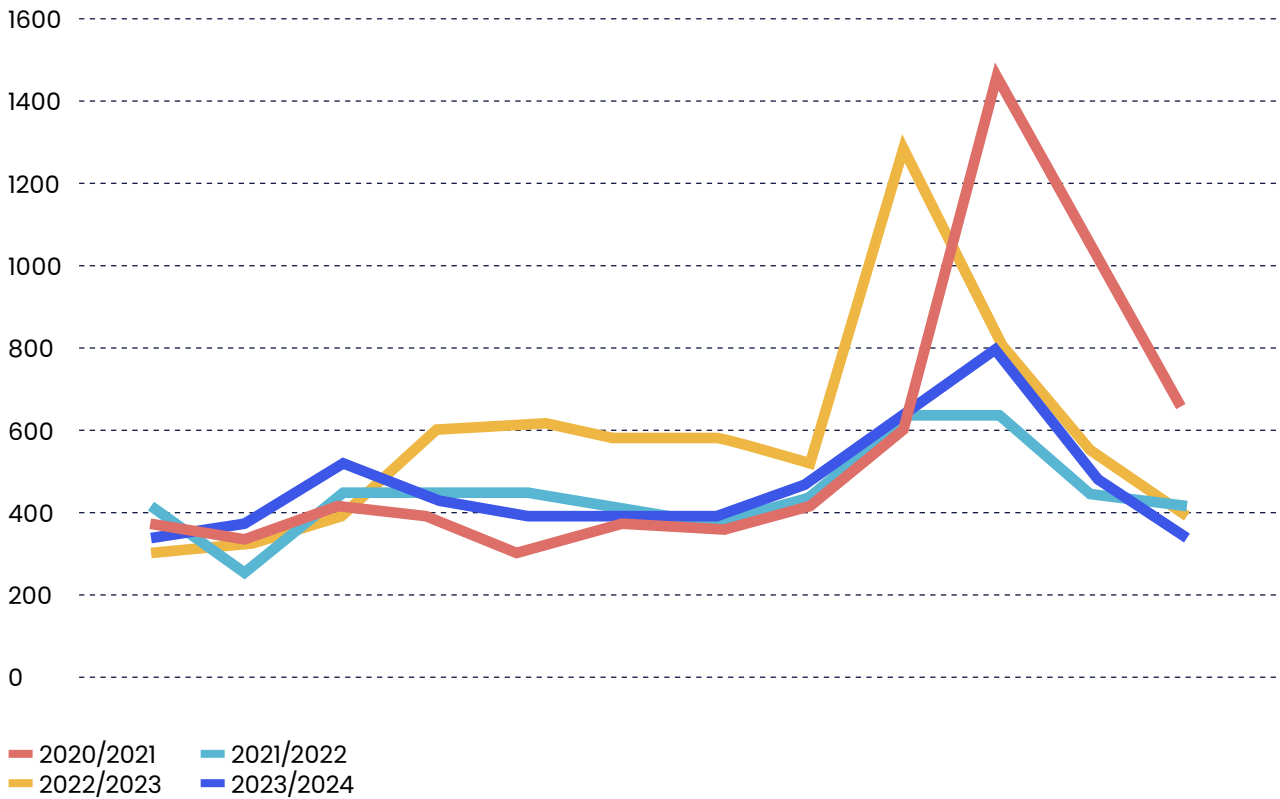
During the year, our Service Partner Morrisons, took over control of the whole regional contract, as our other Service Provider, Network Plus, moved to focus primarily on Developer Services activities, such as new connections. By having one Service Partner, in control of all our region overseeing mains repairs, now gives us a more efficient way of working. It also enables us to use the Morrisons app for photographic and video evidence on all mains repairs jobs, enabling better understanding of our data, greater visibility of the jobs being undertaken and the timeline of decisions being made to support both proactive and reactive jobs.

The below charts show the split between reactive and proactive mains repairs during 2023/2024, and how our total monthly volumes compare to previous years so far this AMP period:

Number of Mains Repairs split by Reactive and Proactive in 2023/2024



AMP7 Mains Repairs



How are we performing? Mains repairs

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<186.1	215.8	✗	£3.290m Penalty
2021/2022	<183.6	169.8	✓	£0
2022/2023	<181.0	219.3	✗	£4.726m Penalty
2023/2024	<178.4	175.3	✓	£0

This performance commitment is penalty only, meaning we only receive a penalty for poor performance and no reward for outperformance.

Unplanned outages

Maintaining and improving our above ground water assets

What is it?

This measure reports the percentage drop in our peak-week production capabilities. Essentially, it's when the amount of clean water we can produce is reduced temporarily due to our assets not working as expected. We measure the reduction in megalitres per day and report the overall reduction as a percentage.

Why is it important?

It's important that we maintain and improve our above ground assets to provide a reliable and resilient supply of water to our customers.

Our performance

We have continued to reduce unplanned outages at our WTWs, maintaining our trajectory towards being top quartile in the industry by March 2030. This means we had a temporary loss of maximum water production capacity for 3% of the year.

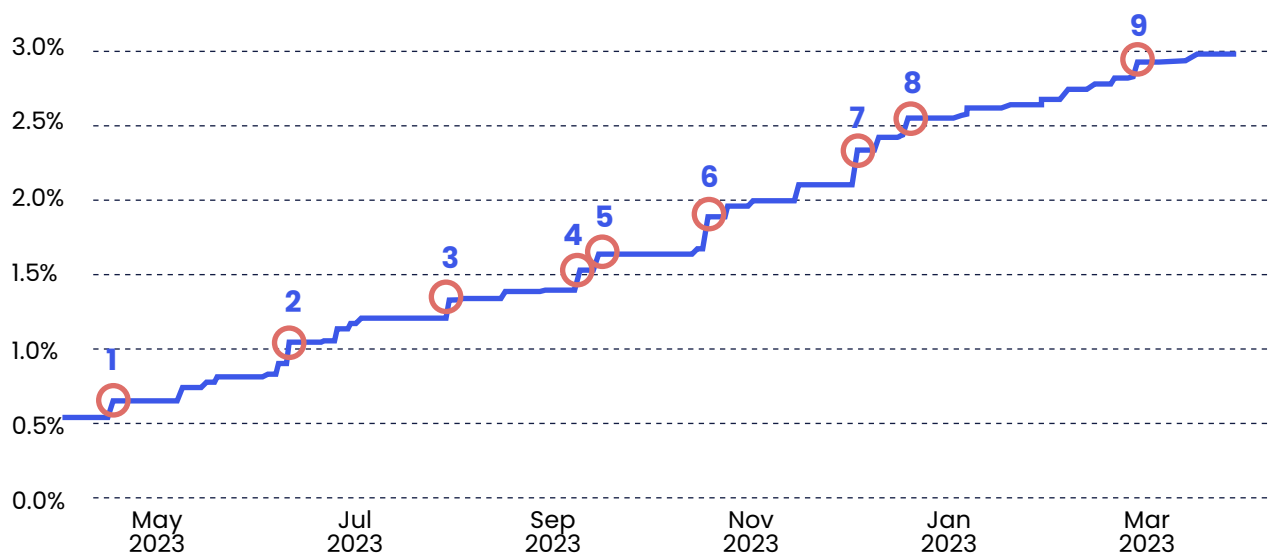
We are pleased that our 2023/2024 performance against unplanned outage is 2.95%, this shows a reduction from 3.26% in unplanned outage when compared to 2022/2023. Achieving target again this year, continues the trend of achieving the set target for each year so far this AMP period, excellent to see considering the target level does reduce year on year.

Our company level of peak week production capacity (PWPC) was 1655.50MI/d. The PWPC is equivalent to the maximum volume of water which can be produced over a period of one week measured in MI/d. We utilise telemetry data to identify the PWPC for each water treatment works over the last 5 years and this data is reviewed annually by a dedicated team including the unplanned outage manager.

Where we identify sites that have not actually achieved 90% of their PWPC in the reporting year, these sites are selected for a full flow capacity test where this will not pose unnecessary risk to the works or supply system to demonstrate that the declared availability flow can be achieved.

The achievement of the performance commitment can be attributed to sustaining activities that have worked well in previous years. Predominantly, the Operational Tactical Group, which meets twice weekly with all relevant stakeholders (Regional Water Production Manager, Raw and Treatment Area Managers, Supply System Engineers, Water Quality Science and Engineering and Maintenance Managers). The group allows outage events and site flows to be verified and action plans made to prioritise and resolve outage events. In addition, challenges with supply chains and waiting for parts to resolve asset failures continues to be managed through a process where operational teams purchase onsite spares to allow a same day resolution. Having seen a benefit last year, this has been built on further with a focus on local and inhouse repair to minimise downtime.

The 2023/2024 unplanned outage trend below highlights that a small number of significant outages account for most of the outturn figure. We identified any rises contributing >0.1% as significant, of which there were nine; accounting for 39% of the total outturn figure. The supplementary table provide some further detail of the outages.



Outage identified	Quantity of Outage	Date	Reason
1	0.10%	16/04/2023	Actiflo Failure – Mixer Paddle Failure
2	0.12%	10/06/2023	Filter Valve Failure & Acid Pump Failure
3	0.11%	31/07/2023	Actiflo Failure – Mixer Gearbox
4	0.12%	09/09/2023	Ozone Failure – Low Production Limiting
5	0.10%	15/09/2023	Ozone Failure – Low Production Limiting
6	0.21%	19/10/2023	Filter Valve Failure
7	0.20%	04/12/2023	Actiflo Failure – Mixer Failure
8	0.10%	20/12/2023	Filter Valve Failure
9	0.10%	29/12/2023	Filter Valve Failure

Similar to last year, valve failure continues to be a challenge to unplanned outage. There are four instances in the table that amount to 0.53% cumulative outage. Valve failure tends to be one of the more common causes of unplanned outage because they are a very common asset, and failure tends to result in the filter being removed from service and consequently causing a reactive flow reduction. However, the challenge is the time taken to resolve the outage.

For example, a water treatment works (WTWs) valve failure on a Manganese Contactor required four visits from maintenance or contractors over a five-month period to resolve. Similarly, another example at a water treatment works with the loss of Granular Activated Carbon (GAC 5) limited flows by 18.5 megalitres per day, the work took two months to resolve and four visits from maintenance and contractors. The delays to resolution have a root cause in that existing actuator tends to be obsolete and require replacement rather than repair. Following this the alignment of the valve, drive-nut and actuator often requires a bespoke drive nut to be machined that often requires an additional visit to re-measure.

Exclusions

Unplanned outages as a consequences of raw water quality changes beyond the normal operating band are excluded from the measure as they are not a reflection of asset health. Water Quality Exemptions for 2023/2024 is 2.50%, which has increased slightly from last year at 2.27%. This year, the occurrence of 11 named storms and heavy rainfall significantly over the long-term average has created more frequent conditions of raw water outside of the normal water quality operating band. As a consequence, at affected water treatment works we have chosen to manage the variable raw water quality by proactively temporarily restricting water production.

Planned Outage

Planned outage is when assets are taken out of service or become unavailable due to a planned intervention, such as planned maintenance or capital intervention. The level of planned outage for the reporting year 2023/2024 is 41.88ML/d, equal to 2.53%.

A review of the significant causes of our planned outage across the year identified the largest contributor was Chellow Heights Water Treatment Works (WTW) which has accumulated 1.16% of the total planned outage figure. At Chellow Heights, Yorkshire Water has been closely monitoring the site and as part of a proactive improvement plan to maintain and refurbish the existing Rapid Gravity Filters onsite.

This is a rolling programme continuing from last year and is planned to be completed by July 2025. To complete the work, Chellow Heights operates on reduced flows to facilitate multiple of the filters to be out of service for prolonged periods (up to four months per filter).

Elvington WTW was the next largest contributor to the planned outage figure surmounting to 0.8%. This year, three Granular Activated Carbon (GAC) filters have been removed from service for proactive regeneration of the media. In each instance the work takes approximately three months and results in a works flow reduction by 18.5 MLD, explaining the significant impact it has to the planned outage figure.

We have reviewed all the elements of each component involved in this performance commitment and can confirm that we are assessed as green and are fully compliant with the guidance.

How are we performing? Unplanned outages

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<5.12%	3.87%	✓	£0
2021/2022	<4.42%	3.82%	✓	£0
2022/2023	<3.73%	3.26%	✓	£0
2023/2024	<3.03%	2.95%	✓	£0

This performance commitment is penalty only. As we have achieved the target for this measure, there is no penalty but also no reward

Risk of severe restrictions in a drought

Improving our long-term resilience and lowering risks to water supply

What is it?

This performance commitment measures how many of our customers would be at risk of experiencing severe water restrictions in a 1-in-200-year drought, on average, over the next 25 years. We report this as the percentage of customers who may be at risk if such an event should occur.

Why is it important?

We understand the effect it has on our customers when we must put restrictions in place to maintain water supply in our region. It's important that we effectively review our supply and demand analysis to identify any risks to our customers to help us to prevent restrictions being applied. To reflect the importance of this measure, the target throughout 2020–2025 is zero.

Our performance

We did not achieve the 0% target on this performance commitment. The percentage of population affected by severe drought restrictions in a 1-in-200-year drought event is 4%. This is the average based on the 25-year period for our baseline planning scenario. This reflects the population at risk of the average supply demand deficit over the 25 years before any of the solutions and potential intervention to prevent this.

The performance commitment reports the average over the 25 year period and this remains at 4%. Our annual performance in 2023/2024 was 0% of the population affected by severe drought restrictions in a 1 in 200 year drought.

Since the start of the AMP7, we have implemented leakage reduction measures which has helped to maintain a supply –demand surplus. We expect to maintain a supply–demand surplus next year and our reported percentage of population affected by severe drought restrictions in a 1-in-200-year drought event is predicted to remain at 4%.

How are we performing? Risk of severe restrictions in a drought

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0.0%	0.0%	✓	Reputational
2021/2022	0.0%	4.0%	✗	Reputational
2022/2023	0.0%	4.0%	✗	Reputational
2023/2024	0.0%	4.0%	✗	Reputational

Priority services for customers in vulnerable circumstances

Improving services for our vulnerable customers

What is it?

The Priority Services Register (PSR) offers free extra services to our vulnerable customers who need them. This performance commitment has three elements that are measured and reported separately, however **all three must be achieved** to pass the performance commitment overall.

Reach: percentage of households that we supply with water and/or wastewater services that are registered on our PSR.

Attempted contact: percentage of individual households on the PSR that we've attempted to contact over a two-year period.

Actual contact: percentage of individual households on the PSR that we've actually contacted over a two-year period.

Why is it important?

It's important that we continue to identify customers in our region that may need additional support from us. We also want to make sure that those on the PSR are receiving services that are still appropriate for them if, for example, their circumstances have changed. Keeping our data compliant and up to date is key to ensuring our customers receive adequate services.

Our performance

The number of customers we have supported has increased on a yearly basis throughout the AMP period. This year's performance has seen us deliver our services to an additional 103,000 customers and increase our PSR reach by 4.5%, when compared to last year's results.

This significant increase has been achieved through three key activities:

- Implementing the data sharing of PSR customers with energy sector organisations to ensure customers only need to tell us once;
- Auto-enrolling over 85 year olds for bottled water delivery should there be a water outage, as industry benchmarking and customer research suggests these customers may benefit from this service;
- Increasing promotion of the PSR via multiple channels and on customer contact with our contact centre.

Our achieved performance for 'attempted contact' and 'actual contact' this year has also significantly increased when compared to 2022/2023. Almost all customers on our PSR have received at least two communications from us in the last two years to remind them of their PSR services and request that they update/verify their services with us.

This year we have also embedded text messaging to request customers to confirm their PSR services, as well as introduced email communication to those customers who have signed up for an online account. This is in addition to confirmation on customer contact. These activities have resulted in an 'actual contact' performance of over 34% in 2023/2024 which has doubled the performance from the previous year.

Achieving 'actual contacts' with customers to verify their PSR services has been the challenge in 2023/2024. Despite ensuring that; all customers who have been registered on the PSR for more than two years have been contacted at least twice via letter; that we have attempted customers with a mobile number with at least one text; that we have emailed customers with an online account; and introduced a pilot to outbound call to over 1000 customers; we have slightly under achieved our 35% actual contact target. This will be a key area of continuous improvement for the coming year.

Reach: Priority services for customers in vulnerable circumstances

Year	Target	Performance	Target Achieved	Reward/penalty
2020/2021	4.0%	3.5%	✗	Reputational
2021/2022	5.8%	3.9%	✗	Reputational
2022/2023	7.5%	4.8%	✗	Reputational
2023/2024	9.1%	9.2%	✓	Reputational

Attempted contact: Priority services for customers in vulnerable circumstances

Year	Target	Performance	Target Achieved	Reward/penalty
2020/2021	45.0%	46.3%	✓	Reputational
2021/2022	90.0%	45.2%	✗	Reputational
2022/2023	90.0%	99.8%	✓	Reputational
2023/2024	90.0%	107%	✓	Reputational

Actual contact: Priority services for customers in vulnerable circumstances

Year	Target	Performance	Target Achieved	Reward/penalty
2020/2021	17.5%	17.3%	✗	Reputational
2021/2022	35.0%	14.3%	✗	Reputational
2022/2023	35.0%	17.4%	✗	Reputational
2023/2024	35.0%	34.1%	✗	Reputational

The table below provides the breakdown of PSR membership by the number of individuals registered receiving support for a) communication, b) support with mobility and access restrictions c) support with supply interruption, d) support with security and e) support with other needs.

PSR membership by main support area:

Year	Communication	Mobility	Supply	Security	Other	Total
2020/2021	12,474	16,318	8,415	48,666	18,619	104,492
2021/2022	15,331	20,413	12,215	50,859	25,536	124,354
2022/2023	24,943	35,366	23,283	53,018	34,976	171,586
2023/2024	37,862	146,197	35,879	39,675	43,900	303,513

Internal sewer flooding

Reducing disruption caused by internal sewer flooding events

What is it?

Internal flooding is when an escape from the sewerage system enters a building or passes below a suspended floor. This measure reports the number of internal sewer flooding events each year per 10,000 sewer connections. This includes events that are caused by severe weather.

Why is it important?

We know that internal flooding incidents have a big impact on the lives of our customers, and we understand how unpleasant these events can be. It's important to us that we reduce these incidents and the effect they have on our customers.

Our performance

All companies have a common performance commitment level to reduce internal sewer flooding to 1.34 incidents per 10,000 sewer connections by 2024/2025.

2023/2024 has been the most challenging year for our sewer flooding performance across AMP7. Despite our dedicated efforts on various initiatives and activities to improve our performance, we have regrettably observed a decline in our Internal Sewer Flooding (ISF) performance.

In comparison to the previous year, we have seen 5.0% deterioration in ISF performance.

Yorkshire recorded the wettest 9-month period from July to March in a 150-year record. We've had significantly more rainfall this financial year than previous years this AMP. Whilst we acknowledge that we need to plan for weather events, we believe that our performance would have been significantly worse without the proactive programs and the efforts we have put in to minimise the negative impact weather conditions can have. We take some comfort that our efforts have been recognised by our independent auditors, Atkins.

Atkins have commented that the sewer flooding management team continue to challenge themselves to continually improve all aspects of their process, procedures, tools and approaches, evidenced through the multiple process and governance initiatives that have been embedded during the year. Atkins also supported our view that if the increase in investment of proactive schemes (to £18.5m in Year 4 compared to £10m in Year 3) had not been made, sewer flooding incidents would have been significantly higher than experienced. However, looking at industry performance in 2022/2023, we already had the furthest to go to meet the performance commitment, so this deterioration in performance is definitely not the performance we were striving for.

We know that rainfall increases ground water levels and we expect that prolonged periods of rain to cause saturation of the ground. From Environment Agency data on groundwater levels ([Water situation: area monthly reports for England 2024 – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/water-situation-area-monthly-reports-for-england-2024)), the Yorkshire region has had ground water levels "above normal" from October 2023 to February 2024.

Ground water can be difficult to diagnose at time of a flooding incident and one of the challenges we face in trying to ensure accurate reporting against this performance commitment, is gathering the necessary evidence required when we are dealing with these incidents. Some incidents are correctly identified as ground water related and therefore appropriately excluded from this performance commitment, but there is a potential that some incidents are reported that are a result of water emanating from the ground and are difficult to prove otherwise.

Despite our 2023/2024 performance outcome being off target, it's important to recognise that our proactive initiatives have been successful. We have outperformed against our proactive plans delivering more network maintenance activities than planned. We have established new processes and new ways of working that enhance our efficiency and we have experimented with a variety of innovative and unconventional approaches that we are proud of and that show great promises for our future improvement.

We know that blockages remain the greatest cause of ISF incidents (61%), with Collapses second (31%). Our activities to improve our ISF performance focus on these root cause issues.

Our sewer maintenance programme, network protection programme and customer sewer alarm monitor programme have been aligned to maximise opportunities between the programmes and prevent duplication. In 2023/2024, we carried out sewer investigations at 156,734 properties, which proactively found and cleared 3,651 blockages. We delivered 40,125 flushes at properties with the highest risk of flooding, which detected a number of blockages then proactively removed, improved our data and helped develop our plans for the following year. We targeted high risk locations for cleansing and desilting activities, cleansing over 10,000 lengths of sewer during the year and removing 828 tonnes of material from our sewers. We installed 40,000 customer sewer alarms during the year, which identified and resulted in 2,520 blockages being cleared.

We have implemented a small business structure change, bringing our Sewer Flooding, Network Protection and Tactical Teams together, to improve efficiency across wastewater, specifically sewer flooding.

We created a dedicated Tactical Flooding Team, with a sole focus on reviewing properties most impacted by repeat sewer flooding, looking at a variety of options and solutions to be considered and implemented to mitigate and resolve issues our customers are experiencing. We revised our structure by bringing several teams together to form a strategic sewer flooding team that sits within Customer Field Services (CFS), comprising of the Sewer Flooding team, Network Protection, the Sewer Maintenance Programme and the Tactical Flooding Team. This change supports our efforts to focus on network health and reduce sewer flooding.

Our Network Protection Team work with domestic and commercial customers as part of a rolling engagement and education plan, to help customers understand what is and isn't suitable to flush down the toilet or put into their sinks. An example of some of this engagement is evidenced through our proactive visits to 1578 food service establishments to talk to them about their kitchen practices and grease management.

We are seeing an increase in awareness of both our domestic and commercial customers because of the media focus on the environment, in particular sewage spills, and this is really helping our customers understand about how their actions can impact the sewerage network and the wider environment.

Over the last 12 months, we've developed and launched the customer facing campaign educating customers about what not to flush and pour down the sink. This has come in the form of advertising on billboards and buses, TV, radio, paid social and digital; creating almost 150 million opportunities to see and hear the messaging in its first six months. We've had our first mid stage of customer research through which is showing a positive behaviour change to sanitary item disposal and FOGs.

We've also started engaging with primary schools having launched an innovative LEGO education-based programme to raise awareness of the causes of sewer blockages. The sessions, which are the first of their kind in the water sector, outline to children what can cause blockages in the sewer network and what should and shouldn't be flushed down the toilet or poured down the sink through the Blockage Buster Challenge, in the hope that the message will stick with the children and make its way into their homes to reduce the number of blockages we deal with daily. The sessions we've delivered so far have received fantastic feedback from the children and teachers. We're currently focusing on schools within areas where blockages are a known issue and schools near some of our major infrastructure projects, but we're intending to roll out the programme further in the coming months.



We have been working with and developed lesson plans with Hey Girls (heygirls.co.uk) throughout the year, and have carried out two pilots, giving out almost 500 reusable products to pupils. This work will be rolled out wider from October 2024 and will focus education on not flushing sanitary products, by providing them with reusable products. We aim to hand out 20,000 products across 80 schools.

We want to improve our performance from where we are now. Internal sewer flooding is within our Service Commitment Plan, our plan to improve our performance for our customers and the environment. You can read more about our Service Commitment Plan here: yorkshirewater.com/about-us/reports/ As we move into the next year, we will continue to optimise our established improvement projects through the forensic analysis of data.

We will continue to deliver targeted sewer maintenance activities with improved efficiency. We will optimise our prediction and response to the 40,000 customer sewer alarms installed last year. We will reduce the risk of blockages at source through targeted customer engagement and campaigns.

We will drive sustainable improvement through the implementation of new modernised ways of working. This will include the full regional rollout of the Operations 2.0 approach. We will see improved workflow and data capture through the rollout of new work management and GIS systems.

How are we performing? Internal sewer flooding

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<1.68	3.34	✗	£9.025m Penalty
2021/2022	<1.63	2.83	✗	£10.122m Penalty
2022/2023	<1.58	2.67	✗	£9.194m Penalty
2023/2024	<1.44	2.78	✗	£11.303m Penalty

Pollution incidents

Improving the quality of the environment

What is it?

This performance commitment measures the number of pollution incidents caused by our wastewater assets, for every 10,000 km of our wastewater network. This is a calendar year measure from January to December. The measure includes category 1, 2 and 3 incidents as defined by the Environmental Agency (EA) guidance.

Why is it important?

We know our customers care about the environment and take an interest in this measure, especially if we are not performing well. Any pollution incident is disappointing and so it's important to us to reduce the number of events that occur and improve the quality of our environment.

Our performance

Compared to our performance in 2022, in 2023, we have seen a deterioration in both our overall pollution incident numbers and the number of pollution incidents categorised as a serious incident, as seen in Table 1 below. There were a total of 132 pollution incidents (category 1 – 3) in 2023, five of which were categorised as serious incidents. This compares against our target of 117 total incidents and an internal target of zero serious incidents.

The increase seen is due to multiple factors, a major one being the increased number of named storm events experienced during the year. Storm events result in the sewerage infrastructure being inundated with rainwater, resulting in discharges to the environment, which would not occur under 'normal' weather conditions. Other major factors affecting the pollution incident number, as identified by our root cause analysis, include power outages and mechanical and electrical issues with assets.

CCC/APR	2019/2020		2020/2021		2021/2022		2022/2023		2023/2024	
Calendar	2019		2020		2021		2022		2023	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Cat 1&2	0	7	0	3	0	5	0	3	0	5
Cat 3	211	159	128	125	126	138	120	114	117	132

We completed a joint exercise with the Environment Agency, producing a learning video on how both Yorkshire Water and the Environment Agency respond to pollution incidents. This has been incorporated into a training programme, which is mandatory for all front-line operators.

Throughout 2023/2024, we have been working on a number of initiatives to improve our performance and these continue to be embedded into our ways of working and our processes throughout this year. Three key programmes of work include Operations 2.0, Above Ground Maintenance, and Dynamic Asset Maintenance.

Operations 2.0

Operations 2.0 is a new model approach to trial new ways of working with ring-fenced operational teams working together to improve performance and drive efficiencies across the end-to-end customer journey. Model office is our vehicle to accelerate change into the business. We are working at pace through a rapid cycle of test, learn and innovate to develop tactical and strategic improvements by collaborative working, engagement and bottom-up idea generation across the end to end journey.

We have trialled this new approach throughout 2023/2024 and will now be deploying throughout the business. This new way of working will improve communications and relationships across all areas of the customer journey, empowering teams to share knowledge. This will deliver an improved and streamlined service to our customers through minimised handoff and improved proactive communication, leading to reduced follow on calls and improved resolution times.

Above Ground Maintenance (AGM)

This programme is designed to improve the health of our assets by producing better maintenance plans and improving, collecting and sharing of our asset data. The aim is to make things simpler for colleagues, using learning from previous system changes to help us prioritise the most-needed work, improve productivity and move to a more planned, proactive way of working. It takes us from multiple systems to manage our work and takes us to a new work management system that will help manage our asset data, improve visibility of our asset health, implementation of industry best practice maintenance plans and allow for better prioritisation and scheduling of jobs. We now have more than 350 colleagues working with the new devices and technology. We have well over 2,500 sites live on the new system, and more to be added, with more than 32,000 new maintenance plans built to help us better maintain our assets.

Dynamic Asset Maintenance (DAM)

We've now installed more than 32,000 customer sewer alarms across the county to help us detect blockages in our network before they become an issue for our customers and the environment. We've also installed 550 concertor pumps across our sites and more than 1,500 samotics Electrical Signature Analysis devices across our site assets and network. By having these monitoring devices in place, we've been able to help prevent failure and predict impacts to our assets.

How are we performing? Pollution incidents

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<24.51	24.00	✓	£222k Reward
2021/2022	<23.74	27.36	✗	£2.483m Penalty
2022/2023	<23.00	22.39	✓	£266k Reward
2023/2024	<22.40	26.21	✗	£2.614 Penalty

Risk of flooding in storm

Reducing the flood risk to our customers due to severe weather events

What is it?

This measures the percentage of our customers who would be at risk of sewer flooding from a 1-in-50-year storm, based on modelled predictions.

Why is it important?

It's important that we can identify where there is a risk of sewer flooding so we can put plans in place to protect our customers and reduce the effects of severe weather events.

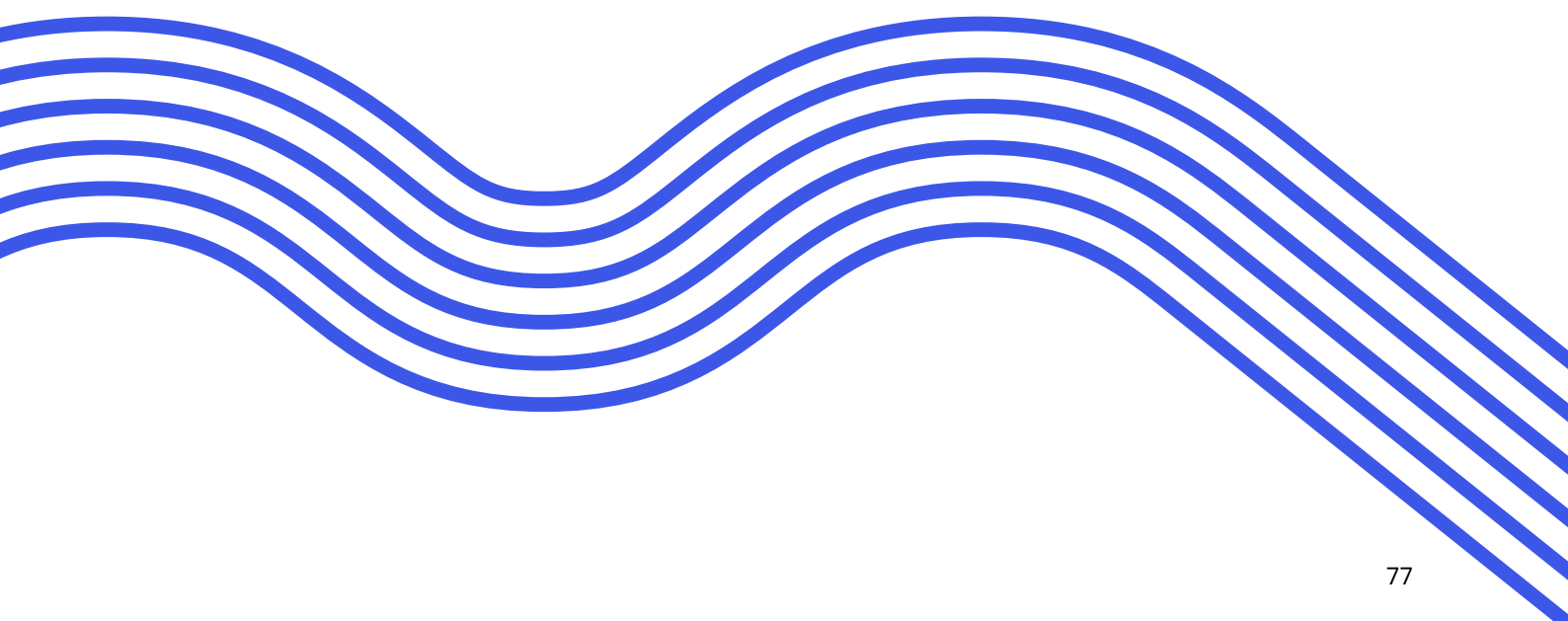
Our performance

The population at risk of sewer flooding in a storm has increased slightly to 5.68%. This change can be attributed to using the latest years growth prediction for the population growth forecast data.

The metric continues to align with the processes and data used in our Drainage and Wastewater Management Plans.

How are we performing? Risk of flooding in storm

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	22.20%	5.60%	✓	Reputational
2021/2022	22.20%	5.65%	✓	Reputational
2022/2023	22.20%	5.66%	✓	Reputational
2023/2024	22.20%	5.68%	✓	Reputational



Sewer collapses

Maintaining and improving the health of our below ground wastewater assets

What is it?

This performance commitment measures the number of sewer collapses per 1000km of the sewer network. A sewer collapse is where a structural failure has occurred to the pipe that results in a service impact to a customer or the environment and where action is taken to replace or repair the pipe to reinstate normal service.

Why is it important?

It's important that we maintain our underground wastewater assets as we recognise that a failure of these could have a detrimental effect on our customers and the environment. In order to improve services to our customers for now and the future, we are working hard to reduce the number of sewer collapses on our network.

Our performance

In 2023/2024, we experienced 651 collapses across our 52,607 km sewer length, which equates to 12.37 collapses per 1,000km of sewer, meeting our performance commitment target for the year.

Our sewer maintenance programme invested £18.5m in 2023/2024, implementing learnings from 2022/2023, to further improve targeting.

We carried out sewer investigations at 156,734 properties, successfully identifying and clearing 3,651 blockages, and finding 5,319 defects with 4,486 repaired, the remaining will be repaired during 2024/2025.

We continue to review our activity, particularly when there has been a reactive incident post proactive work being completed in the area. This allows us to understand if any opportunity had been missed and use learning to feed this back at all levels.

We notify Network Protection teams when network abuse is identified on proactive surveys, so that we can promote early intervention before an incident occurs through education and engagement. We also joined up our methodology with the campaigns team as they upweighted campaign activity in blockage hotspot areas.

We have created an offline team focusing on repeat problem properties. This dedicated, Tactical Flooding Team is made up of skilled individuals, with a sole focus on reviewing properties most impacted by sewer flooding. Whilst some properties may have proposed solutions through Asset Management, our tactical team evaluates alternative options to mitigate or resolve issues entirely. This work allows the team to conduct more in-depth investigations, so far proving to uncover aspects that may be overlooked in reactive responses due to time constraints and heavy workloads.

By providing this team with dedicated time on site, as well as supporting open-ended thinking and autonomy in decision making and review, it enables more creativity in proposing solutions that may not always be possible in a more controlled, reactive environment.

How are we performing? Sewer collapses

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<18.26	15.67	✓	n/a
2021/2022	<17.55	11.71	✓	n/a
2022/2023	<16.83	10.96	✓	n/a
2023/2024	<16.11	12.37	✓	n/a

This performance commitment is penalty only, meaning only receive a penalty for under performance and no reward for outperformance.

Treatment works compliance

Maintaining and improving the health of our above ground wastewater assets

What is it?

We have permits that control our discharges into watercourses. This performance commitment measures the percentage of our treatment works that comply with their discharge permits.

Why is it important?

We want to make sure that our above ground assets are operating as expected and are compliant with their discharge permits. We know it's important to our customers that we limit our effect on the environment and, if we do have an impact on the environment, we are open and transparent about what we happened and how we will improve.

Our performance

Our 2023/2024 performance is consistent with last year, with only one failing works. This equates to a treatment works compliance score of 99.68%. The target for this measure is 100% compliance, however, there is a dead band of 99% meaning there is no regulatory penalty for this level of performance.

We are pleased to see that our historic trend shows a general increase in performance since 2016, where performance was around 97%. We are confident that we will maintain this level of performance until the end of the AMP, but will continue to strive for 100% compliance during 2024/2025 and beyond.

How are we performing? Treatment works compliance

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	100.00%	99.04%	✗	n/a
2021/2022	100.00%	99.03%	✗	n/a
2022/2023	100.00%	99.68%	✗	n/a
2023/2024	100.00%	99.68%	✗	n/a

This performance commitment is penalty only, meaning we only receive a penalty for poor performance and no reward for outperformance. We receive a penalty when we go under 99%.

C-MeX

Improving the customer service we provide to our residential customers

What is it?

The Customer Measure of Experience (C-MeX) metric is designed to measure how satisfied our household customers are with level of service we provide. It's calculated from two surveys in which customers can rate their experience: the Customer Satisfaction Survey (CSS) and the Customer Experience Survey (CES).

Customer Satisfaction Survey: a survey of customers who have had recent contact with their water company asking them about their experience.

Customer Experience Survey: a survey of randomly selected residents within the region the water company services asking them how satisfied they are with their services. These customers do not have to be the account holders but must be over 18.

Both surveys are completed by agents appointed by Ofwat.

We are ranked against 16 other water companies with number 1 being the best performance and 17th place being the bottom.

Why is it important?

Our customers are at the heart of everything we do, and we are constantly striving to improve the service we provide. Customer feedback allows us to make plans and concentrate our efforts to improve our services for the better.

Our performance

There is an expectation from Ofwat, that Water Companies offer at least five communication channels for receiving customer contacts and complaints, and at least three online channels throughout the reporting year. We are pleased to confirm that we meet this expectation and offer six channels of communication in total, with three being online, these are the below:

- Online: Web Forms, Online Account/Self-Serve & Social Media.
- Other: Webform (call-back), Letter & Telephone.

We are pleased to see an industry ranking improvement for 2023/2024, moving from 11th to 9th overall. This improvement is largely due to maintaining a strong 'Customer Experience Survey' score of 79.52, which is a consistent result to the 79.54 score in 2022/2023.

At the same time, the rest of the industry has experienced a general downwards trend in their scores, meaning other companies have dropped more significantly in their scoring this year, resulting in our ranking improving.

Our 'Customer Service Survey' score decreased to 73.57 compared to 76.96 in 2022/2023. However the billing service element remained strong throughout the year and we also saw some improvement to water and wastewater service scores in the final quarter of 2023/2024.

Insight from the survey has reaffirmed our understanding of the core drivers of dissatisfaction, which is successful, timely resolution of issues and accurate, regular, proactive communication.

We've moved to adopt better end-to-end approaches for monitoring and improving service. Working in a more connected way has helped our understanding of the priority improvement areas in the full customer journey and to design and deliver solutions to address these.

Many initiatives have contributed to our performance. Some highlights include:

- Launch of our new dedicated Customer Incident Team, improving our ability to manage customer-impacting incidents.
- Digital journeys deployed for eight core issue types such as bursts and sewer flooding, enabling customers to report and track these online.
- Piloted our 'Operations 2.0' model, a geographically localised approach where all customer facing colleagues work as one team, improving response times and right-first-time outcomes.
- Grown our Priority Services Register reach from 5% to over 9% – 210,000 households now being supporting through being on our register.
- Extended financial support to 125,000 customers receiving help with their bills.
- Successful communications campaign to drive positive messages around topics including water saving and blockage prevention.

Although we always strive to deliver the best customer experience possible, there have been some challenges throughout 2023/2024. We've experienced a high volume and concurrence of incidents through the year, including several named storm events. This has caused more issues with our network and resulted in reduced capacity, increased workbaskets and longer wait times.

We saw a deterioration in performance with one of our water service partners resulting in issues with customer service satisfaction. This was addressed by moving to a single partner model in December 2023.

This year has also proved challenging in terms of the media coverage of ourselves and the wider industry, particularly around sewerage overflows and executive pay. The result has been a general decline in satisfaction as perceptions have become more negative towards the industry.

We maintain a strong focus on the operational service element. In particular we'll be working on:

- **Warning and informing** – improving communication for planned and reactive work as well as proactive incident communications such as text message blaster improvements.
- **End-to-end service and expectation management** – better upfront information provided and greater ownership of end-to-end journeys with proactive updates on next steps.
- **Complex work and escalation triggers** – clear definitions of complex work and escalation routes and proactive intervention through customer recovery triggers and early complaint resolution.
- **Focused on maintaining strong billing scores** by monitoring and responding to risks such as bill rises and new system integrations.
- **Continue to maintain and progress our proactive communications campaigns** to reinforce positive messages about the work we do.

How are we performing? C-MeX

Year	Target	Performance	Industry Ranking	Target achieved	Reward/Penalty
2020/2021	n/a	82.78	8th	n/a	£436k Reward
2021/2022	n/a	80.41	10th	n/a	£14k Penalty
2022/2023	n/a	78.25	11th	n/a	£585k Penalty
2023/2024	n/a	76.54	9th	n/a	n/a

There is no particular target for this performance commitment, but we consider that we have met this performance commitment if we are in the top half of companies and therefore in reward. We are the median company in 2023/2024.

D-MeX

Improving the customer service we provide to our developers

What is it?

The Developer Services Measure of Experience (D-MeX) performance commitment is designed to measure the levels of customer service that we deliver to our customers who are considering or undertaking a new development.

Our overall D-MeX score is calculated from two components that contribute equally:

1. a **qualitative D-MeX score**, based on the ratings provided by developer services customers who transacted with us throughout the reporting year to a customer satisfaction survey; and
2. a **quantitative D-MeX score**, based on our performance against a set of selected Water UK performance metrics throughout the reporting year.

The survey is conducted by an independent agent appointed by Ofwat.

Why is it important?

It's important that the services that we provide to developers of all sizes are the highest standard, and so understanding how we are doing helps us drive improvements and focus on where we could do better.

Our performance

Our D-MeX Quantitative scores ranked 6th out of 17 at year end, up 10 places from 2022/2023. Quality scores improved by 5% too, driven by our new customer management operational processes. Overall, we have seen an overall D-MeX improvement of 4% over the previous financial year.

Our industry ranking of 15th, up 2 places on last year, is our best ever D-MeX performance and we continue to build on these results through our new quality framework and structured improvement plans.

A broader review of delivery partner structures across Yorkshire Water led to a reallocation of resource which caused some short-term disruption and impacted D-MeX quality scores in our second quarter. We worked closely with our delivery partner to support them in getting back on track.

A digital transformation across Yorkshire Water systems is well advanced, and will be rolling out to Developer Services in 2025/2026, in the interim we are investing in standalone technical solutions to deliver improved customer experience in 2024/2025 while still utilising legacy systems.

There has been marked improvement in customer feedback related to our new customer/case management processes. We could have launched wider and quicker, but we took a more conservative approach to minimise colleague change fatigue. As we have been driving many improvement initiatives over a sustained period, we believe this was the right approach.

We are investing in standalone video technology to support simpler customer journeys, while at the same time defining the requirements for a holistic digital deployment to move to a digital first solution minimising customer effort and simplifying processes.

Overall, although we are pleased to see our performance trending in the right direction, we do acknowledge that 15th in the industry isn't the level we should be happy with, and we do expect to see further improvements in the coming years.

How are we performing? D-MeX

Year	Target	Performance	Industry Ranking	Target achieved	Reward/Penalty
2020/2021	n/a	62.25	16th	n/a	£2.700m Penalty
2021/2022	n/a	55.08	17th	n/a	£3.398m Penalty
2022/2023	n/a	80.08	17th	n/a	£2.708m Penalty
2023/2024	n/a	83.60	15th	n/a	£1.049m Penalty*

There is no particular target for this performance commitment but we consider that we have met this performance commitment if we are in the top half of companies and therefore in reward.

* The reward/penalty on this commitment is estimated as a final evaluation is completed by Ofwat which will confirm the final penalty figure. We will update this in our re-publication of the APR in February 2025.



Bespoke Performance Commitments

We engaged with 30,000 customers to understand individual lifestyles and how they shape what customers want, need and expect from us. We've listened to customers' aspirations for us and developed a plan that puts excellent and efficient service front and centre of our ambitions.

To respond to our customers' feedback, we developed a package of 29 performance commitments that are unique for Yorkshire Water. They align with our ambitions and challenge us to change the way we work to meet both customers' expectations and the complex long-term challenges that we'll face as a business during AMP7.

In this section, we explain the 29 bespoke performance commitments that we've developed and how we've performed against them.

Working with others

Collaboratively working with third parties to improve Yorkshire for our customers

What is it?

This performance commitment measures the projects that are completed collaboratively with independent not-for-profit independent agencies, organisations or individuals. We call these projects 'partnership projects'. All partnership projects selected will go through the same business approval processes as any other projects within Yorkshire Water and have the same level of scrutiny and challenge. Only partnership projects with a clear net-benefit to our business objectives and customer outcomes will be selected. In AMP7 we have been set a more stretching target for this measure as we must exclude any land-based partnership projects that are counted towards our land conserved and enhanced performance commitment. We must also quantify the additional benefits achieved by working in partnership over and above those that would have been achieved by working alone. We will quantify these additional benefits using our Six Capitals Framework and have this independently reviewed at the end of AMP7.

Why is it important?

These projects contribute direct financial or in-kind support, to capital or operational programmes, investigations, and feasibility studies. Working in partnership with others means that we can deliver more for our customers and the environment. The reward from achieving this performance commitment is ring-fenced to be re-invested in more partnership projects.

Our performance

This year 13 projects were submitted, exceeding the years target by 2 and achieving a cumulative total of 32 projects delivered. Meaning we remain on track to reach our cumulative AMP end target of 45.

This year has been a successful year for partnership working, with multiple projects being delivered across the company, each showcasing how partnership working can bring greater value to our customers. Throughout the year partnership working has enabled projects to access specific expertise and knowledge, funding pots, land, volunteers, and community groups, all of which would not have been possible if we attempted the projects alone. This year through the Living with Water Rosemead Street flood alleviation scheme we secured £815,000 of funding through the Flood Defence Grant in Aid scheme. This was the first time in which we have succeeded in gaining this funding, which now paves the way for partnership working and joint investment opportunities for the future. The DNAire project is a clear example of how working in partnership with the Environment Agency and The Aire Rivers Trust brings greater benefits, as a result of access to specialist skills and knowledge that we don't hold in house. This project also showcased how working in partnership enables the delivery of a landscape scale project rather than one that only works on land and assets that we own.

The contributions we have made to create the Invasive Non-Native Species (INNS) mapper and the success of the project highlights the importance of partnership working not only on a regional scale but a national scale as well. The INNS Mapper will now be a tool to enable better coordination and efficiency of INNS management across the region and catchments, which will deliver a better solution for those future projects.

In total we have contributed £2.8 million to the submitted partnership projects this year which unlocked external contributions of £3.1 million. The company will commission and publish a report that estimates the additional benefits to customers delivered through partnership with third parties as opposed to what we would have achieved on our own across the reporting years.

How are we performing? Working with others

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	3	7	✓	Calculated in 2025
2021/2022	9	16	✓	Calculated in 2025
2022/2023	18	19	✓	Calculated in 2025
2023/2024	30	32	✓	Calculated in 2025



Working with others

Performance Commitment Eligibility Criteria

1. Identify a partnership project

Partnerships are defined as:

Projects where the company engages in activity with independent not-for-profit third-party organisations, agencies or individuals for the delivery of a shared objective.

Project is defined as:

Activities where the company contributes direct financial or in-kind support, to capital or operational programmes, investigations, and feasibility studies.

Included projects:

- Partnerships and projects may be established to test or trial a concept or technique. If, in the event the test or trial is unsuccessful, the project can still be claimed provided the company can demonstrate that substantive benefits have been delivered.
- Individual partnership projects that are part of a broader partnership as long as they are self-contained projects with their own distinct goals and benefits. i.e. projects within a programme.

Projects excluded:

- **the company's own research and development activity;**
- **business as usual delivery of capital projects by contractors; and**
- **repair and maintenance or other framework contracts;**
- **projects that deliver benefits taken into account for the PR19YKY_2 Land Conserved and Enhanced performance commitment.**

2. Partnership projects must have benefits

Benefits can include, but are not limited to the following:

- enable delivery of much larger/wider schemes than if the company acts in isolation;
- save money, including avoided operational costs;
- provide additional benefits such as recreational improvements or biodiversity gains;
- enable access to specialist technical expertise, such as local charities/volunteers;
- remove surface water from the company's wastewater network; and
- with the company's involvement would leverage additional funding (for example by demonstrating match funding for bids).

Additional benefits:

- protecting or enhancing raw water quality;
- managing the risk of sewer escapes, for example by removing surface water from our network;
- promoting water efficiency and/or the responsible use of sewers;
- protecting our assets or customers from flooding, or coastal erosion;
- projects which increase the diversity of visitors to the countryside particularly at Yorkshire Water locations;
- projects which focus on visits to the countryside and other nature-based activities which support the health and welfare of individuals;
- projects that protect or enhance the natural environment;
- projects that build community resilience.

3. Partnership projects go through business approval process

Business approval process is defined as:

- must be the same business approval processes as any other projects within the company and have the same level of scrutiny and challenge.
- only partnership projects with a clear net-benefit to meet the company’s business objectives and customer outcomes will be selected.
- a partnership project must include the following information:
 - partners involved;
 - total costs of the scheme;
 - contribution required from the company (financial or otherwise);
 - timescales for completion;
 - criteria for determining a successful outcome;
 - proposed project steering group (including third party members) including relevant skills and qualifications; and
 - project governance.

Business approval process will check the partnership project meets the eligibility criteria

(Full list of eligibility criteria will be documented in advance of the 2020/2021 reporting year and will be published in the company’s Annual Performance Report (APR). The Yorkshire Forum for Water Customers will provide assurance that is appropriate.)

Eligibility criteria includes all the information in Steps 1-3 including:

- projects should have local or community benefits, we cannot fund projects outside our operational boundary (which largely matches the Yorkshire & Humber Government Office Boundary).
- we will carefully consider projects which resolve a long-standing issue, or which are the right thing to do, but which fall outside our regulatory business and what we normally fund.
- we will consider projects which build capacity within partner organisations (i.e skill development, sharing good practice, secondments and mentoring).

Accepted

Rejected

4. Deliver partnership project

5. Is project successful?

Partnership projects completed on or before the 31 March will be reported in that year.

Each partnership project will only be considered to contribute to the performance commitment if it meets the published criteria.

The Yorkshire Forum for Water Customers will provide assurance on this.

Some partnership projects will deliver benefits upon completion. Others may take longer to achieve measurable benefits. In these cases, projects will be considered completed when the project steering group agrees that the substantive benefits of the partnership project have been delivered.

Counted

Not counted

6. Report information

The company will report cumulative progress on an annual basis through its Annual Performance Report, setting out if it is on track to achieve the cumulative 2024/2025 performance commitment level. Any outperformance payments will be calculated and applied based on the cumulative total in 2024/2025.

The company will commission and publish a report at PR24 by an appropriately qualified third party that estimates the additional benefits to customers delivered from the company working with third parties as opposed to what the company would have achieved on its own. It will also set out any learning that would increase the benefits of partnerships in the future.

The company will maintain documented reports that set out the benefits delivered from each partnership project and how these have been determined.

Land conserved and enhanced

Improving our land management and biodiversity activities

What is it?

This measures the cumulative area of land conserved and enhanced in the company's region through land management and biodiversity focused projects and investments on land owned, and not owned, by the company in the 2020-2025 period. It includes the following programmes:

- Site of Special Scientific Interest (SSSI) programme;
- Local wildlife sites or similar, programme;
- Other schemes benefitting biodiversity (for example, delivering best practice land management schemes); and
- 'Beyond Nature' land management.

These projects must be signed off by the relevant agencies such as the Environment Agency, Natural England or another recognised environmental non-government organisation. We report this by the number of hectares of land affected and improved by our projects.

Why is it important?

It's important that we do whatever we can to preserve and improve our natural environment. Working with other agencies to improve the way land is managed is vital to ensuring that we improve biodiversity and make the region better for our customers and future generations to enjoy.

Our performance

Our performance against this measure is calculated cumulatively over the AMP (from 2020-2025). This means our overall reward or penalty will be evaluated and reported in 2025.

The aim of Beyond Nature® is to have 10,000 hectares of land signed up to a management plan by the end of March 2025. Some of this land will also be designated as Sites of Special Scientific Interest (SSSI), and therefore already included in the SSSI part of this Performance Commitment. Beyond Nature® increased from 5,219.81 hectares to 6,497.12 hectares of non-SSSI land signed up this year. This equates to an increase of 24.5%.

There was an additional 1,571 hectares signed up, but as the land is also designated as SSSI, this was excluded from the Beyond Nature® figures. SSSI land is only counted under the SSSI element of this performance commitment. The increase has been achieved by working with more agricultural tenants to draw up and agree bespoke Beyond Nature® Management Plans for their holdings. As well as signing up more Yorkshire Water tenants into Beyond Nature®, we have continued to work with existing tenants under the initiative. Works include the continued management/improvement for breeding birds and the introduction of herbal leys (have a Beyond Nature® branded seed mix acceptable to Sustainable Farming Incentive (SFI). Herbal leys improve the nutritional value, improve soil structure & fertility, capture carbon, are more attractive to pollinators, are more resilient, being deeper rooting, and good for protecting water quality.

We are not reporting any increase in our cumulative total for SSSI hectareage due to changes outside of our control following changes in the way that Natural England monitor SSSIs. Natural England will now monitor SSSIs using feature-based assessments rather than unit based. This is the reason why we have not met our target in Year 4. We are currently determining the implications on the way Natural England monitor SSSIs and how that impacts the baseline used to calculate this performance commitment.

The final AMP hectareage of Land Conserved and Enhanced is forecast to be 15,239 hectares and we believe that we are still on target to meet this forecast, due to over delivery of hectares signed up to Beyond Nature management agreements compared to our baseline plan and despite some of the challenges faced with changes in monitoring of SSSIs.

The biodiversity schemes fall under our Water industry national environment programme (WINEP) programme. The WINEP programme is on track for regulatory sign off and is reviewed on a quarterly basis by an Environment Agency led steering group. Over 20 projects have been completed and the forecast hectareage of habitat has been achieved, though cannot be claimed until regulatory sign off at the end of the AMP.

Beyond Nature® has further sites in various stages of negotiation, drawing up further bespoke management plans, delivering works on the ground, and particularly supporting new environmental schemes/grant support mechanisms.

How are we performing? Land conserved and enhanced

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	3,048	3,084	✓	Calculated in 2025
2021/2022	6,096	6,656	✓	Calculated in 2025
2022/2023	9,143	9,768	✓	Calculated in 2025
2023/2024	12,191	11,045	✗	Calculated in 2025



Integrated catchment management

Developing integrated catchment plans that improve our environment

What is it?

The performance commitment measures the percentage of catchments we operate where, working with stakeholders, the company implements the 'Natural Capital Operator' model in the 2020–2025 period.

Implementing this model means that the systems operator provides a central oversight and management system to ensure optimal and sustainable use and management of natural capital, and to coordinate investment and management actions.

Catchments are selected based on where we can demonstrate;

- we have an operational presence within the catchment (for example water abstraction and wastewater processing),
- there will be a clear benefit for our customers; and
- there is adequate opportunity to gather the required information to drive change.

Plans must be developed, consulted upon, and agreed with stakeholders including Natural England, the Environment Agency, the relevant Catchment Based Approach (CaBA) partnership, Local Nature Partnership, the Yorkshire Water Biodiversity Advisory Panel; and external regional stakeholders, such as Wildlife and Rivers Trusts.

Why is it important?

Implementing this model delivers multiple benefits to our customers including improvement to water quality, enhanced biodiversity, reduced flood risk, resilience to climate change and greater community engagement with their local river in a cost-effective manner.

Our performance

Throughout this AMP, we have continued to review and prioritise our delivery plan in line with our service commitments, to ensure we deliver the best service we can against the key priorities of our customers within the constraints we face. As a result of this, and aligned with the priorities of our customers, we made the difficult decision to put on hold the activity that supported this performance commitment and instead focus our efforts on other areas where we can have a greater impact in improving the quality of our rivers. We will make sure that where there are opportunities to deliver the benefits that this performance commitment sought to achieve, such as improving water quality, enhancing biodiversity, reducing flood risk and improving resilience to climate change, we will pursue this and several of our other performance commitments and delivery of the Water Industry National Environment Programme (WINEP) also help to deliver these benefits.

How are we performing? Integrated catchment management

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0%	0%	✓	Reputational
2021/2022	0%	0%	✓	Reputational
2022/2023	2.6%	0%	✗	Reputational
2023/2024	2.6%	0%	✗	Reputational

Length of river improved

Improving the health and aesthetics of our rivers

What is it?

This performance commitment measures the cumulative length of river improved, in kilometres, as a consequence of completed improvement schemes. These schemes have regulatory and legislative drivers and improvements are made under clean and wastewater obligations.

This measure includes schemes that are completed as part of our Water Industry National Environment Programme (WINEP) and non-WINEP schemes. All schemes must be signed off by the Environment Agency (EA).

Why is it important?

These schemes improve the quality of rivers for river users enhancing opportunities for recreational and other activities. It also measures river health to ensure that water can be abstracted from rivers and lakes for our clean water treatment works, without any negative impact on the environment.

Our performance

Our performance against this measure is calculated cumulatively over the AMP (from 2020–2025). This means our overall reward or penalty will be evaluated and reported in 2025. We have delivered 117.9km of river length improved, 45.6km of wastewater related schemes and 72.3km of clean water schemes. There are a total of 103 projects, 24 clean and 79 waste, which deliver this measure across the 2020–2025 period.

Our Delivery Assurance Group meets monthly to monitor the projects and drive delivery.

How are we performing? Length of river improved

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0.0km	0.0km	✓	n/a
2021/2022	45.6km	50.1km	✓	n/a
2022/2023	47.3km	53.7km	✓	n/a
2023/2024	69.7km	117.9km	✓	Calculated in 2025

Biosecurity implementation

Protecting our natural environment

What is it?

Biosecurity represents reasonable and practicable measures to prevent the spread of harmful organisms, such as plants, animals, fungi or pathogens. There is an emphasis on those organisms listed as invasive species. This performance commitment measures the number of Pathway Management Plans that we implement to mitigate a particular pathway of spread.

The Pathway Management Plans must have specific success measures which are independently reviewed and agreed with the Environment Agency. The plan is only considered completed when it has been signed off by the relevant regulators and a third-party assurer. We will also review the engagement and learning across the business in order to shape future policies.

Why is it important?

We want to protect and improve the natural environment for our customers and future generations by reducing the spread of invasive species. We want everyone to continue to enjoy Yorkshire.

Our performance

There are twelve main ways by which we can inadvertently spread invasive species such as Japanese knotweed, for example through moving soil between construction projects containing seeds of invasive plants, or through anglers on our reservoirs transferring invasive plants in their nets. Our target for this measure is a cumulative target

across the five-year asset management period to put in place pathway management plans against these twelve main areas and we will report our progress annually, with the aim to have delivered three pathway management plans each year.

We are reporting a total of 6 pathways completed compared to 4 pathways last year. The two new pathways are Bioresources and Raw Water Transfers, alongside aquatic surveying, terrestrial surveying, public recreation and forestry pathways which have been completed in previous years.

In 2023/2024 several Yorkshire Water sites have been awarded external bronze AQUA biosecurity accreditations, all supported by communications to raise awareness, including the launch of Invasive Non-Native Species (INNS) Mapper tool (previously explained in our commentary around working with others). The INNS Mapper will now be a tool to enable better coordination and efficiency of INNS management across the region and catchments, which will deliver a better solution for those future projects.

As stated in our commentary last year we made the difficult decision to reduce the activity that supported this performance commitment and instead focus our efforts on other areas where we can have a greater impact. We will make sure that where there are opportunities to deliver the benefits that this performance commitment sought to achieve, we will pursue this.

We believe an additional two pathways will be completed by March 2025 (Grounds Management and Operational Staff), but four pathways will remain only partially completed by the end of the AMP (Farming, Boating, Angling and Capital Delivery).

How are we performing? Biosecurity implementation

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0	0	✓	Reputational
2021/2022	3	2	✗	Reputational
2022/2023	6	4	✗	Reputational
2023/2024	9	6	✗	Reputational

Education

Encouraging change and understanding the value of water

What is it?

For this commitment we report the number of face-to-face learning hours that Yorkshire Water provides to promote an understanding of the value of water. This can include regional and community targeted campaigns as well as practical learning delivered at our specialist centres. We gather feedback from both students and group organisers to check on learning, understand the potential for behaviour change and adapt our sessions where appropriate.

Why is it important?

By teaching our communities the value of water we can drive changes in behaviour and raise awareness of how small changes make big differences. We educate communities about water usage as well as the water and wastewater treatment processes.

Our performance

The output for 2023/2024 was 29,203 hours delivered against a target of 20,000. This is 46% above target and an increase of 4% on last year. Contributing factors include an increase in the number of virtual talks delivered. We have seen a slight decrease in visitors to our centres due to the cost of school buses, but this is compensated by an increase in outreach bookings where we have the potential to reach more students – there has been a 34% increase in workshop hours as a result. Our water safety live sessions have continued to grow in popularity with a 58% increase in hours contributing to the Education Performance Commitment total. We continue to gather feedback to ensure we learn and make improvements to the programme we deliver.

A new Lego programme has been introduced to support our wastewater & flooding engagement work, following a successful pilot period, this is now being proactively offered to areas affected by our capital programme. We have piloted the Hey Girls programme which aims to bring awareness of reusable sanitary products and help prevent sewer blockages. Once contracts are in place for the products which will be distributed, we aim to roll this out to targeted blockage hotspot areas in the academic year starting September 2024. Our water safety live events continue to be increasingly popular and are delivered all year round to raise awareness of the hazards of open water.

We are currently forecasting our performance next year to exceed the 20,000 hours target.

How are we performing? Education

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	20,000	5,590	✗	£29k Penalty
2021/2022	20,000	22,576	✓	£0
2022/2023	20,000	28,164	✓	£0
2023/2024	20,000	29,203	✓	£0

Creating value from waste

Reducing materials which are sent to landfill

What is it?

This performance commitment challenges us to reduce waste and recycle as much as we can and reduce our costs in doing so. We measure the extra environmental, social and financial benefits using the Six Capitals approach. You can read more about our Six Capitals approach here: yorkshirewater.com/about-us/capitals/

The waste materials include:

- Grit, screenings, fats, oils and greases that enter and collect in the sewer network or wastewater treatment works.
- Water and wastewater sludges produced through treatment processes. There are also sludge storage lagoons, a legacy of historic operational practices.
- Heat lost to the natural environment – from sewage and from water and wastewater treatment plants, including energy generation assets.
- Construction, repair and maintenance waste, for example, excavation materials and redundant kit from sites.
- Land, including areas of unused operational sites, for operational purposes (hectares).

It also includes company catchment land where further value can be taken by increasing recreation and environmental improvements.

Why is it important?

It's important that we reduce our impact on the environment in any way that we can and save money on unnecessary activities.

Our performance

In 2023/2024 we exceeded our cumulative target for the 2020–2025 period with a reported performance figure of £281m. As we have achieved our target for this performance commitment, no further initiatives will be identified for inclusion in the PC. This will allow us to focus our resources on other activities that will deliver greater benefits for our customers. This PC has demonstrated the additional value achievable through reusing and reducing waste and underused assets across the business and we'll continue to build on our performance in this area in future.

How are we performing? Creating value from waste

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	£0m	£3m	✓	Reputational
2021/2022	£5m	£53m	✓	Reputational
2022/2023	£10m	£281m	✓	Reputational
2023/2024	£20m	£281m	✓	Reputational

Water recycling

Increasing the volume of water we recycle

What is it?

This performance commitment measure the volume of water recycled in our clean and wastewater sites in megalitres per day (Ml/d).

It includes:

- The re-use of process water in our clean and wastewater treatment sites; and
- The use of final effluent from our wastewater treatment sites for commercial applications.

Why is it important?

If we are able to increase the volume of water which we recycle, we can decrease the volume of water we abstract from rivers, streams, canals or underground for use at our clean water treatment works.

Our performance

Following the Final Determination, we reviewed our delivery plan in line with our service commitments and allowed costs. As a result of this, and aligned with the priorities of our customers, we made the difficult decision to put on hold three specific water recycling schemes that were identified to deliver our Water Recycling performance commitment. This performance commitment was developed to engender a culture of water conservation and to reduce water wastage. We remain committed to these principles, but in line with our customers priorities, over the next year, we're focusing our resources on achieving this through leakage reduction. We will make sure that where there are opportunities to reduce water wastage through our interventions on other service commitments, we'll pursue these.

How are we performing? Water recycling

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	0	0	✓	n/a
2021/2022	2.77	0	✗	£41k Penalty
2022/2023	5.79	0	✗	£85k Penalty
2023/2024	6.04	0	✗	£89k Penalty

Affordability of bills

Providing services at an affordable cost

What is it?

We report the percentage of customers who respond positively to the question “How much do you agree or disagree that the water and sewerage charges that you pay are affordable to you?”

The question is asked by the Consumer Council for Water (CCW) in an annual survey known as ‘Water Matters’.

Why is it important?

It’s important to us that we do not have unreasonable charges for our services, and we keep our bills affordable. It’s also important we give our customers an opportunity to tell us if they think they are not. It also gives us a chance to assess the support we have in place for our customers who are struggling.

Our performance

The 2023/2024, research undertaken by CCW and published in their Water Matters report states that 78% of customers are positively satisfied that their water and sewerage charges are affordable to them. While this represents a slight improvement compared to last year, it is below the performance commitment target of 84%.

The cost-of-living crisis has impacted performance on this metric, however additional support we have offered has helped to improve performance.

We’ve increased financial support so that 124,396 customers are now benefitting from help with their bills, an increase of almost 30,000 compared to the previous year. The financial value of this support was over £35 million (an increase of circa £10m compared to 2022/2023). The £15m additional company support to customers, pledged in 2022 has contributed to this growth in financial support.

We’ve continued to run campaigns as part of our annual billing process to raise awareness of the support available. This is alongside a monthly programme of activity across social media and marketing platforms. In addition, we have introduced our financial support leaflet into all final notices this year to ensure customers see the financial support available at the earliest point they may be starting to struggle with their water bill. We also have an extensive programme of community engagement activity which utilises data to target under-represented communities who are likely to need support.

In addition, we have carried out research which identified trust and bill certainty were factors which discouraged customers from taking up meters. Therefore, we are considering how we can increase customer perceptions of metered charges e.g. price guarantees and how we promote the potential savings to customers.

We have plans to further increase take-up of social tariffs. Our aim is to increase reach amongst those in the most financially vulnerable circumstances by simplifying the sign-up process for social tariffs (self-service on the website) and embedding auto-enrolment.

How are we performing? Affordability of bills

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	81%	82%	✓	Reputational
2021/2022	82%	79%	✗	Reputational
2022/2023	83%	77%	✗	Reputational
2023/2024	84%	78%	✗	Reputational

Direct support given to customers

Providing access to our financial support schemes

What is it?

This measures the number of residential customers who receive financial support through one or more of our approved schemes. These schemes include two social tariffs:

- WaterSure
- WaterSupport

and the following support schemes for customers in debt:

- DWP Resolve
- Resolve
- Community Trust
- Fresh Start

as well as a domestic meter option for those customers requiring financial support.

If a customer receives financial support under more than one of the valid schemes during the reporting period, they will be counted as a single customer receiving support.

Why is it important?

We need to make sure that people are aware of, and have access to, our financial support schemes when they need them.

Our performance

The number of customers supported has increased on a yearly basis throughout the period.

This year's performance has seen an increase of over 31% on the previous year with an additional 29,000 customers, above last year's total, being helped. This has taken the total to over 124,000. This year's performance has exceeded the performance commitment by circa 45,000 customers. The target for this year was 79,000. The year-on-year increase throughout the last 5 years has been in both the number of schemes available, as well as the number of customers benefitting from those schemes.

Of all the schemes WaterSupport, a social tariff aimed at customers with low incomes, has the largest number of customers, at round 68,000, for 2023/2024, and accounts for around 54% of the total customers helped. The debt management schemes, although grown in numbers, is not reflective of the demand as there is a finite amount of financial investment available for these schemes – this recognises our priority for also keeping bills affordable for all customers.

The growth from last year represents the focus made to reach the customers needing bill support. We have improved processes to make it easier for customers to access our support schemes and stay on them for as long as they are eligible. We have further expanded our community engagement activity and increased the number of customers who have accessed our support through an external organisation.

This has increased awareness of the support available and made it easier to access for those customers. In addition, we have continued to raise awareness of our support to customers on contact with further training for contact centre colleagues when handling customer contacts. This has resulted in more customers being able to access all support schemes available throughout the year.

We have successfully introduced auto-enrolling customers on to WaterSure in 2023/2024 where our data identifies them eligible for the bill reduction. This provides support to customers who are unaware or not engaged with the schemes available but are in need of financial support to make their bill affordable. This activity will be extended in 2024/2025.

We have also extended our partnership working in 2023/2024 with a customer well-being check for those customers who are struggling to pay their water bill and in debt. This was introduced as a pilot to 12,000 customers who were provided with a digital well-being check via a digital platform, TellJo. The engagement resulted in customers accessing debt schemes, bill reduction schemes, tailored payment arrangements and priority services. With a successful 4% engagement rate from the initial pilot this will be embedded within operations in 2024/2025.

We have designed our social tariff to reach a wide number of customers but there have been challenges in reaching all customers who need bill support. Despite extending our promotional activity through a variety of channels there is further awareness raising required about the financial support available to meet the needs of all customers.

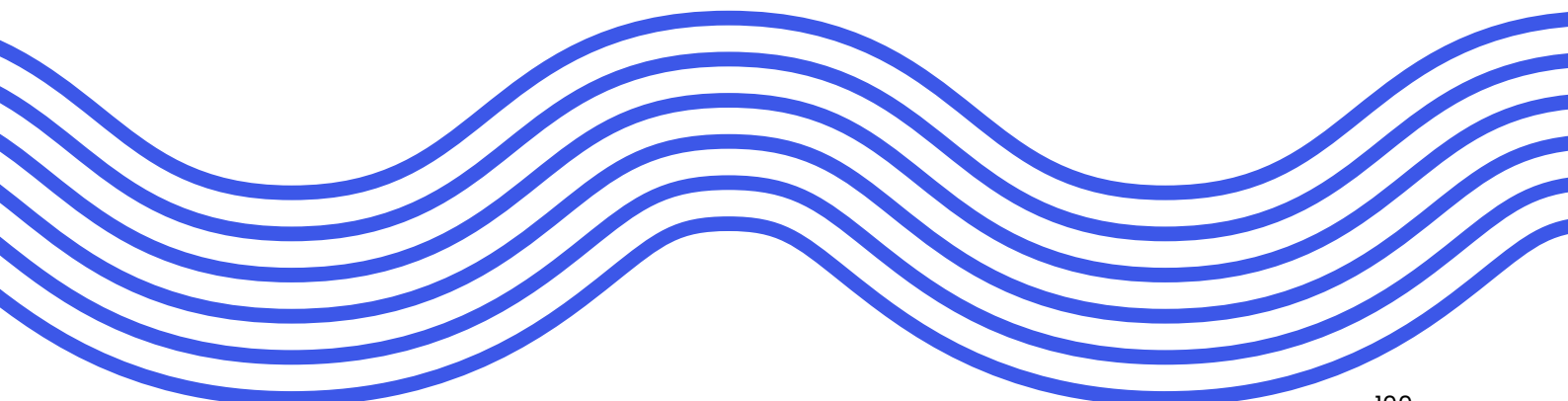
In 2023/2024 we implemented a widescale water meter promotion to provide bill reductions to customers with high RV's. This included partnership engagement activity with external organisations; face to face promotion both at residencies and at events; and increased marketing both direct and indirect across a number of platforms.

However, this resulted in limited success with customers who did not want to convert to metered charges. Direct customer feedback, and subsequent undertaken customer research, concluded that there are a high percentage of customers for who – regardless of promotion of the expected annual bill saving – would not want to convert from their rateable value charges. This learning and insight is being utilised to prioritise and expand future activity with low income customers in 2024/2025.

We have already reached our performance commitment target for 2024/2025, however, we forecast to continue to increase the number of customers we will help with their bills. This will be realised with; increased auto-enrolling of customers on to WaterSure, which will also be expanded to WaterSupport within the year; increased community engagement activity to increase awareness of financial support via key external organisations across the region; improved processes for customers to register and stay on our social tariff with the introduction of an online application process and eligibility verification via data wherever possible.

How are we performing? Direct support given to customers

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>58,000	61,406	✓	n/a
2021/2022	>69,000	80,778	✓	n/a
2022/2023	>75,000	95,138	✓	n/a
2023/2024	>79,000	124,396	✓	n/a



Cost of bad debt

Reducing the cost of bad debt to our customers

What is it?

Bad debt is when we are unable to recover residential customer bills. When we are unable to recover bad debt this becomes a cost to our other customers. In an effort to keep this low, this performance commitment measures the percentage of each customer bill which results from bad debt.

Why is it important?

It's important that we ensure that our bill-paying customers contribute as little as possible to unrecovered bills. We are committed to keeping bills as low as possible and ensuring that customers pay for the services available to them.

Our performance

For this performance commitment a lower number is better. It represents the reduction in the percentage of bills that relate to bad debt. The Ofwat price review process incorporates an allowance in prices for the cost of debt considered to be irrecoverable by the company. To help minimise this cost for our customers, we operate a range of schemes designed to help those who struggle to pay their bill, while having strong processes in place for overall debt collection.

We have met this performance target in 2023/2024.

The bad debt performance commitment is the cost of debt per customer expressed as a percentage of the average household water and sewerage bill. The bad debt performance commitment target was set at 3.61% of the average household water and sewerage bill for the fourth year of AMP7. The outturn for the year was 3.39%.

One of the main reasons for the slight increase in the cost of debt per customer compared to last year was due to an increase in arrears and debt outstanding. This increase was noticeable on measured customers who pay by quarterly bills. This increase was noticeable on measured customers who pay by quarterly bills. It is thought that the increased number of customers working from home post the Covid-19 pandemic, has had an impact on this.

Welfare reforms during this AMP period, and the added impact of the ongoing the cost-of-living challenges faced by customers (e.g. increased energy bills, groceries etc), have also contributed to the increase in arrears and ultimately the performance commitment in the year. This has resulted in more customer debt write offs, where following legal action we have still been unable to recover the debt. We have continued to support customers through our 'Resolve' customer support scheme as we have continued to see customers needing support to pay their bills.

How are we performing? Cost of bad debt

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<3.23%	3.00%	✓	Reputational
2021/2022	<3.37%	3.28%	✓	Reputational
2022/2023	<3.48%	3.38%	✓	Reputational
2023/2024	<3.61%	3.39%	✓	Reputational

Priority services awareness

Understanding the benefits of our Priority Services Register

What is it?

This measures the percentage of household customers who state, when questioned, that they're aware of the additional services offered by Yorkshire Water via the Priority Services Register (PSR). The Customer Council for Water (CCW) conduct a survey independently, called the 'Water Matters Survey'. You can read their latest report here: ccwater.org.uk/research/water-matters-2020/

The PSR is a free service provided to customers in vulnerable circumstances. This can be a situation which is temporary or permanent and impedes a customers' ability to access or benefit from our services. Services within the PSR include:

- Braille bills and information;
- card warnings;
- CD bills;
- priority supply connection;
- help for customers who use home dialysis;
- large print bills or information;
- delivery of bottled water during an interruption to supply;
- nominated person to handle the account;
- password on accounts;
- text telephone contact;
- face-to-face visits.

Why is it important?

We want our customers to know that extra help is available when they need it. Our customers are at the heart of everything we do and it's important our customers know how to access support from us, when they need it.

Our performance

We have continued our consistent external communications to raise awareness of our priority services register. Unfortunately, we have not seen an increase in awareness this year, but we are still above the industry average for this metric. This year we have had a multi-channel marketing campaign that utilises radio adverts, out of home adverts and social media marketing to raise awareness. Our community engagement team has also been out and about in our communities having conversations with customers face to face about our priority services register and its benefits. We have also piloted advertising on GP appointment cards to raise further awareness.

How are we performing? Priority services awareness

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>50%	43%	✗	Reputational
2021/2022	>54%	47%	✗	Reputational
2022/2023	>58%	51%	✗	Reputational
2023/2024	>62%	50%	✗	Reputational

Priority services satisfaction

Understanding and improving what our vulnerable customers need

What is it?

This measures the percentage of our customers on the Priority Services Register (PSR) who are satisfied with their experience.

A survey is conducted which asks these customers 'Based on your priority services needs how satisfied are you with Yorkshire Water's service? Please use a scale of 1 to 5 where 5 is equal to very satisfied, 4 to quite satisfied, 3 to neither satisfied nor dissatisfied, 2 to quite dissatisfied and 1 to very dissatisfied.

The survey is conducted by an external company each month and we ask a minimum of 600 customers annually. We make sure that we ask a representative sample of customers who use a variety of the services offered.

Why is it important?

We need to make sure that the services we offer to customers made vulnerable by their circumstances are adequate and look to make improvements where they are needed.

Our performance

Overall PSR Satisfaction has decreased from 85% in 2022/2023 to 81% in 2023/2024. This is below our target of 92%. During the year, we auto-enrolled customers over the age of 85 onto our PSR scheme. This ensures that they are provided with key services, such as bottled water delivery should there be a water outage. This group was auto-enrolled onto the PSR scheme as industry benchmarking and customer research suggests these customers would benefit from this service. However, it will have resulted in more customers in the sample who were not aware of or clear on their PSR status and what it entails, despite communication with these customers at the time.

This year has been particularly challenging operationally with rainfall above historic averages and a large number of storms in quick succession. This will have caused an impact on service delivery, creating more issues to respond to.

We plan to continue to maintain regular communication and engagement with customers to ensure they are aware of their PSR status and are reminded of the benefits received from this. We will also be publishing our draft vulnerable customer strategy in June 2024 which clearly sets out the objectives and commitments to customers with extra help needs.

Whilst the target of 95% in 2024/2025 will be difficult to achieve, we hope that progress in this area will help us to achieve a satisfaction score of around 90%.

How are we performing? Priority services satisfaction

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>82%	91%	✓	Reputational
2021/2022	>84%	80%	✗	Reputational
2022/2023	>88%	85%	✗	Reputational
2023/2024	>92%	81%	✗	Reputational

Inclusive customer service

Improving the quality of service to our vulnerable customers

What is it?

Our priority services are reviewed and assessed by an independent panel of third-party organisations and charities. They score three aspects of our priority services:

- the accessibility of our priority services
- the types of services provided; and
- the effectiveness of the services provided.

Each individual organisation gives a score based on a scale of one to five (one=low competence, little evidence of performance; five=highly competent, strong evidence of performance).

This performance commitment reports on the overall score. The overall score is the total of all the scores divided by the number of scores. We report a percentage improvement from our 2019/2020 score (baseline). Our baseline is 3.21.

We also track the average scores of each individual element so we can focus our improvements on the right areas.

This measure is conducted and overseen by an external provider who ensures the quality and accuracy of the responses received are transparent.

Why is it important?

It's important that the services we provide our vulnerable customers are accessible, wide-reaching and effective. This commitment makes sure we continue to improve and meet our customer's needs.

Our performance

A breakdown of our performance across each of the criteria is shown below.

Criteria and score	Base line	2020/2021	2021/2022	2022/2023	2023/2024
the accessibility of service provision;	3.0	4.0	4.0	4.0	4.2
the types of services provided; and	3.7	4.2	4.3	4.1	4.0
the effectiveness of services provided	2.9	3.8	3.3	3.5	3.6
Overall	3.2	4.0	3.8	3.8	4.0

Our performance has improved from 19% in 2022/2023 to 24% in 2023/2024. This is due to the introduction of new inclusivity support services and addressing feedback from previous surveys on the clarity of information provided.

In our information pack for the research, we called out several highlights of positive changes introduced this year to support customers.

Tailoring operational priority services during incidents: We've launched and embedded several new changes, to make sure we're delivering the service our customers need. This includes recruiting for our Operational Vulnerability Lead (OVL), standing up a dedicated Customer Incident Team (CIT), launching our new wastewater PSR service pilot and partnering with external agents to deliver bottled water during outages.

Checking our Priority Services are right for customers: In the last two years we have sent over 200,000 customers multiple communications to check they are happy with the services they have registered for. This has been delivered via multiple channels, including email which was introduced in the last 12 months for those customers who have requested this channel.

Community Engagement: To be where our customers need us, we worked with charities and organisations across the region to enable more than 20,000 customers to access bill reductions and priority services from us this year via other organisations. This has resulted in more than £2m worth of bill reductions in the last 12 months.

Training and upskilling: We have a full end to end review of our training programme for operational roles, including those within our contact center and out in the field. We've implemented a new process that will focus on regular refreshers, utilising real-life case studies to bring our customer stories to life.

We've also launched our Safeguarding e-learning across the business, to pair with our existing Dementia Friends module to broaden colleague knowledge.

Street works: Our training around Signing, Lighting and Guarding (SLG) of Street works, is being aligned to broader industry practice and regulation around Sightline. We will continue working in partnership with the RNIB and Disability Action Yorkshire (DAY). This will ensure our sites are accessible to all and equip operatives with the skills, knowledge and techniques needed to set up SLG and confidently interact with anyone needing support. This training will span across our partners and field colleagues.

Simplified updating of the PSR: Utilising robust data, we have registered over 100,000 customers on to the PSR on their behalf. This has reduced customer effort making it simpler to access our additional support.

Since April 2023 we have introduced PSR data sharing with organisations in the energy sector. This has enabled us to understand customer circumstances and proactively provide priority services if needed.

We published our draft vulnerable customer strategy in June 2024 which clearly sets out the objectives and commitments to customers with extra help needs.

How are we performing? Inclusive customer service

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	4%	24%	✓	Reputational
2021/2022	8%	20%	✓	Reputational
2022/2023	12%	19%	✓	Reputational
2023/2024	16%	24%	✓	Reputational

Gap sites

Reducing the number of connected properties which are unknown to us

What is it?

A 'gap site' is an occupied property not known to us which is connected for water services and therefore not being billed. We aim to reduce the amount of time it takes to bill these properties from the time they are identified. This commitment reports the percentage of gap sites we identify which are added to the billing system within 12 months of identifying them.

Why is it important?

If a property is receiving a service and not being billed, it means our other customers are not receiving fair charges. It's important that we identify gap sites and bring them into billing as soon as we can so we can reduce bills for our customers who are already paying.

Our performance

Our performance against this measure continues to improve, achieving 99% against an 90% target in 2023/2024. We continue to see 56% of sites brought into billing within 2 months of notification.

In the year we had 182 gap sites which became void and 468 gap sites which were billed.

This improvement in performance was a result of implementing robust and improved processes to identify and prioritise gap sites, in conjunction with the dedicated team who complete both desktop and site visits to potential gap sites. Team training and procedures continue to support the delivery.

How are we performing? Gap sites

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	80%	19%	✗	£1.122m Penalty
2021/2022	83%	83%	✓	£0
2022/2023	86%	95%	✓	£0
2023/2024	90%	99%	✓	£0

This performance commitment is underperformance only. As we have achieved the target for this measure, there is no penalty but also no reward.

Managing void properties

Reducing the number of properties connected and occupied but not billed

What is it?

'Void properties' are household properties within our supply area which are connected for water or wastewater services but are unoccupied so do not receive a charge. This commitment aims to reduce the void properties by identifying where there are occupied properties or services used which can be billed. We report the percentage of our residential properties which are void properties and aim to be as low as possible.

Why is it important?

We aim to reduce these to ensure that the charges that our bill paying customers receive are fair and we can reduce these where possible.

Our performance

The performance commitment target has been met in the year with 3.66% of properties classed as void against the 3.98% target. We continue to focus our effort on maintaining a robust billing policy on change of tenancy and proactive management of empty properties using third party data to identify occupiers avoiding charges.

In 2023/2024 we have focused on:

- recognising an occupier from the date they become responsible not the date they occupy the property
- Improving our approach to how we bill commercial landlords with multiple properties.
- Reviewing our proactive billing from earlier in AMP7 to ensure the customer is still responsible.
- Embedding of assessed zero occupancy tariff to reflect the empty measured property charging position.

How are we performing? Managing void properties

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<4.5%	4.73%	✗	£832k Penalty
2021/2022	<4.33%	3.78%	✓	£1.989m Reward
2022/2023	<4.15%	3.60%	✓	£1.989m Reward
2023/2024	<3.98%	3.66%	✓	£1.157m Reward

Drinking water contacts

Improving the quality of our drinking water

What is it?

We report the number of times we are contacted by our customers due to the look, taste or odour of drinking water per 10,000 of the population we serve. The classification guidance for this performance commitment is defined by the Drinking Water Inspectorate here: [ofwat.gov.uk/publication/dwi-compliance-risk-index-criteria-definition/](https://www.ofwat.gov.uk/publication/dwi-compliance-risk-index-criteria-definition/)

We aim to keep these contacts as low as possible.

Why is it important?

The quality of the water which we provide is of the utmost importance to us. It's important our customers can rely on a high standard of drinking water from us.

Our performance

Drinking water contacts reduced in 2023 in comparison to previous years. A total of 4,895 contacts were received in 2023 (8.9 contacts per 10,000 population), which represented a 13% reduction from the 5,617 contacts received in 2022 (10.2 contacts per 10,000 population). Our performance in 2023 meets our performance commitment target.

Previous investment in treatment facilities has resulted in a cleaner supply of water to customers. However, recent success has been primarily due to a long-term commitment to local area mains flushing. The flushing activity removes historic sediment and hence reduces the opportunity for this sediment to be disturbed and cause discolouration of supply to customers.

There have also been minor improvements in proactive information shared with customers via the website, and improved training and awareness of teams carrying out invasive network interventions.

There were 281 fewer contacts related to discolouration in 2023 compared to 2022. This was accompanied by a decrease of 284 Appearance Other contacts and a decrease of 157 Taste & Odour contacts in 2023 compared to 2022.

Weather conditions in 2023 were cooler and wetter than the drought year of 2022. The lowered temperatures resulted in a reduction in demand. This is normally associated with a calmer network overall, less disturbance of historic sediments with mains, and reduced need for unusual operation of systems to provide continuous supply.

In order to continue the trend of reduced number of customer contacts, work is increasingly focussing on the larger mains which transport water from our sites to local areas. Over many years these trunk mains can accumulate sediments which could become disturbed. Removing these sediments without impact on customers requires careful operation of flows in the trunk mains so that they become conditioned to more challenging flows.

In 2023 Yorkshire Water completed a three-year programme of trunk main conditioning in 10 water supply zone areas, and analysis shows that there was an approximate 33% reduction in contacts over the period of the project. This work is continuing with further trunk mains conditioning in 2024/2025, and into AMP8. A further six water supply zones, supplying a further 450,000 customers around Sheffield, will be complete in 2024.

How are we performing? Drinking water contacts

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<11.4	10.5	✓	£922k Reward
2021/2022	<10.6	10.9	✗	£369k Penalty
2022/2023	<9.7	10.2	✗	£615k Penalty
2023/2024	<8.9	8.9	✓	n/a

Significant water supply events

Improving the reliability of our supply

What is it?

This measures the number of supply interruptions to one or more properties which last for 12 hours or longer. They are counted irrespective of whether it's planned e.g. during works to improve our network, unplanned e.g. during an incident or caused by a third party e.g. damage to our network.

We aim to keep these events as low as possible.

Why is it important?

It's important that our customers have a reliable supply of water and, if there is an interruption to supply, we put in adequate measures to mitigate the effects of this, reducing the impact on customers.

Our performance

Our performance for 2023/2024 is our best performance achieved this AMP for this measure, but it is still behind the target of 12 for this performance commitment, and we recognise further improvement is required. We continue to take learnings from all of our incidents, improving assets affected, updating processes and undertaking additional training with colleagues.

There are number of factors contributing to the improved position from the previous year. In 2023/2024 we dedicated resources to look at our end-to-end process from a major incident first occurring, until the end of the review process. This has led to comprehensive improvements and identification of opportunities. This review and subsequent change to process is ongoing and we continue to review critical factors in the process, to ensure we keep learning and improving. This is supported by the newly formed, Significant Water Supply Event Review Board, a cross-function team which meets monthly to review all potential significant water supply events and track trends to drive improvement.

Areas of improvement have been identified as part of our end-to-end process review, including opportunities to improve data collection, data interrogation and interpretation, and training opportunities to increase process understanding across the team.

How are we performing? Significant water supply events

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<14	19	✘	£1.325m Penalty
2021/2022	<13	43	✘	£7.950m Penalty
2022/2023	<12	20	✘	£2.120m Penalty
2023/2024	<12	18	✘	£1.590m Penalty

Low pressure

Improving the water supply our customers receive

What is it?

This performance commitment reports the number of properties experiencing poor or no water supply due to low pressure.

The low pressure reference level applies to a single property and is measured on the customers, side of any meter or company fittings.

Why is it important?

It's important to us that our customers have a reliable supply of water and that our services are of the highest standard. Maintaining and improving pressure reduces the risk of supply issues.

Our performance

The number of properties remaining on the low pressure register for the 2023/2024 reporting year is 10. The 2023/2024 reporting year started with four properties on the register. During the year, six properties have been added to the register, and zero properties removed.

In last year's Annual Performance Report, we mentioned that during our annual assurance process, our independent external auditors identified an instance where a Demand Management Area (DMA) had been split but the logger data was not linked and backdated in the Netbase software.

The comprehensive review to pull all the information and ensure that loggers were being assessed from the time installed, and not just when enabled within the software package was completed and shared with our external independent auditors, AtkinsRéalis, in January 2024. Our comprehensive review concluded that we had addressed the issue raised and addressed the potential for misreporting the ODI measure.

We continue to identify opportunities for refinement and improvement in our reporting processes. With the use of Netbase for low pressure reporting, there are risks around excluding a potential event day due to 'data issues' without really understanding if the bad data is hiding a valid low pressure event. Netbase will update and expose such cases even when data has been corrected, so it's important to ensure previously applied exclusion codes are still valid. In order to help manage this risk, we have further developed our low pressure violation investigation reviews, which will help us understand if there are any future risks, provide an opportunity to challenge use of exclusion codes, and also provide focus on resolving long standing issues.

We continue to increase our logger coverage, and have increased coverage by 7% over the last year. We aim to continue to further improve our logger coverage.

How are we performing? Low pressure

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<14	12	✓	n/a
2021/2022	<13	4	✓	n/a
2022/2023	<12	4	✓	n/a
2023/2024	<12	10	✓	n/a

This performance commitment is underperformance only. As we have achieved the target for this measure, there is no penalty but also no reward.

Repairing or replacing customer owned pipes

Reducing leakage and water quality issues

What is it?

We report the number of residential supply pipe repairs and renewals carried out by Yorkshire Water each year free of charge.

When a supply pipe leak on a residential property is having a detrimental impact on our network, we can intervene using our statutory powers in Section 73-75 of the Water Industry Act 1991. We can then isolate the water supply and/or locate and repair the leak.

As part of this performance commitment we do not report:

- Business properties receiving a bill for water services,
- 'New Build' residential properties
- Internal leaks where the leak is located inside the property or within the cavity wall,
- Supply pipes under residential properties or structures,
- Where third party accidental, reckless or deliberate damage has occurred.

Why is it important?

Replacing pipes on residential property will improve the quality, pressure, and flow of water for our customers. It will prevent water being lost through leakage and our customers won't need to contact us about these issues.

Our performance

We completed 4,576 repairs to residential supply pipes in 2023/2024, which did not achieve our target of 7,687.

Throughout this AMP, we have continued to review and prioritise our delivery plan in line with our service commitments, to ensure we deliver the best service we can against the key priorities of our customers within the constraints we face. As a result of this, and aligned with the priorities of our customers, we made the difficult decision to put on hold some of the activity that supported this performance commitment. This enabled us to focus our efforts on other areas where we feel the benefit is greater e.g. reducing leakage, water quality contacts and mains repairs. However, where we can demonstrate a sustainable benefit to another performance commitment whilst carrying out a customer supply pipe replacement e.g. renewing a lead service pipe to benefit water quality or renewing a leaking supply pipe we will do this work to provide a multi-benefit to performance commitments.

How are we performing? Repairing or replacing customer owned pipes

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>6,882	3,850	✗	£1.361m Penalty
2021/2022	>7,109	7,335	✓	£0.101m Reward
2022/2023	>7,386	6,441	✗	£0.424m Penalty
2023/2024	>7,687	4,576	✗	£1.397m Penalty

External sewer flooding

Reducing the number of external sewer flooding events

What is it?

External sewer flooding is when there is flooding within the curtilage (grounds) of a residential, public community or business property. We report the number of these events which occur with a view to reduce these as much as possible.

Why is it important?

Experiencing or seeing external sewer flooding is an unpleasant experience for our customers and we understand that it's something that can impact their day to day lives. Reducing these incidents lowers the negative impact that this has on our customers and any disruption it may cause.

Our performance

We have met this performance commitment, though we have seen an increase in comparison to 2022/2023. As our external sewer flooding team also manage our internal sewer flooding measure you can read about our performance on [page 72](#) under the measure internal sewer flooding.

How are we performing? External sewer flooding

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	<7,188	5,038	✓	£16.985m Reward
2021/2022	<6,809	4,578	✓	£17.625m Reward
2022/2023	<6,431	5,375	✓	£ 8.342m Reward
2023/2024	<6,053	5,873	✓	£1.422m Reward

Bathing water quality

Improving the water quality at our beaches

What is it?

This performance commitment measures the number of designated bathing waters which exceed the EU Bathing Water Directive requirements for 2020–2025. The 18 designated beaches in our region are:

1. Bridlington North Beach;
2. Bridlington South Beach;
3. Cayton Bay;
4. Danes Dyke;
5. Filey;
6. Flamborough South Landing;
7. Fraisthorpe;
8. Hornsea;
9. Reighton;
10. Robin Hoods Bay;
11. Runswick Bay;
12. Sandsend;
13. Scarborough North Bay;
14. Scarborough South Bay;
15. Skipsea;
16. Whitby;
17. Wilsthorpe; and
18. Withernsea.

Designated bathing waters in England are classified into 'Excellent', 'Good', 'Sufficient' and 'Poor' based on a sample carried out by the Environment Agency during bathing water season. Sample results from the previous four years are statistically analysed and a classification of the bathing water quality is usually announced in November each year.

Why is it important?

Improving the quality of our bathing waters enhances the coastal environment, supports the development of the leisure and tourism industries, and improves our customers' enjoyment of these areas.

Our performance

The 2023 bathing water season has seen 16 of the 18 designated coastal bathing waters in Yorkshire exceed the minimum standard under the Bathing Water Regulations i.e. achieve 'Good' or 'Excellent'. Bridlington South and Scarborough South both dropped from 'Sufficient' status in 2021 to 'Poor' status. We are continuing to work closely with the Environment Agency and the Local Authorities to continue to investigate Yorkshire's poor bathing waters.

There is a Yorkshire Bathing Water Partnership established, membership includes the Environment Agency and local authorities. The group meets regularly at a tactical and board level to monitor and drive partnership solutions to improve bathing water quality. In 2023 a multi-agency intense investigation at Bridlington was undertaken, with the results driving actions to improve bird and waste management on the coastline. The lessons learned from this study will inform the 2024 investigation at Scarborough.

In addition to this, annually a series of pre-season checks are undertaken by Yorkshire Water and relevant contractors to conduct asset inspections, sampling and walkovers to identify any potential issues. This will continue to be completed.

As we head into AMP8, we are working closely with Capital Delivery on the Storm Overflow Discharge Reduction Plan to identify high priority coastal assets that require improvement. Prioritisation of these assets within our plan, will bring the benefit to Bathing Water Quality sooner.

Weather events have a significant impact on bathing water quality, two-fold as wet weather can cause an increase in storm overflow operation and runoff including from agricultural land, and hot, dry-weather because the coast sees an increase in tourism and associated behaviours that can impact bathing water quality. These behaviours include feeding seagulls, leaving litter which seabirds scavenge from, not using facilities provided and not adhering to dog bans or cleaning up after dogs. Many of these factors come under the remit of various partners. Hence, the partnership approach is key to ensuring improved bathing water results.

How are we performing? Bathing water quality

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	18	Not Measured	n/a	n/a Impact of Covid-19
2021/2022	18	16	✗	£2.470m Penalty
2022/2023	18	16	✗	£2.470m Penalty
2023/2024	18	16	✗	£2.470m Penalty



Surface water management

Lowering the amount of surface water that goes into the public sewers

What is it?

We report the number of hectares (Ha) of surface water run-off removed or attenuated. This performance commitment has three components to its measurement:

- Surface water removed through blue-green infrastructure solutions. This approach mimics the natural water cycle. Doing this regulates flow and treats storm water run-off naturally, resulting in a reduction in peak flows and cleaner water being discharged to water courses. Blue-green infrastructure solutions include what is known as Sustainable Drainage Systems (SuDS).
- Surface water removed through disconnection. This approach uses underground pipes to take surface water straight to receiving water courses.
- Surface water attenuated by blue-green infrastructure. This approach slows the flow of surface water into our network, managed in a more natural way to ensure continuity of our network.

Why is it important?

Reducing the amount of surface water which runs into the public sewer also reduces the risk of sewer flooding and pollution incidents. It also reduces potential long-term costs to enhance the sewerage network which may otherwise be required to relieve pressure on the network.

Our performance

Across the AMP, we have 8.43 hectares of area managed. This is rounded to the nearest hectare to provide a cumulative reportable figure of 8 hectares. This year, 4.32 hectares of impermeable area has been surface water managed, through the completion of three different water butt programmes of work (Ilkley (0.19 hectares), Living With Water (0.27 hectares) and the Storm Overflow Improvement Programme (3.85 hectares)).

This year marks a substantial increase mainly due to the Storm Overflow Improvement Plan programme which has delivered almost 1000 water butts to help alleviate surface water flows reducing spill flows from nearby CSOs.

How are we performing? Surface water management

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	1	1	✓	£0
2021/2022	4	3	✗	£5k Penalty
2022/2023	5	4	✗	£ 5k Penalty
2023/2024	10	8	✗	£10k Penalty

Quality agricultural products

Reducing environmental risk and creating agricultural products

What is it?

During wastewater treatment, liquids are separated from solids. Those solids are then treated physically and chemically to produce a semisolid, nutrient-rich product known as biosolids. We report the percentage of biosolids sent to land that meets the Biosolids Assurance Scheme (BAS). We include sludge imported by third parties within this measure.

Why is it important?

By recycling our sludge it reduces the environmental risk posed through unsafe disposal of sewerage sludge. It reduces the need for farmer to apply commercial fertiliser and provides a more cost effective approach.

Our performance

We have achieved the performance target; all of our biosolids that were recycled to agriculture are compliant with the high standards of the Biosolids Assurance Scheme (BAS).

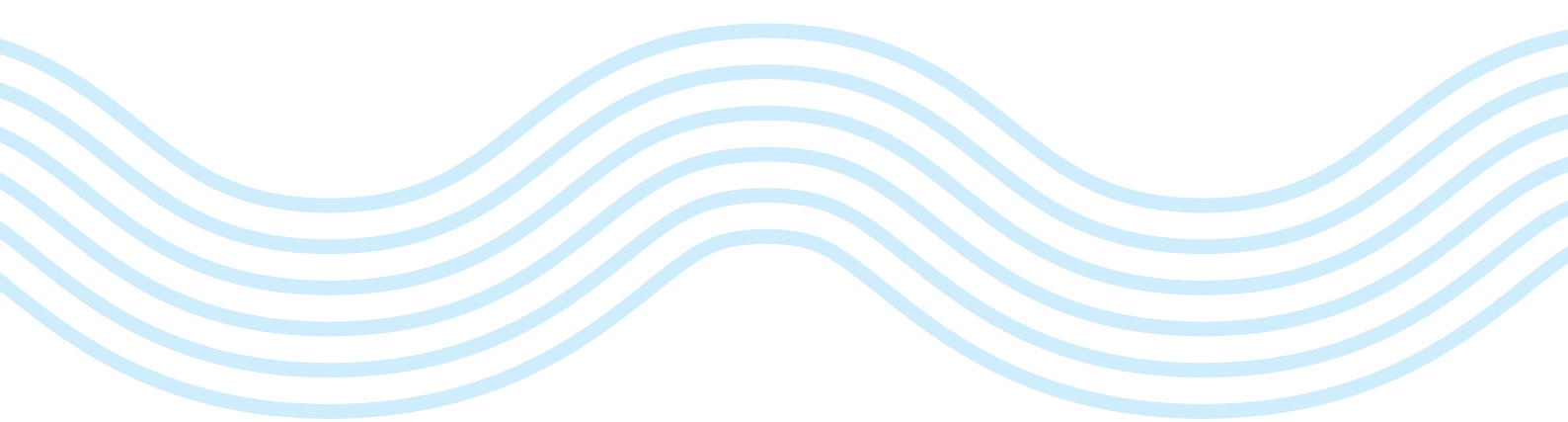
We have processes in place to monitor and identify any issues with biosolids compliance.

Where there are potential breaches we place the material in sample and hold and carry out additional sampling to confirm the biosolids are suitable for agricultural use. If a material does not comply with our processes and procedures, we would not recycle this material to agriculture. An alternative and more costly recycling route would be found so we would continue to achieve our target of 100%, and protect the agricultural land.

How are we performing? Quality agricultural products

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	100%	100%	✓	£0
2021/2022	100%	100%	✓	£0
2022/2023	100%	100%	✓	£0
2023/2024	100%	100%	✓	£0

This performance commitment is underperformance only, meaning only receive a penalty for poor performance and no reward for outperformance.



Renewable energy generation

Increasing the amount of renewable energy generated

What is it?

We generate energy through the biogas we produce when we treat sludge. Energy generation of biogas is reported in gigawatt-hours (GWh).

The following types of power generation on our operational sites are excluded from the performance commitment:

- solar;
- wind; and
- hydroelectric.

Why is it important?

By producing more renewable energy, we mitigate the effects of climate change and protect our customers from price volatility by making Yorkshire Water more self-sufficient.

Our performance

This year we utilised 297GWh (previous year 281.5GWH), which is an increase of 15.5 GWH on the previous year. We outperformed our target by 2.2%. The increase in utilisation has been due mainly to increased combined heat and power (CHP) availability. Looking forward we expect to improve on this years CHP availability further and will have focus on flare stack management as part of our Industrial emissions directive (IED) permits.

We are implementing Gas to Grid opportunities at two of our sites; these are commercial opportunities delivered collaboratively by Yorkshire Water and one of our contract partners.

How are we performing? Renewable energy generation

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>269 GWh	278 GWh	✓	Reputational
2021/2022	>284 GWh	323 GWh	✓	Reputational
2022/2023	>286 GWh	282 GWh	✗	Reputational
2023/2024	>290 GWh	297 GWh	✓	Reputational

Delivery of the Water Industry National Environment Programme (WINEP) requirements

Delivering environmental improvements

What is it?

Part of our investment between 2020 and 2025 will improve our impact on the environment. The Environment Agency tells us what we need to achieve through their Water Industry National Environment Programme (WINEP).

The performance commitment will measure against the latest WINEP tracker in the year in which performance is being reported. Therefore, performance for 2021/2022 will be reported based on the latest WINEP programme on 31st March 2022 and the schemes which have been delivered by this date. We report this performance as 'met' or 'not met'.

We'll secure confirmation from the Environment Agency that performance has been correctly reported.

Why is it important?

By completing the schemes set out in the WINEP we improve the natural environment for our customers. It will also help ensure that water can be abstracted from rivers and lakes without any negative effect on the environment.

Our performance

There were 105 outputs required for delivery in Year 4, which in addition to the 541 outputs delivered across Years 1 to 3 of AMP7 gives a cumulative total of 646 outputs. All of the outputs were achieved by the required delivery date and signed off by the Environment Agency.

We have a cumulative total of 1,029 WINEP obligations due by March 2025. The remaining schemes due for delivery in the final year of this AMP, are all forecasted to hit compliance dates, except for nine WINEP schemes (impacting 15 obligations) which are classed as at risk due to potential delay to the regulatory commitment dates. The majority of these relate to outputs due in December 2024 and we are requesting extension to March 2025, due to exceptional circumstances or changes to install lower carbon nature based technologies. We are engaging with the Environment Agency regarding our activity plans and potential changes to compliance dates.

We have created a joint performance review group with colleagues with responsibility for the performance commitment on the length of river improved to enable a consistent reporting and forecasting approach to track the 383 outputs due in Year 5.

How are we performing? Delivery of the Water Industry National Environment Programme (WINEP) requirements

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	Met	Met	✓	Reputational
2021/2022	Met	Met	✓	Reputational
2022/2023	Met	Met	✓	Reputational
2023/2024	Met	Met	✓	Reputational

This performance commitment is reputational only and so, there is no financial penalty or reward attached to its outcome.

Living with water

Reducing the risk of internal flooding in Hull and Haltemprice

What is it?

We have committed to investing £23m into the Hull and Haltemprice partnership schemes between 2020 and 2025 to ensure customers receive an improved level of service.

The Hull and Haltemprice Resilience Investment is defined as the blue-green solutions developed and implemented as part of the 'Living With Water' partnership scheme in the region. Further details of the Living With Water Partnership are available here: livingwithwater.co.uk/

The reduction in internal flooding risk for properties in Hull is defined as the number of properties at reduced risk of internal flooding during rainfall events (including the impacts of climate change) of 1 in 5 years, 1 in 30 years and 1 in 75 year occurrences. Delivery of the performance commitment and the reduction in properties at risk of internal flooding will be agreed with the relevant agencies and partners involved in the Living With Water partnership. Primarily, this will be:

- The Environment Agency
- Hull City Council
- East Riding of Yorkshire Council.

Why is it important?

We are providing customers with protection from investment and reducing the number of properties at risk of internal flooding. Wider benefits also include a reduction in embedded carbon e.g. avoiding solely using hard engineered solutions and concrete, removal of surface water and integrated partnership working.

Our performance

We have continued to leverage the strong foundations set in previous years with our Living with Water partners to ensure interventions are providing resilience to as many properties as possible whilst ensuring value and wider benefits are delivered for customers and communities.

Building on the delivery of our Rosmead Street project last year, which delivered flood resilience through permeable paving, this year we have commenced delivery of schemes in Derringham and Bilton.

The Derringham scheme is on track to be delivered by March 2025 and consists of the creation of three large scale 'aqua greens' which in total will hold circa 1,800 cubic metres of storm water, acting like big ponds. The aqua greens are planted with native wildflowers and reeds which encourage wildlife into the green, enhancing Biodiversity Net Gain in each of these locations.

In Bilton, we are delivering a variety of sustainable drainage systems (SuDS), which includes installing planters, tree pits, a swale and other measures at the local primary school as well as roadside rain gardens in the urban area. The initial elements of the scheme will deliver by the end of March 2025 and then the partnership will continue to deliver in AMP8, to install a green wall and storage basins which will divert and store overland flow away from properties.

To support our learning and knowledge sharing, we have collaborated with the University of Hull to install monitoring equipment across our new assets in Derringham and Bilton. The data from these monitors will help us to understand how the assets perform and how we can optimise them in the future to deliver additional resilience benefits.

During the year, the Living with Water partnership have engaged with over 3,000 people, through drop in events about schemes in their local area and through local community events raising awareness of flood risk and resilience. This year we've also created content for a SuDS T-Level module, which provides an overview of the different types of SuDS assets and how they're maintained. We have delivered 103 hours of training for our Living with Water Ambassadors, local volunteers who support the engagement work of the partnership to raise flood awareness.

Through the assurance processes in place and following challenge from our auditors, we have identified inconsistencies in the language for the definition of our reputational gateway within the performance commitment definition. Our performance against this reputational gateway will be reported in July 2025. We will engage with Ofwat ahead of this to ensure there is alignment with the definition of the reputational gateway and the PR19 redetermination as provided for by the Competition and Markets Authority.

Flooding in Hull is very complex and to make sure our solutions offer benefit to as many customers as possible, we spent a huge amount of time modelling and designing solutions in years 1, 2 and 3. In the final year of the AMP, we have a lot of activity planned, which includes the completion of our Derringham and Bilton schemes and the installation of SuDS across a number of areas of the city. To the extent that it is not possible to spend the full £23m in the time available, any remaining monies will be returned to customers as per the requirements of this performance commitment.

How are we performing? Living with water

Year	Target	Performance	On track?	Reward/Penalty
2020/2021	£23m by 2025	n/a	✓	Calculated in 2025
2021/2022	£23m by 2025	£1.612m	✓	Calculated in 2025
2022/2023	£23m by 2025	£4.568m	✓	Calculated in 2025
2023/2024	£23m by 2025	£9.617m	✓	Calculated in 2025

This measures the investment over the 2020–2025 period and so the final outcome of this performance commitment will be reported in our APR in July 2025.

Greenhouse Gas Reporting 2023/2024

Climate change is a huge issue we're all facing together, which is why we've made reducing our greenhouse gas emissions a priority for us. In this section we report our greenhouse gas emissions for the past year across three categories: operational, capital, and land.



Operational carbon

Reducing our greenhouse gas emissions

What is it?

This performance commitment measures the reduction in greenhouse gas emissions that are created as a result of our operations. This includes any greenhouse gas emissions created by our day-to-day operational activities like the electricity we use, fuel we put into our vehicles and emissions created when we treat our water and sewage.

Emissions are measured by taking raw consumption data and inputting it into the Carbon Accounting Workbook (CAW) which is developed by UK Water Industry Research (UKWIR). The CAW is the industry standard tool for reporting operational emissions.

This is measured as a percentage reduction from a baseline set in 2019/2020.

Why is it important?

We care about the environment, so reducing the greenhouse gas emissions from our operations mitigates our impact to climate change.

Our performance

We have made a strategic change to our emissions management this year including a shift to focus our long-term reduction on the absolute (location-based) emissions.

Coupled with this strategic change we have taken the decision not to purchase any Renewable Electricity Generation of Origin (REGO) or gas equivalent (RGGO) certificated green energy to achieve a market-based reduction this year. We have also decided to sell REGOs that we have generated at our own sites.

While this decision has no impact on our location-based emissions (those using UK grid average emission factors), it significantly increases our market-based emissions (those applying adjustment for offsets such as purchased green energy) as the full rather than zero emissions are accounted for including those from Scope 2 – Purchased electricity and Scope 3 Transmission and distribution losses.

Our target change (reduction) from baseline this year was: **9.6%**

As a result of the strategic realignment highlighted above our reportable emissions this year increased by **-177.3%** (market-based emissions compared to the baseline year).

Had we continued to purchase REGOs and RGGOs our market-based emissions would have been 89,933 tCO₂e outperforming our PC target as in previous years. This reflects that we have continued to make positive changes to reduce our emissions. Steps we have taken are outlined below along with some other key details related to our in-year, and forward emissions.

- We have continued our efforts to decarbonise our vehicle fleet with the Yorkshire Water zero emission fleet moving towards our 18% target by 2025. We have focused on home charging installation where this is practical for colleagues to make the transition to EV as smooth as possible. Deployment of vehicles and supporting infrastructure will continue out to 2030.
- We have also been pleased to see our repair and maintenance partners starting to use EVs in their fleet, though vehicle numbers are small at present.
- We employed independent consultants to conduct ESOS site audits, covering approximately 26% of our energy consumption. A report covering the findings of these audits is in development and will provide a summary of the potential savings extrapolated to cover all our assets. Savings associated with a range of different asset types, including increased use of variable speed drives, upgrading motors, voltage optimisation, lighting upgrades and suggestions on maintenance and operation of assets have been identified, some of those have already been included in our base investment plans submitted as part of our PR24 plan – others may be addressed (where financially viable) as cost to save investments. An action plan will be completed for December 2024, ready for implementation in AMP8.

- Our Net Zero strategy and policy has been signed off by our Net Zero Carbon Committee chaired by our CEO and outlines our plans and investments to reach our 2030 and 2050 targets. This includes setting science-based targets. The AMP8 part of the plan and our long-term delivery strategy will be refined based on the determination of our PR24 Business Plan.
- Our Scope 1 fossil fuel burning emissions are slightly higher than usual. This is mainly due to a bulk purchase of gas oil at one of our large treatment works, as we are switching suppliers and therefore stockpiled some gas oil on site. We also had some issues at another large waste site (loss of CHP capacity using biogas) which meant that we needed to use diesel powered backup plant to help keep the site operational.
- As mentioned above the decision not to purchase green energy this year has had a significant impact on our reportable carbon emissions, but in effect does not lead to a real increase in our emissions. This decision was reviewed in detail by our Public Value Committee and signed off by our Board of Directors.

How are we performing? Operational carbon

Year	Target	Performance	Target achieved	Reward/Penalty
2020/2021	>2.4%	3.6%	✓	£283k Reward
2021/2022	>4.8%	6.8%	✓	£472k Reward
2022/2023	>7.2%	10.9%	✓	£873k Reward
2023/2024	>9.6%	-177.3%	✗	£2.738m Penalty

The 2023/2024 outturn reflects the strategic realignment of reporting to location-based emissions and takes into account a) the AMP8 (2025-30) business plan reporting will shift to location-based reporting, b) our plan to set science-based targets out to 2050 on a location basis reflecting absolute reduction of emissions rather than reliance on financial adjustments c) Energy decarbonisation has planned pathway to net zero, and that the now excessive cost to purchase REGOs and RGGOs is no longer in the best interest of customers and the spirit of an affordable business plan and just transition to net zero. The cost of REGOs and RGGOs this year would have been far in excess of the penalty associated with the performance commitment due to a significant spike in their cost per megawatt hour.



Capital carbon and carbon arising from owned land

Reducing our greenhouse gas emissions

What is it?

This performance commitment measures our capital carbon emissions from the delivery of our capital investment programmes and any emissions arising from our owned land.

The measure covers two areas of the company's carbon footprint:

- Capital emissions – the carbon that results from the company's investments to maintain and enhance its water and waste water assets. These activities include the construction, upgrading or refurbishment of assets needed to enhance or maintain service levels.
- Land emissions – the net balance of the carbon emissions that are absorbed and locked away in the company's land or released from its land. It doesn't include any human activities on the land we own, such as a farmers property and use of the fuels in the vehicles and equipment. We will report the percentage change in the capital carbon emissions from the baseline.

Our target is to reduce our emissions by 23% against a baseline calculated for our PR19 business plan.

This measure is subject to an external audit to make sure that all data related to the quantification, baselining, monitoring and reporting of capital carbon emissions is in compliance with PAS 2080:2023.

Why is it important?

Reducing the greenhouse gas emissions from our capital programme and the land that we own mitigates our impact to climate change.

Our performance

In the last 12 months we have completed a validation to PAS2080:2023 standard of our processes and approach by an independent third party. PAS2080 is a global standard for managing these emissions and ensures we are delivering high quality carbon reduction activities across our company. This exercise has highlighted key areas of improvement that we will work on over the next year, and we will continue to improve our systems.

How are we performing?

Capital carbon and carbon arising from owned land

Year	Target	Performance	On track?	Reward/Penalty
2020/2021	>23% by 2025	71%	✓	n/a
2021/2022	>23% by 2025	44.5%	✓	n/a
2022/2023	>23% by 2025	37.9%	✓	n/a
2023/2024	>23% by 2025	21.1%	✗	n/a

Embedded Greenhouse emissions reporting for 2023/2024

The following document summarises Yorkshire Water's embedded greenhouse gas (GHG) emissions in relation to capital projects undertaken within the 2023/2024 reporting year.

This is the second year of mandatory reporting of embedded emissions of both capital projects and purchased good and services. Further reporting around emissions can be found in [Table 11A](#) of Section 4.

Capital Projects

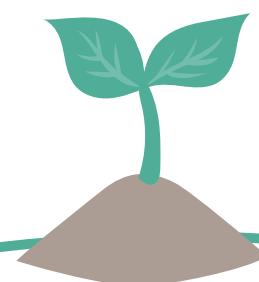
The reporting in the capital projects table is based on the same data used for our Capital Carbon performance commitment, which represent 'cradle-to-build' GHG emissions associated with the delivery of Yorkshire Water's capital investment programme for our 2020-2025 asset management plan. There are some key differences between what is reported within the capital carbon performance commitment and the capital projects embedded GHG emissions report.

In 2023/2024 we have included the embedded GHG emissions associated with our early start AMP8 and storm overflow programme within the reported capital projects emissions. These programmes were not part of our PR19 performance commitment baseline. In addition, the figures reported in [Table 11A](#) do not incorporate GHG emissions/sequestration from our land holdings.

Embedded GHG emissions data are calculated from models based on material data combined with a third-party emission factor database. All data related to the quantification, baselining, monitoring, and reporting of embedded GHG emissions are in compliance with PAS 2080:2023.

Embedded Capital Projects GHG emissions for the 2023/2024 reporting year are presented in Table 1. We have also provided embedded emissions for the previous year for comparison purposes.

Year	Embedded emissions – Capital Projects (tCO ₂ e)	% change from baseline
2021/2022	100,668	
2022/2023	106,175	5.5%



Purchased Goods and Services

The embedded GHG emissions associated with purchased goods and services emissions are split evenly between water and wastewater. Calculated emissions are based on third-party emissions factors linked to categories of spend. This is a well-recognised and widely used approach to calculating embedded emissions associated with purchased goods and services. However, it does come with uncertainties due to the use of emission factors that may not be fully reflective of Yorkshire Water's supply chain.

Total wastewater and water emissions have reduced by 6% compared to 2023. The most significant contributing factor was a reduction in overall spend between 2022/2023 and 2023/2024 for the selected categories of spend.

We will continue to refine the emission factors associated with selected spend categories, particularly those with high emissions, to improve data accuracy. This includes investigating the potential to obtain bespoke emission factors for certain goods and services from our suppliers and to integrate these into our systems.

Year	Embedded emissions – Purchased Goods & Services (tCO ₂ e)	% change from baseline
2022/2023	114,193	
2023/2024	107,364	-6.0%

The information over the next few pages provides a combined summary of our strengths, weaknesses, opportunities, and threats (SWOT) analysis, in relation to our Operational and Capital Carbon emissions:

The Strengths, Weaknesses, Opportunities and Threats (SWOT) in relation to our operational carbon emissions and embedded emissions in our capital and wider purchased goods and services (e.g., chemicals) are summarised below including details of our reduction plans and approach to management.

Strengths

Common

- Senior management are driving actions on decarbonising the business, with governance oversight via our Net Zero Committee chaired by our Chief Executive Officer.
- We have both monthly capital and operational carbon hubs that meet to monitor performance and support the delivery of our carbon reduction plans to help us meet our targets.
- Embedded GHG emissions incorporated into Yorkshire Water's decision-making framework, with price of carbon aligned to Government Green Book investment figures.
- Reporting of embedded GHG emissions for purchased goods and services based on up-to-date and verified emission factors that are compliant with the GHG Protocol.
- Capital carbon calculations are an integrated element of our costing and modelling approach. This ensures that carbon forecasts and data capture processes are embedded across all capital projects within Yorkshire Water.

Capital Carbon and Purchased Goods and Services

- Compliance with PAS2080:2023 has been independently assured with pathway from full transition from PAS2080:2016 over the last year of AMP7.
- Emission calculations based on recognised third-party Inventory of Carbon and Energy emission factor database.
- Use of in-house carbon models, which are refined and improved over time.
- Carbon training courses provided to upskill colleagues and contract partners; some of which are mandatory.
- Partner and supply chain engagement on driving low-carbon solutions.
- Piloted new technologies this year including use of 3D printed draw pits, and use of zero carbon welfare units plus on-going work on low carbon concrete and use of nature-based solutions to reduce embedded GHG emissions.

Operational Carbon

- Independent verification of operational carbon data inputs to ISO14064-1 via BSI audit.
- Improvements made to the carbon accounting workbook to refine the reporting of Scope 3 emissions related to use of chemicals and fuel and energy.
- Carbon expertise across multiple operational business units.
- Improvement in Carbon Accounting and Reporting has been achieved in the last year with the Carbon Accounting and Reporting manager forming and chairing the water industry Carbon Accounting Working group where companies can discuss and develop best practice.

The information over the next few pages provides a combined summary of our strengths, weaknesses, opportunities, and threats (SWOT) analysis, in relation to our Operational and Capital Carbon emissions:

The Strengths, Weaknesses, Opportunities and Threats (SWOT) in relation to our operational carbon emissions and embedded emissions in our capital and wider purchased goods and services (e.g., chemicals) are summarised below including details of our reduction plans and approach to management.

Strengths Weaknesses

Capital Carbon and Purchased Goods and Services

- Embedded GHG emissions are currently calculated and reported for construction activities only (does not include maintenance activities).
- Current capital project reporting does not contain all before use lifecycle stages including transport to site or offsite waste management at present.
- Our in-house carbon models use version 2 of the Inventory of Carbon and Energy database (latest version is v3). To be updated for the next AMP.
- Yorkshire Water models include the lifecycle stage 'A0 'Pre-construction stage'. This is included in both our cradle-to-gate and cradle-to-build calculations. However, this stage is not considered to have a material impact on reported emissions.
- The estimated cradle-to-gate ratio has been applied to all water and wastewater projects including those which are in pre-construction phase and those that are non-construction capital projects.
- Above ground projects are not well represented within the data set of completed projects that have been used to create the cradle-to-gate ratio. This may impact the appropriateness of the ratio for these schemes.

Operational Carbon

- Monitoring, measuring, and reducing process emissions is complex and largely outside our direct control.
- Current emission reduction initiatives are focused on incremental rather than transformational change.
- Emission factors used for purchased goods and services are not supplier specific.

The information over the next few pages provides a combined summary of our strengths, weaknesses, opportunities, and threats (SWOT) analysis, in relation to our Operational and Capital Carbon emissions:

The Strengths, Weaknesses, Opportunities and Threats (SWOT) in relation to our operational carbon emissions and embedded emissions in our capital and wider purchased goods and services (e.g., chemicals) are summarised below including details of our reduction plans and approach to management.

Strength Weak Opportunities

Capital Carbon and Purchased Goods and Services

- Growing momentum, experience, and data availability related to embedded GHG emissions.
- Contractors and suppliers increasingly willing and able to provide required data to calculate embedded GHG emissions.
- Best practice sharing across the water industry and infrastructure groups.
- We are championing the sharing of information and best practice between contract partners.
- Greater engagement with contract partners early in project lifecycle can maximise opportunities to reduce embedded GHG emissions.
- Relatively few projects have completed final invoice approval. Emissions are therefore currently predominantly based on forecasts. Actual data will increasingly be included in future reporting cycles thus increasing the accuracy.

Operational carbon

- Growing appreciation of the need for process emission reduction in the water industry and support from customers and Ofwat for taking action to reduce these and wider emissions.
- Many carbon reduction initiatives have co-benefits for climate change resilience (both business and customers).
- There are wider sustainability opportunities associated with land management for carbon sequestration (e.g., biodiversity enhancement, flood risk mitigation).

The information over the next few pages provides a combined summary of our strengths, weaknesses, opportunities, and threats (SWOT) analysis, in relation to our Operational and Capital Carbon emissions:

The Strengths, Weaknesses, Opportunities and Threats (SWOT) in relation to our operational carbon emissions and embedded emissions in our capital and wider purchased goods and services (e.g., chemicals) are summarised below including details of our reduction plans and approach to management.

Strength Weak Oppor Threats

Common

- Opportunities for decarbonisation limited by progress of wider business landscape and other regulatory pressures (e.g., WINEP, CSOs).
- The rate of decarbonisation in the supply chain maybe slower than forecast.
- Climate change may result in additional pressure on systems that increases process and other activities driving emissions upwards.
- Weak Government policy and regulations that retard change.

Capital Carbon and Purchased Goods and Services

- The scale of the capital programme both during and beyond AMP 8 may erode efficiency gains.
- No standardised methodology for assessing embedded GHG emissions available at present.
- Regulatory reporting requirements for GHG emissions continue to evolve.
- Data availability and quality risks, especially for data sourced from smaller contractors and suppliers.
- Contract Partner data availability and resource required to obtain information required for lifecycle stages not currently measured.

Operational Carbon

- Reporting using a Market based approach means that the financial decisions around REGO/RGGO purchasing has a large impact on our reportable emissions.
- Changes in external policy could have an adverse impact on our carbon emissions (e.g., more vehicle movements because of increased compliance requirements).
- Uncertainty around the future cost of carbon e.g., this could come from competing demand for green energy and demand driven price increases.
- With cost of living increases we must be mindful of how we distribute the cost of investments to decarbonise our business, to maintain affordability particularly for our vulnerable customers.
- There is industry wide uncertainty over the calculation and reporting of process emissions, and potential for further uplift in the emission factor used for nitrous oxide emissions.

Below is a table which details our progress on the reporting of embedded GHG emissions against the OFWAT traffic light system. Against this system we have rated our approach as ‘Green’ on the basis of meeting five or more of the required criteria within this category.

Assurance was undertaken by our independent providers AtkinsRéalis; Yorkshire Water has complied with OFWAT’s requirements for reporting on the traffic light system for embedded GHG emissions. The Company has included a well-supported self-assessment, backed by the explanation provided in its commentary, which demonstrates that it meets the criteria for a “Green” category. We have reviewed the details including the data and methodology within the explanation and can confirm it appears to be compliant with the reporting requirements for “Green” classification.

Category	Reporting criteria	Met	Explanation
Green	Provision of embedded emissions data as it relates to capital projects (cradle-to-build). We anticipate good practice in this area being for companies to provide cradle-to-gate as well as cradle-to-build based data.	✓	We are reporting estimated embedded emissions data from both cradle-to-build and cradle-to-gate emissions.
	Clear evidence of external verification and accreditation as it relates to the use of standards and frameworks, and quality of data.	✓	Our approach to capital carbon management is verified to PAS2080:2023.
	Engagement with more than one recognised standard, framework, or approach for managing and reporting on embedded emissions.	✓	We reference more than one standard/framework/approach, including PAS2080 and UKWIR lifecycle definitions.
	Provision of insights into embedded emissions as they relate to construction and maintenance activities.	✗	<p>Embedded GHG emissions are currently calculated and reported for construction activities only (i.e. not maintenance activities). However, we capture data and estimate emissions relating to both construction and maintenance activities as part of our whole life carbon forecasts. This includes:</p> <ol style="list-style-type: none"> 1. Forecasts of embedded emissions associated with periodic replacement of components, 2. Operational maintenance requirement emissions over the lifetime of an asset. 3. Construction related emissions. <p>This information is incorporated into carbon forecasts and informs decision making.</p>

Category	Reporting criteria	Met	Explanation
	Complete and detailed SWOT analysis referring to embedded emissions.	✓	Please refer to Combined Carbon SWOT Analysis' document.
	Provision of embedded emissions data as it relates to purchased goods and services (in addition to chemicals).	✓	We have completed this data using Efficio's Carbon Cube tool.
	Evidence of clear stakeholder engagement and education on its GHG emissions management and reporting approach.	✓	We have multiple forms of stakeholder engagement. This includes engagement with water sector carbon groups, contract partner net zero engagement including collaborative task and finish working groups, capital carbon training, Capital Carbon Hub and Carbon Ambassadors Network, and hosting Net Zero Capital Delivery Workshops, including partners across the supply chain.

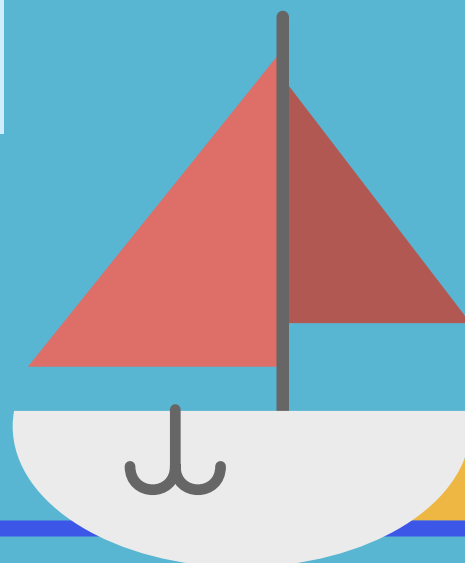
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Links to additional information

[RAG 3.14 – Guideline for the format and disclosures for the annual performance report](#)

[RAG 4.11 – Guideline for the table definitions in the annual performance report](#)



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Regulatory information

The purpose of our regulatory financial information is to help stakeholders understand the translation of statutory financial accounting information, as published under the Companies Act requirements, into the income, costs, assets, liabilities, and cash flows of Yorkshire Water Services Limited's appointed water and wastewater business, according to regulatory accounting standards.

This section is structured as follows

This regulatory information section contains financial and non-financial performance information required under the Regulatory Accounting Guidelines (RAGs) issued by Ofwat.

This includes:

- Regulatory financial reporting which takes information from published statutory financial statements and adjusts that information to take account of differences between statutory financial reporting in accordance with UK Generally Accepted Accounting Principles (UK GAAP) and Regulatory Accounting standards. On adoption of new UK GAAP there was a choice between Financial Reporting Standards, FRS101 and FRS102. We have elected to report our statutory financial information under FRS102.
- Price control and other segmental reporting financial information, which sets out financial information by price control and underlying operational processes.
- Performance summary for our performance commitments.
- Additional regulatory information as required by Ofwat.
- Cost assessment tables provide information on the allocation of expenditure to different investment categories. As well as information on the drivers of expenditure to support the development of cost models and comparative analysis. Where further explanation of specific information is required, technical notes are included as appropriate.

Where specific reference is made to tables and lines within the tables, they will be shown in the commentary as either Table 1A Line 1 or 1A.1, for example.

All tables have been published in an Excel spreadsheet alongside this APR document. The tables can be found at: [yorkshirewater.com/about-us/reports/](https://www.yorkshirewater.com/about-us/reports/)

Summary of our overall financial performance

The information on this page is as per the Annual Report Financial Statements (ARFS). Click here for a link: yorkshirewater.com/reports

Our revenue (the income we receive for the services we provide) has increased by £82.3m for the year (7.2% increase). Revenue allowances rose by around 7% due to allowed CPIH inflation of 9.3%, offset by an increase in ODI penalty from 2022. Additionally, there is c£7m income for non-household consumption in prior years that is adjusted through the market settlement process, as customer bills are finalised (previously based on estimates). This has been partially offset by reduced household consumption.

Operating costs have increased from £908.0m to £990.4m in the year (9.1% increase). Excluding depreciation and amortisation of £375.3m (2023: £340.7m – see note 3 of the Financial Statements at the link above), our underlying operating costs have increased from £567.3m in 2023 to £615.1m in 2024 (8.4% increase). This increase includes the impact of cost increases for energy (c£13m), contracted activity (including repairs and maintenance) (c£29m) and staff costs (c£6m after capital recharges). In addition, 2024 saw increased regulatory and IT licence fees, additional costs to support our PR24 activity and a reduction in asset sales in the year. We have strengthened our cost control across the business throughout the year which has mitigated some of the additional operational pressures resulting from adverse weather, for example the multiple named storms.

Overall, the net impact of the above movements is an increase to adjusted EBITDA of £34.5m and a stable operating profit year on year. A reconciliation of EBITDA to Operating Profit is provided in our ARFS at the link above.

Capital additions for 2023/2024 were £684.6m (2022/2023: £534.1m). Our investment programmes enable us to maintain and enhance our operational efficiency and the resilience of our infrastructure. We are increasingly focused on how we ensure the most sustainable investment choices are made with consideration for carbon reduction and nature-based solutions, as part of our Nature First commitment.

Our programme of capital investment supports the delivery of service level performance improvements required to meet stretching targets and regulatory commitments. Our single largest programme this AMP which will deliver our Water Industry National Environment Plan (WINEP) commitments continues in the delivery phase. Other significant investment will be made to meet legal and statutory Drinking Water Inspectorate (DWI) demands and to reduce the frequency of storm overflows.

We continue to see large increases year on year in our capital expenditure as a result of the phased delivery of the WINEP programme within AMP7. We anticipate that the 2025 expenditure will increase further as we continue to deliver our WINEP programme, and realise the cost of delivery of our £180m storm overflow undertaking.

Revenue

This is the income received for services provided.

2023/2024: £1,227.0m
(2022/2023: £1,144.7m)

Operating profit

Profit, before interest and tax.

2023/2024: £236.6m
(2022/2023: £236.7m)

Adjusted EBITDA

This is an accounting term and is our earnings before interest, tax, depreciation, amortisation and exceptional items.

2023/2024 £611.9m
(2022/2023 £577.4m)

Capital additions

The amount spent to acquire and enhance assets and infrastructure to provide services to our customers.

2023/2024: £684.6m
(2022/2023: £534.1m)

Financial auditor's opinion

Deloitte.

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Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and the Directors of Yorkshire Water Services Limited

Opinion

We have audited the sections of Yorkshire Water Services Limited's Annual Performance Report for the year ended 31 March 2024 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), lines 1F.1 to 1F.3, 1F.5 to 1F.8, 1F.12 to 1F.14, 1F.21 to 1F.22 and 1F.24 to 1F.26 of the statement of financial flows (table 1F) and the related notes; and
- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis - wholesale (table 2B), the cost analysis - retail (table 2C), the historical cost analysis of fixed assets (table 2D), the analysis of grants and contributions (table 2E), the residential retail (table 2F), the revenue analysis (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), residential retail social tariffs (table 2N) and historical cost analysis of intangible assets (table 2O) and the related notes.

We have not audited the non-household water revenues by customer type (table 2G), non-household wastewater revenues by customer type (table 2H), lines 1F.4, 1F.9 to 1F.11, 1F.15 to 1F.20 and 1F.23 of the statement of financial flows (table 1F), the Outcome performance table (tables 3A to 3I) or the additional regulatory information in tables 4A to 4W, 5A to 5B, 6A to 6F, 7A to 7F, 8A to 8D, 9A, 10A to 10E and 11A.

In our opinion, Yorkshire Water Services Limited's Regulatory Accounting Statements have been prepared, in all material aspects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.09, RAG 2.09, RAG 3.14, RAG 4.12 and RAG 5.07) and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2), set out in section 4.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF (Revised) 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment. In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

The Regulatory Accounting Statements are separate from the statutory financial statements of the Company and have not been prepared under the basis of United Kingdom adopted international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

The Regulatory Accounting Statements in section 4 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from IASs. A summary of the effect of these departures in the Company's statutory financial statements is included in the tables within section 4.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the Regulatory Accounting Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Understanding financial facilities including compliance with interest cover ratio covenants and obtaining confirmation of undrawn facilities;
- Understanding how the going concern model mirrors the business model and the forecasts used for impairment testing;
- Testing the accuracy of the model and assessing the historical accuracy of forecasts prepared by management; challenging the key assumptions used in the forecasts, such as revenue levels and capital expenditure, including giving consideration to the current and forecast economic environment with high inflation and low levels of unemployment in the UK;
- Assessing the maturity profile of the company's debt and the available liquidity for the going concern period;



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- Performing sensitivity analysis based on contradictory evidence, including consideration of the market, latest third party economic forecasts and FY25 results to date; and
- Assessing the appropriateness of the going concern disclosures made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

Responsibilities of the Directors for the Annual Performance Report

As explained more fully in the Statement of Directors' Responsibilities set out in section 4, the directors are responsible for the preparation of the Annual Performance Report in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the Regulatory Accounting Statements. These included Regulatory Accounting Guidelines as issued by the WRSA, UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the Regulatory Accounting Statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, regulatory solvency requirements and environmental regulations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;



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- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC and WSRA.

A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the statutory financial statements of the Company for the year ended 31 March 2024 on which we reported on 2 July 2024, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Deloitte LLP
Leeds, United Kingdom
3 July 2024

Statement as to disclosure of information to auditors

Each director in office at the date of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Table 1: Regulatory financial reporting

Introduction

The information in this section details 'Regulatory financial reporting' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 1A	Income statement
Pro forma 1B	Statement of comprehensive income
Pro forma 1C	Statement of financial position
Pro forma 1D	Statement of cash flows
Pro forma 1E	Net debt analysis (appointed activities)
Pro forma 1F	Financial flows



Statement on differences between statutory and Regulatory Accounting Guidelines (RAG) definitions

Differences between statutory and regulatory definitions for Tables 1A, 1B, 1C and 1D has been provided under Table 1. We have also provided a narrative explanation on the significant differences and what they relate to. We have provided a reconciliation of borrowings between Table 1E and Table 1C and an explanation of the reasons for the differences.



Table 1A

Income statement for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Revenue	£m	3	1,227.031	15.786	15.621	0.165	1,227.196	1A.1
Operating costs	£m	3	-990.372	-22.530	-13.207	-9.323	-999.695	1A.2
Other operating income	£m	3	0.000	2.499	0.000	2.499	2.499	1A.3
Operating profit	£m	3	236.659	-4.245	2.414	-6.659	230.000	1A.4
Other income	£m	3	0.000	12.849	0.137	12.712	12.712	1A.5
Interest income	£m	3	66.662	0.000	0.000	0.000	66.662	1A.6
Interest expense	£m	3	-275.762	-55.421	0.000	-55.421	-331.183	1A.7
Other interest expense	£m	3	0.000	0.000	0.000	0.000	0.000	1A.8
Profit before tax and fair value movements	£m	3	27.559	-46.817	2.551	-49.368	-21.809	1A.9
Fair value gains/(losses) on financial instruments	£m	3	71.619	0.000	0.000	0.000	71.619	1A.10
Profit before tax	£m	3	99.178	-46.817	2.551	-49.368	49.810	1A.11
UK Corporation tax	£m	3	-26.073	0.000	-0.644	0.644	-25.429	1A.12
Deferred tax	£m	3	-5.646	11.704	0.000	11.704	6.058	1A.13
Profit for the year	£m	3	67.459	-35.113	1.907	-37.020	30.439	1A.14
Dividends	£m	3	-84.100	0.000	0.000	0.000	-84.100	1A.15
Tax analysis								
Current year	£m	3	26.074	0.000	0.644	-0.644	25.430	1A.16
Adjustment in respect of prior years	£m	3	-0.001	0.000	0.000	0.000	-0.001	1A.17
UK Corporation tax	£m	3	26.073	0.000	0.644	-0.644	25.429	1A.18
Analysis of non-appointed revenue								
Imported sludge	£m	3			0.000			1A.19
Tankered waste	£m	3			5.775			1A.20
Other non-appointed revenue	£m	3			9.846			1A.21
Revenue	£m	3			15.621			1A.22

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1A takes information from the statutory accounts and captures the adjustments needed to show the regulatory income statement for the appointed business. Adjustments include both differences between UK Generally Accepted Accounting Principles (UK GAAP) and Regulatory Accounting Guidelines (RAG), and the removal of non-appointed income and costs.

The appointed business is defined as the regulated activities of the appointee, that is those activities necessary to fulfil the functions and duties of a water and sewerage undertaker. The non-appointed business encompasses those activities where we are not a monopoly supplier, or the activity involves the optional use of an asset owned by the appointed business (examples include shared services to the Group and the treatment of tankered waste).

Financial Performance

Appointed revenue has increased to £1,227.2m (2022/2023: £1,143.3m) Revenue allowances rose by around 7% due to allowed CPIH inflation of 9.3%, offset by an increase in ODI penalty from 2022. Additionally, there is c£7m income for non-household consumption in prior years that is adjusted through the market settlement process, as customer bills are finalised (previously based on estimates). This has been partially offset by reduced household consumption.

Non-appointed revenue of £15.6m (2022/2023: £13.6m) is made up of £5.8m from imported tankered waste, £3.1m from Safemove (provides drainage and water searches for property buyers), £2.0m from Homeserve (activity transferred into Yorkshire Water Services Limited from Loop Customer Management Limited during the 2023/2024 year), £1.9m from Kelda Non-Regulated companies, £1.4m from our largest trade customer, Syngenta, £1.0m related to meter reading and £0.4m of other movements.

Operating costs totalling £999.7m (2022/2023: £923.2m) have increased by £76.5m in the year. This increase includes increased depreciation and amortisation for capital expenditure, along with the impact of cost increases for energy, contracted activity (including repairs and maintenance) and staff costs. In addition, 2024 saw increased regulatory and IT licence fees, additional costs to support our PR24 activity and a reduction in asset sales in the year.

We have strengthened our cost control across the business throughout the year which has mitigated some of the additional operational pressures resulting from adverse weather, for example the multiple named storms.

As in prior years, an adjustment has been made as requested in the information notice 22/01 1.7 in relation to the Innovation Fund. The adjustment removes operating costs of £4.4m (2022/2023: £4.1m) relating to provisions made to pay future Innovation Competition winners from revenue collected from customers for the Innovation Fund. A further adjustment has been made to reverse the operating cost impact of the £4.5m (2022/2023: £5.4m) cash paid to competition winners and for administrative fees in 2023/2024. We have presented this as an adjustment to other income on line 1A.5 in order to maintain the correct cash figure on [Table 1C](#) and to minimise the impact on other tables (in line with discussions with other WaSCs in the prior year). These adjustments result in an overall decrease to the profit before tax of £0.1m (2022/2023: £1.3m decrease to profit). The reversal of the £5.8m provision relating to these amounts can be seen in [Table 1C](#) (line 1C.25). The retained earnings and other reserves impact of these adjustments (line 1C.33) relates to the current year impact, plus the brought forward impact of the equivalent adjustments for 2020/2021, 2021/2022 and 2022/2023.

Other operating income of £2.5m (2022/2023: £7.1m) relates to land sales including £0.4m relating to net sale of land at our Temple Park, and a further £1.7m of profit share from the sale of land in Caldervale, plus £0.4m of other smaller transactions.

Other adjustments to reclassify revenue, operating costs, other operating income and other income as required by RAGs are detailed below.

Interest income has increased to £66.7m (2022/2023: £65.1m) and interest expense has decreased to £331.2m (2022/2023: £427.6m), largely as a result of higher inflation.

Interest expense of £331.2m comprises:

- Interest payable on intra-group borrowings of £266.5m. This is interest on back-to-back loans with external borrowings raised by subsidiary financing companies;
- Interest charged on external borrowings, excluding those relating to direct procurement for customer arrangements of £38.5m;
- £5.6m relates to amortisation of debt issuance costs;
- Interest payable in relation to other leases under IFRS 16 of £2.8m; and
- Other financing costs/interest costs of £17.8m.

Yorkshire Water holds £1,112.1m (2022/2023 £1,289.0m) notional value of inflation linked swaps on which the company receives interest based on the Sterling Overnight Index Average (SONIA) and pays interest based on inflation (RPI). A decrease in the net derivative liability position during the year of £71.6m (2023: £797.9m) reflects the cancellation of two swaps during September 2023 and the impact of market movements on the remaining portfolio.

Our Statement on Dividend Policy can be found on [page 368](#) within this report.

Technical notes

The table below shows the detailed GAAP adjustments that are made to the income statement as detailed in the statutory accounts to derive the income statement for the appointed business. The net adjustment of £35.1m reduction to profit for the year is broadly in line with the previous year (2022/2023: £35.3m net reduction to profit). This reflects an increase to capitalised interest added back to interest expense in the year which has increased due to additional activity as a result of higher inflation rates, offset by an increase in the IFRS 16 leases adjustment and the impact of the Innovation Fund adjustment.

Detailed GAAP adjustments

Line description	Profit on Disposal of Fixed Assets	Rental Income	RDEC Income	S104 Income (sewer adoption fees)	Cost Recovery Income	G&C Income	Adopted sewers income (IFRIC 18)	Capitalisation of interest and related depreciation	IFRS 15 Revenue Recognition	Innovation Fund	IFRS 16 Leases	Total
Line 1A.1 Revenue	-	-	-	(1.197)	(0.268)	(11.063)	(3.000)	-	31.314	-	-	15.786
Line 1A.2 Operating costs	(2.442)	(2.078)	(0.057)	-	0.268	-	-	6.873	(31.314)	4.385	1.835	(22.530)
Line 1A.3 Other operating income	2.442	-	0.057	-	-	-	-	-	-	-	-	2.499
Line 1A.5 Other income	-	2.078	-	1.197	-	11.063	3.000	-	-	(4.489)	-	12.849
Line 1A.7 Interest expense	-	-	-	-	-	-	-	(54.812)	-	-	(0.609)	(55.421)
Line 1A.13 Deferred tax	-	-	-	-	-	-	-	11.985	-	0.026	(0.307)	11.704
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(35.954)	0.000	(0.078)	0.919	(35.113)

The differences between statutory financial reporting in accordance with FRS 102 and regulatory financial reporting are:

- Profit on Disposal of Fixed Assets – This removes £2.4m of profit on disposal of fixed assets from operating costs (1A.2) and moves it to other operating income (1A.3) per RAG 4.12 line 1A.3 instructions. As such, this is a presentational adjustment only;
- Rental Income – This removes £2.1m of rental income from operating costs (1A.2) and moves it to other income (1A.5) per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;
- RDEC Income – This removes £0.1m of RDEC (Research and Development Expenditure Credit) Income from operating costs (1A.2) and moves it to other operating income (1A.3) per RAG 4.12 line 1A.3 instructions. Again, this is a presentational adjustment only;
- S104 income (sewer adoption fees) – This moves £1.2m of S104 income, relating to fees from developers for adoption of sewers, from revenue (1A.1) to other income (1A.5) per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;
- Cost recovery income – This moves £0.3m of cost recovery from revenue (1A.1) to operating costs (1A.2) per RAG 4.12 line 1A.1 instructions.
- Grants and contribution (G&C) income totaling £11.1m recognised in revenue for statutory reporting is reclassified in other income for regulatory financial reporting per RAG 4.12 line 1A.5 instructions. As such, this is a presentational adjustment only;
- Adopted sewers income (IFRIC 18) of £3.0m recognised in revenue for statutory reporting is reclassified in other income for regulatory financial reporting per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;
- Interest that is capitalised and the related depreciation in the statutory accounts is removed for regulatory financial reporting in line with regulatory guidance (RAG 1.09 section 4.8). The adjustments increase the regulatory interest expense by £54.9m and reduce related asset depreciation by £6.9m. The net effect of this adjustment is a £48.0m decrease to the regulatory profit before tax for the year;

- £31.3m of billed and unbilled amounts receivable have not been recognised as revenue in the statutory accounts in the current year, on the basis that they are not probable of collection in accordance with the statutory accounts accounting policy (which is in accordance with IFRS15). This reduction in revenue is offset by a consequential reduction in the bad debt charge and bad debt provision of the same amount. As such, this is a presentational adjustment only. In line with RAG guidelines (RAG 1.09 section 4.4), this adjustment has been reversed in the income statement for the appointed business;
- £4.4m of operating costs relating to provisions made to pay future Innovation Competition winners from revenue collected from customers for the innovation fund have been removed, as requested in the information notice 22/01 1.7. The reversal of the £5.8m provision relating to cumulative Innovation Fund amounts collected in AMP7 to date but unpaid at 31 March 2024 can be seen in [Table 1C](#) (line 1C.25). £4.5m adjustment has been made relating to amounts paid to Innovation Competition winners and for fund administration charges in 2023/2024. As per the prior year, and in line with other WASCs, this amount is presented as a negative adjustment to other income on line 1A.5 in order to maintain the correct cash figure on [Table 1C](#) and to minimise the impact on other tables. These adjustments result in a net £0.1m decrease to regulatory profit before tax for the year; and
- RAG 1.09 (section 4.18) requires all companies to account for leases in accordance with IFRS 16 in the regulatory accounting statements. Since Yorkshire Water reports under FRS 102, a RAG adjustment has been included for the year ended 31 March 2024 to ensure IFRS 16 is applied. This has resulted in Yorkshire Water recognising right of use assets within fixed assets and lease liabilities within fixed rate borrowings for regulatory financial reporting. As a result:
 - Right of use assets have been included within [Table 1C](#) with a net book value of £13.6m;
 - Lease liabilities of £14.0m are included within [Table 1C](#), of which £3.7m is due in less than 1 year and £10.3m is due in more than 1 year (includes roundings);
 - Operating expenditure has increased by £1.8m due to the removal of the lease expense offset by additional depreciation charged on the right of use assets and a small element of profit on disposal of leased assets; and
 - Additional interest costs associated with the lease liabilities of £0.6m have been incurred for regulatory financial reporting.

Together the above adjustments for IFRS 16 result in a net increase in the profit before tax of £1.2m.

Tax strategy for the appointed business

Adopted by the Board of Yorkshire Water Services Limited on 28 November 2023

Our approach to management of our tax affairs is in-line with our 10-year strategy and vision launched in 2023:

- A thriving Yorkshire: right for customers, right for the environment.
- Our strategy and vision is supported by:
- Strategic pillars – the key activities that will help us bring our vision to life;
- Foundations – the long-term programmes and ways of working that underpin all our strategic activities; and
- Our behaviours – how we act as we go about our work.

The most relevant aspects of our businesses' 10-year strategy and vision to our Tax Strategy are:

- 1. Our vision:** a thriving Yorkshire, right for customers – part of this is having bills that everyone can afford but also being a trusted company to customers;
- 2. Foundations:** a sustainable business – a key foundation of our business is to operate long-term responsible business practices, providing sustainable returns and acting fairly in the long-term interests of Yorkshire; and
- 3. Behaviours;** we own it – we do the right thing, even when it's tough, doing the things that will make the most difference to our customers.

As such, the Group has a tax strategy and policies that address the need to be transparent regarding our approach to tax matters, to build and maintain trust with customers and other stakeholders while also recognising appropriate legislative tax concessions and reliefs which benefit customers through lower bills and help to support a sustainable business.

A trusted company Behaviour – we own it

We are committed to acting with integrity and to adopt the highest standards of openness and transparency with regards to our approach to our tax affairs. Our tax strategy and policies require that we fully comply with both the letter of UK tax law and its application as it was intended. We make timely and accurate tax returns that reflect our fiscal obligations to Government.

We aim for certainty on the tax positions that we adopt, however, tax law can be unclear at times or subject to interpretation. With this in mind, our policy is:

- not to enter into transactions that have a main purpose of gaining a tax advantage; and
- not to make interpretations of tax law considered to be opposed to the original published intention of the specific law.

To support us in ensuring that we have interpreted tax law and its intended application correctly, we seek advice from large accounting firms, legal firms and/or tax counsel as appropriate.

For example, we do not use artificial tax avoidance schemes or use tax havens to reduce our tax liabilities.

Relationship with HM Revenue & Customs

An important part of our tax strategy and policies is the maintenance of a strong, proactive working relationship with HM Revenue & Customs ("HMRC"). We are transparent with HMRC and, in cases of interpretation or complexity, work with them on a real time basis to determine the amount of tax due.

Bills everyone can afford Foundations – a sustainable business

Tax disclosure

We understand the value of our financial reporting to customers, investors and other stakeholders. We work to provide enhanced, transparent and balanced disclosure in communicating our tax affairs.

Managing our tax liabilities by recognising appropriate legislative concessions and reliefs is of benefit to customers (through fair and affordable bills) and investors (through fair and sustainable returns).

Our tax strategy and policies seek to make use of such appropriate reliefs and to control our tax costs so that money is not wasted. Decisions regarding such reliefs are taken using a decision-making framework that addresses the control of tax costs with being trusted by stakeholders.

Whilst seeking to manage tax liabilities, our policy is not to take an aggressive interpretation of tax legislation or use artificial tax avoidance schemes.

Tax Governance

Tax is part of the Finance function and is the ultimate responsibility of the Chief Finance Officer who is responsible for the tax strategy and policies.

Tax strategy and policies are reviewed on an on-going basis by the Audit Committee and Board of Directors. Our tax status is reported regularly through the Group's Financeability Governance Group, chaired by the Chief Finance Officer. Tax status is also reported via the Audit Committee through the Group's Strategic Risk Register.

Tax strategy and policy issues are assessed on a case by case basis by the Tax Team with appropriate input from the Head of Corporate Finance, Chief Finance Officer in conjunction with the Chief Executive. Day-to-day tax matters are delegated to the Head of Corporate Finance and a team of in-house professionals who hold a combination of accounting and tax qualifications.

Contribution

When considering the Group's tax contributions, there are several important factors to take into account:

- corporation tax is focused on by stakeholders, however, it is only one of a wide variety of taxes, duties and contributions that are levied on the Group. Amongst other things our costs include employment taxes, national insurance, carbon taxes, fuel duty and business rates;
- taxation is not the only method by which the UK Exchequer can raise revenue from businesses. Other mechanisms include business rates and licenses. These are important to public finances and must be taken into account when considering a company's part in society; and
- large companies are an important source of employment leading to higher Government revenues from employment taxes and increased levels of consumer spending; and we are an important source of investment into national infrastructure achieving a benefit that would have to be funded directly by the state, most likely through public borrowing. The capital allowances we claim on this infrastructure and tax deductible interest costs on debt raised to fund infrastructure expenditure reflect public policy choices made by Government and, wholly intentionally, have the effect of reducing tax liabilities for companies whose investment decisions support those policy choices.

Current tax reconciliation & analysis

The table below reconciles the difference between:

- the tax credit that would be expected if the standard rate of corporation tax in the UK (25%) was applied to the Company's loss before tax and fair value movements; and
- the appointed current tax credit for the year.

	£m
Loss before tax and fair value movements in relation to appointed activities	(21.8)
Tax credit at the standard rate of corporation tax in the UK of 25%	(5.4)
Adjustments in relation to assets	
Non-deductible accounting depreciation on fixed assets and amortisation of intangible assets	61.8
Potential capital allowances available to claim on fixed assets (1)	(70.4)
Capital allowances waived and deferred to future years (1)	56.4
Adjustments in relation to financial instruments	
Adjustment to allow an element of the Company's fair value losses as they represent an accruals basis of accounting which is deductible for tax purposes	(16.1)
Other adjustments	
Deductible payments to pension scheme	(1.1)
Employee remuneration accrued but not deductible until paid	(0.6)
Non-deductible costs (2)	1.1
Non-taxable profits (3)	(2.2)
Utilised losses (4)	(1.3)
Other timing differences (5)	2.0
Appointed current tax credit (6)	25.4

1. The Company has claimed tax losses in the year from other Kelda Group companies. As a result, the Company has reduced its capital allowance claim on its capital expenditure for the year. This tax relief is deferred to later periods. Utilising tax losses in this way and deferring capital allowances will ultimately benefit customers through lower bills in the future.
2. Non-deductible costs mainly relate to non-deductible professional fees and fines, operating expenditure which is capital for tax purposes and other accounting adjustments.
3. Income reflected in the accounts which is not subject to tax as either there is no cash received by the Company or the income has reduced the amount of capital allowances that can be claimed on the assets associated with the income. This amount also includes R&D credit income that has been subject to tax in previous periods.
4. The Company has utilised tax losses in the period generated in an earlier period.
5. Other timing differences mainly relate to provisions which are tax deductible in the year they are paid or released.
6. The appointed current tax charge represents payments to other Kelda Group companies as compensation for them surrendering tax losses to the Company. The Company has no current tax charge for the year in relation to corporation tax liabilities owed to HM Revenue & Customs.

The current tax charge allowed in price limits is reconciled to the appointed current tax charge as follows:

	£m
Total current tax charge allowed in price limits (based on corporation tax rate of 19% used in setting prices)	2.4
Tax effect of differences due to:	
Change in tax rates from 19% (used in setting prices) to 25%	0.8
Inflation	0.1
Lower operating profit	(41.6)
Higher finance costs included in actual corporation tax calculations	(9.1)
Utilised losses (1)	(0.3)
Fixed assets	
Assumptions regarding tax allowable depreciation (2)	16.4
Assumptions regarding capital allowances available on brought forward pool balances at 1 April 2023	2.2
Assumptions regarding capital allowances available on additions in 2024	(2.2)
Capital allowances waived and deferred to future years (3)	56.4
Assumptions regarding chargeable gains	(0.1)
Other	
Assumptions regarding pension deductions	(1.1)
Assumptions regarding non tax deductible expenses (4)	1.5
Appointed current tax charge (5)	25.4

- The Company has utilised tax losses in the period generated in an earlier period.
- Actual tax allowable depreciation is lower than forecast in the FD due to lower levels of capital expenditure in 2021-2024 than anticipated at PR19.
- The Company has claimed tax losses in the year from other Kelda Group companies. As a result, the Company has reduced its capital allowance claim on its capital expenditure for the year. This tax relief is deferred to later periods. Utilising tax losses in this way and deferring capital allowances will ultimately benefit customers through lower bills in the future.
- This mainly relates to fines and capital expenditure for tax purposes included in operating costs and non-deductible accrued employee remuneration.
- The appointed current tax charge represents payments to other Kelda Group companies as compensation for them surrendering tax losses to the Company. The Company has no current tax charge for the year in relation to corporation tax liabilities owed to HM Revenue & Customs.

Factors that will impact future tax charges will include:

- changes in corporation tax rates and capital allowance rates;
- any changes in tax legislation or practice not reflected in the relevant FD.

Table 1B

Statement of comprehensive income for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Profit for the year	£m	3	67.459	-35.113	1.907	-37.020	30.439	1B.1
Actuarial gains/(losses) on post-employment plans	£m	3	0.047	0.000	0.000	0.000	0.047	1B.2
Other comprehensive income	£m	3	11.743	0.000	0.000	0.000	11.743	1B.3
Total Comprehensive income for the year	£m	3	79.249	-35.113	1.907	-37.020	42.229	1B.4

The statement of comprehensive income sets out all items which result in a change to our balance sheet reserves. The statutory profit for the year of £67.5m is adjusted for actuarial gains on post-employment plans of £0.1m (includes roundings), and other comprehensive income of £11.7m.

In respect of the fixed asset revaluation, we have a policy under FRS 102 of holding infrastructure assets (networks), residential properties, non-specialist properties and rural estates under a valuation model. The fair value of assets must be reviewed periodically under FRS 102.

The infrastructure assets were revalued during the year resulting in £nil revaluation movement for the 2023/2024 year. The valuation was established by reviewing the discounted cash flows of Yorkshire Water to establish the assets' value in use. In addition, a cross-reference against recent market data regarding Regulated Capital Value (RCV) multiples realised in transactions of similar infrastructure businesses was undertaken to ensure the valuation was appropriate.

Residential properties, non-specialist properties and rural estates were revalued in the year, with the valuation exercise undertaken in accordance with the professional standards and practice guidance issued by the Royal Institution of Chartered Surveyors in the UK. This valuation resulted in a net £10.0m increase to fixed assets (1C.1). A gain of £19.2m was recognised in the revaluation reserve (1C.33), with £9.2m recognised as an impairment in the profit and loss account (1A.2).

There is a net actuarial gain on the unfunded pension scheme of £0.07m within Yorkshire Water, with a corresponding adjustment to tax of £0.02m, resulting in a net gain to other comprehensive income of £0.05m.

The defined benefit plan is a multi-employer scheme, and the sponsoring employer is Kelda Group Limited, therefore there are no related values shown in the Yorkshire Water Services Limited Financial Statements.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1C

Statement of financial position for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Non-current assets								
Fixed assets	£m	3	9,374.719	-223.839	2.402	-226.241	9,148.478	1C.1
Intangible assets	£m	3	289.950	-11.538	0.000	-11.538	278.412	1C.2
Investments – loans to group companies	£m	3	437.207	0.000	0.000	0.000	437.207	1C.3
Investments – other	£m	3	2.245	0.000	0.000	0.000	2.245	1C.4
Financial instruments	£m	3	240.941	0.000	0.000	0.000	240.941	1C.5
Retirement benefit assets	£m	3	0.000	0.000	0.000	0.000	0.000	1C.6
Total non-current assets	£m	3	10,345.062	-235.377	2.402	-237.779	10,107.283	1C.7
Current assets								
Inventories	£m	3	8.308	0.000	0.000	0.000	8.308	1C.8
Trade & other receivables	£m	3	511.965	0.000	1.804	-1.804	510.161	1C.9
Financial instruments	£m	3	9.081	0.000	0.000	0.000	9.081	1C.10
Cash & cash equivalents	£m	3	49.681	0.000	0.000	0.000	49.681	1C.11
Total current assets	£m	3	579.035	0.000	1.804	-1.804	577.231	1C.12
Current liabilities								
Trade & other payables	£m	3	-460.972	0.000	-0.364	0.364	-460.608	1C.13
Capex creditor	£m	3	-179.606	0.000	0.000	0.000	-179.606	1C.14
Borrowings	£m	3	-81.977	-3.729	0.000	-3.729	-85.706	1C.15
Financial instruments	£m	3	-26.205	0.000	0.000	0.000	-26.205	1C.16
Current tax liabilities	£m	3	0.000	0.000	0.000	0.000	0.000	1C.17
Provisions	£m	3	-14.391	0.000	0.000	0.000	-14.391	1C.18
Total current liabilities	£m	3	-763.151	-3.729	-0.364	-3.365	-766.516	1C.19
Net Current assets/(liabilities)	£m	3	-184.116	-3.729	1.440	-5.169	-189.285	1C.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1C – continued

Statement of financial position for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Non-current liabilities								
Trade & other payables	£m	3	-2.029	0.000	0.000	0.000	-2.029	1C.21
Borrowings	£m	3	-5,823.706	-10.240	0.000	-10.240	-5,833.946	1C.22
Financial instruments	£m	3	-1,742.601	0.000	0.000	0.000	-1,742.601	1C.23
Retirement benefit obligations	£m	3	0.000	0.000	0.000	0.000	0.000	1C.24
Provisions	£m	3	-28.953	5.794	0.000	5.794	-23.159	1C.25
Deferred income – grants & contributions	£m	3	-379.966	0.000	-1.337	1.337	-378.629	1C.26
Deferred income – adopted assets	£m	3	-251.336	0.000	0.000	0.000	-251.336	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-722.613	60.888	0.000	60.888	-661.725	1C.29
Total non-current liabilities	£m	3	-8,951.204	56.442	-1.337	57.779	-8,893.425	1C.30
Net assets	£m	3	1,209.742	-182.664	2.505	-185.169	1,024.573	1C.31
Equity								
Called up share capital	£m	3	11.000	0.000	0.000	0.000	11.000	1C.32
Retained earnings & other reserves	£m	3	1,198.742	-182.664	2.505	-185.169	1,013.573	1C.33
Total Equity	£m	3	1,209.742	-182.664	2.505	-185.169	1,024.573	1C.34

Table 1C takes the Balance Sheet as at 31 March 2024 detailed in the ARFS and makes adjustments for the differences between UK statutory financial reporting and regulatory financial reporting, together with removal of the non-appointed assets and liabilities. This then details the Balance Sheet of the appointed business.

The table below details the total adjustment of £182.7m to retained earnings and reserves and the corresponding adjustments to fixed assets, intangible assets, borrowings, provisions, deferred income and deferred tax.

This comprises the differences between statutory and RAG definitions which are the balance sheet equivalent adjustments to those income statement adjustments described in more detail in the narrative to [Table 1A](#).

Please note, the reversal of the IFRS15 adjustment relating to revenues not probable of collection has been included below for completeness. However, as this increases both trade and other receivables and bad debt provision within line 1C.9, this adjustment has a net £nil balance sheet impact.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Total adjustment

Line description	Capitalisation of Interest and Related Depreciation	IFRS 15 Revenue Recognition	Innovation Fund	IFRS 16 Leases	Total
Line 1C.1 Fixed assets	(237.462)	-	-	13.623	(223.839)
Line 1C.2 Intangible assets	(11.538)	-	-	-	(11.538)
Line 1C.9 Trade and other receivables	-	-	-	-	-
Line 1C.15 Borrowings (current)	-	-	-	(3.729)	(3.729)
Line 1C.22 Borrowings (non-current)	-	-	-	(10.240)	(10.240)
Line 1C.25 Provisions (non-current)	-	-	5.794	-	5.794
Line 1C.27 Deferred income – adopted assets	-	-	-	-	-
Line 1C.29 Deferred tax	62.250	-	(1.448)	0.086	60.888
Line 1C.33 Retained earnings & other reserves	186.750	-	(4.346)	0.260	182.664

Technical notes

The adjustments presented above reflect the balance side of those adjustments detailed in the [Table 1A](#) commentaries.

As detailed in [Table 1B](#) and the statutory accounts, infrastructure assets (networks), residential properties, non-specialised properties and rural estates are held under a revaluation model, rather than historical cost. Whilst regulatory accounting guidance refers only to historical cost, given that UK GAAP FRS102 offers the choice between historical cost and valuation, and the regulatory guidance does not identify the requirement to re-state fixed assets for those adjustments, no adjustment has been made. This is consistent with the treatment in prior years.

Table 1D

Statement of cash flows for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Operating activities								
Operating profit	£m	3	236.659	-4.245	2.414	-6.659	230.000	1D.1
Other income	£m	3	26.980	-28.194	0.137	-28.331	-1.351	1D.2
Depreciation	£m	3	375.402	-2.988	0.161	-3.149	372.253	1D.3
Amortisation – Grants & contributions	£m	3	-14.063	14.063	0.000	14.063	0.000	1D.4
Changes in working capital	£m	3	-23.805	0.000	-0.246	0.246	-23.559	1D.5
Pension contributions	£m	3	0.000	0.000	0.000	0.000	0.000	1D.6
Movement in provisions	£m	3	15.044	0.104	-2.466	2.570	17.614	1D.7
Profit on sale of fixed assets	£m	3	-2.442	-0.015	0.000	-0.015	-2.457	1D.8
Cash generated from operations	£m	3	613.775	-21.275	0.000	-21.275	592.500	1D.9
Net interest paid	£m	3	-89.395	-0.609	0.000	-0.609	-90.004	1D.10
Tax paid	£m	3	0.136	0.000	0.000	0.000	0.136	1D.11
Net cash generated from operating activities	£m	3	524.516	-21.884	0.000	-21.884	502.632	1D.12
Investing activities								
Capital expenditure	£m	3	-657.638	0.000	0.000	0.000	-657.638	1D.13
Grants & Contributions	£m	3	0.000	26.980	0.000	26.980	26.980	1D.14
Disposal of fixed assets	£m	3	4.217	0.000	0.000	0.000	4.217	1D.15
Other	£m	3	0.000	0.000	0.000	0.000	0.000	1D.16
Net cash used in investing activities	£m	3	653.421	26.980	0.000	26.980	-626.441	1D.17
Net cash generated before financing activities	£m	3	-128.905	5.096	0.000	5.096	-123.809	1D.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1D – continued

Statement of cash flows for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Cash flows from financing activities								
Equity dividends paid	£m	3	-84.100	0.000	0.000	0.000	-84.100	1D.19
Net loans received	£m	3	-31.185	-5.096	0.000	-5.096	-36.281	1D.20
Cash inflow from equity financing	£m	3	0.000	0.000	0.000	0.000	0.000	1D.21
Net cash generated from financing activities	£m	3	-115.285	-5.096	0.000	-5.096	-120.381	1D.22
Increase (decrease) in net cash	£m	3	-244.190	0.000	0.000	0.000	-244.190	1D.23

YWS is not required to publish a cash flow statement in the statutory accounts as the consolidated financial statements of Kelda Eurobond Co Limited include the equivalent disclosures. The company has also taken certain exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues.

The cash flow information in [Table 1D](#) is, therefore, derived from the published Profit and Loss account and Balance Sheet information. Similar to [Tables 1A](#) and [1C](#), [Table 1D](#) captures the adjustments needed to both reflect differences between statutory financial reporting in accordance with UK GAAP and regulatory financial reporting and remove non-appointed cash flows to determine the cash flow statement for the appointed business.

Overall, there was a net cash decrease of £244.2m for 2023/2024. Cash generated from operations of £597.4m was reduced by:

- Cash investment in fixed assets including investment in tangible and intangible assets of £657.6m;
- Net interest paid of £90.0m on borrowings taken out to fund historical and current capital investment programmes;

- Dividends paid to fund interest on other borrowings taken out on behalf of Yorkshire Water elsewhere in the group and dividends to the owners of Yorkshire Water totaling £84.1m as detailed in [Table 1A](#) commentary; offset by
- Repayment of borrowings of £36.3m.

£27.0m in relation to grants and contributions and adopted sewers under IFRIC 18 has been treated as cash generated from operations in the statutory cash flow and is included within Other Income (line 1D.2). In accordance with the RAGs this has been moved to Grants and Contributions (line 1D.14) within investing activities. The amortisation of grants and contributions and adopted sewers (totalling £14.1m), which was adjusted from Operating Profit to Other Income on [Table 1A](#), is reflected in the corresponding adjustments to [Table 1D](#) in lines 1D.1 and 1D.2 due to the Operating Profit lines being automatically linked in the tables. However, this is then adjusted as a further statutory to RAG cash flow adjustment to other income as it is a non-cash movement.

The table below details the adjustments to the cash flow statement due to differences between statutory and RAG definitions. These are the cash flow equivalent adjustments to those income statement adjustments described in more detail in the narrative to [Table 1A](#).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Adjustments to the cash flow statement due to differences between statutory and RAG definitions.

Line description	Profit on Disposal of Fixed Assets	Rental Income	RDEC Income	S104 Income	Cost Recovery Income	G&Cs moved to investing activities	G&C Income	IFRIC 18 Adopted Sewers	Removal of G&C and Adopted Sewers amortisation (non-cash)	Capitalisation of Interest and Related Depreciation	Innovation Fund	IFRS 15 Revenue Recognition	IFRS 16 Leases	Total
Line 1D.1 Operating Profit	-	(2.078)	0.000	(1.197)	-	-	(11.063)	(3.000)	-	6.873	4.385	-	1.835	(4.245)
Line 1D.2 Other income	-	2.078	-	1.197	-	(26.980)	11.063	3.000	(14.063)	-	(4.489)	-	-	(28.194)
Line 1D.3 Depreciation	-	-	-	-	-	-	-	-	-	(6.873)	-	-	3.885	(2.988)
Line 1D.4 Amortisation – G&C's	-	-	-	-	-	-	-	-	14.063	-	-	-	-	14.063
Line 1D.7 Movement in provisions	-	-	-	-	-	-	-	-	-	-	0.104	-	-	0.104
Line 1D.8 Profit on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	(0.015)	(0.015)
Line 1D.10 Net interest paid	-	-	-	-	-	-	-	-	-	-	-	-	(0.609)	(0.609)
Line 1D.14 Grants and Contributions	-	-	-	-	-	26.980	-	-	-	-	-	-	-	26.980
Line 1D.20 Net loans received	-	-	-	-	-	-	-	-	-	-	-	-	(5.096)	(5.096)
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Table 1E
Net debt analysis (appointed activities) at 31 March 2024

Line description	Units	DPs	Fixed rate	Floating rate	Index linked		Total	RAG 4 reference
					RPI	CPI/CPIH		
Interest rate risk profile								
Borrowings (excluding preference shares)	£m	3	2,256.819	465.174	3,025.383	567.289	6,314.665	1E.1
Preference share capital	£m	3	0.000				0.000	1E.2
Total borrowings	£m	3	2,256.819	465.174	3,025.383	567.289	6,314.665	1E.3
Cash	£m	3					-49.681	1E.4
Short term deposits	£m	3					0.000	1E.5
Net Debt	£m	3					6,264.984	1E.6
Gearing								
Gearing	%	3					0.686	1E.7
Adjusted Gearing	%	3					0.708	1E.8
Interest								
Full year equivalent nominal interest cost	£m	3	74.401	-24.441	271.601	10.175	331.736	1E.9
Full year equivalent cash interest payment	£m	3	74.401	-24.441	96.744	1.621	148.325	1E.10
Indicative interest rates								
Indicative weighted average nominal interest rate	%	3	0.033	-0.053	0.090	0.018	0.053	1E.11
Indicative weighted average cash interest rate	%	3	0.033	-0.053	0.032	0.003	0.023	1E.12
Time to maturity								
Weighted average years to maturity	nr	3	10.190	8.880	21.490	6.680	13.640	1E.13

Table 1E contains information about our financing structure and the associated interest costs of that financing.

Interest payable and interest receivable on our borrowings is on either a fixed rate, floating rate or inflation linked basis and the company manages the issuance of new debt to ensure that Yorkshire Water's debt maturity profile avoids repayment concentrations, meaning that we avoid the situation where large amounts of debt must be re-paid at the same time. This assists with the company's future refinancing requirements. This year our index linked swap restructures have been recategorised from fixed rate to floating rate. This is only a presentational change to reflect the underlying financial instruments more appropriately.

Our debt has a weighted average years to maturity (line 1E.13) of approximately 14 years, which is consistent with the planned approach to the company's financing requirements.

All figures in Table 1E have been calculated in reference to 'RAG 4.12 – Guideline for the table definitions in the annual performance report'. Borrowings include all debt relevant to the regulated company even where this has been taken out by a financing subsidiary. Borrowings in 1E.1 include borrowings at a group level which are relevant to the regulated company including the accretion of index linked swaps and do not include any fair value adjustments or unamortised loan costs. This means, consistent with the prior year, there is a difference between borrowings reported in [Table 1C](#) and Table 1E and the table below provides a reconciliation of the difference.

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Reconciliation of borrowing amounts contained within Table 1C (lines 15 & 22) to Table 1E (line 1)

Table 1C:	£m
1C.15 – Borrowings (Current liabilities)	(85.7)
1C.22 – Borrowings (Non-Current liabilities)	(5,833.9)
Table 1C – Borrowings	(5,919.6)
Adjustments:	
(i) Fair value	(31.6)
(ii) Accretion of IL swaps not included in Table 1C but included in Table 1E.	(256.2)
(iii) The difference in the book value of internal loans that were exchanged. 1C includes the value reported in Yorkshire Water Services Limited and 1E includes the embedded value of the loans taken out by the financing subsidiary.	8.9
(iv) Unamortised issue costs are included in Table 1C but not included in Table 1E.	(116.2)
Total adjustments	(395.1)
Table 1E – Borrowings	(6,314.7)

1E.7: This contains Yorkshire Water’s regulatory gearing, the calculation of which is “Net Debt” as provided in [Table 1E](#) row 6, divided by the company’s RCV as provided in [Table 4C](#) row 26.

Note: Covered by Finance so not covered by this assurance statement but included for completeness

1E.8: This represents Yorkshire Water Senior RAR (the definition of which is contained within the terms of Yorkshire Water’s Whole Business Securitisation structure).

Actual and forecast amounts of Yorkshire Water’s Senior RAR are published twice a year within Compliance Certificates (which is required as part of the terms of Yorkshire Water’s Whole Business Securitisation structure). These can be found within the ‘Investor Centre’ section of the Kelda Group website at keldagroup.com.

E.9 – 1E.12: Contains the full year equivalent nominal and cash interest along with indicative weighted average interest rates.

The recategorisation of index linked swap restructures from fixed to floating, during the year, has increased the fixed interest charge and decreased the floating interest charge. This change has been slightly offset by the issue of £1bn fixed to floating rate swaps and supported by the issue of £300m of new fixed rate debt, floating rate maturities and cancellation of some swaps.

The cancellation of some RPI linked swaps and reduction in retail price inflation from 13.5 per cent at 31 March 2023 to 4.3 per cent at 31 March 2024 have led to a year on year decrease in the weighted average nominal interest rate of RPI linked debt.

Consumer Price Inflation has decreased from 10.1 per cent at 31 March 2023 to 3.2 per cent at 31 March 2024 which has caused a year on year decrease in the weighted average nominal interest rate of CPI linked debt despite the issue of £300m new CPI linked debt.

1E.13: The weighted average maturity of non swap debt is now reported in Table 1E.13 and has remained broadly consistent at 13.6 years.

Technical notes

Yorkshire Water and its financing subsidiaries raise debt finance from a number of sources including, amongst other areas, bank debt, bond debt and finance leases. Any borrowings raised by Yorkshire Water’s financing subsidiaries are on-lent to Yorkshire Water, with Yorkshire Water paying interest to those subsidiaries on the same terms as the financing subsidiaries have borrowed at. This is illustrated in the diagram below.

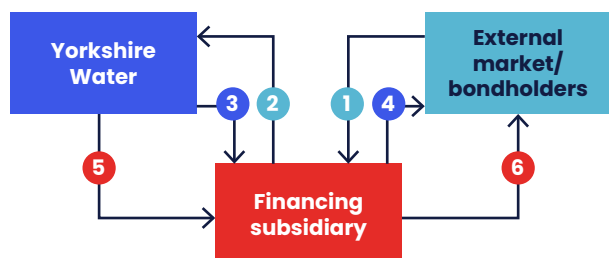


Illustration of borrowing by Yorkshire Water finance subsidiary and on-lending to Yorkshire Water

A. Debt raised

1. Financing subsidiary raises £100m fixed rate bond from the external market with a coupon payable of 5.0% per annum with a maturity of 10 years.
2. Financing subsidiary lends the £100m debt raised to Yorkshire Water.

B. Annual interest payments

3. Yorkshire Water pays £5m interest to Financing subsidiary on an annual basis.
4. Financing subsidiary pays £5m interest to external bond holders on an annual basis.

C. Debt repaid

5. Yorkshire Water pays back £100m to Financing subsidiary on maturity date.
6. Financing subsidiary repays bond holders £100m on maturity date.



Table 1F (Yorkshire Water)

Financial flows for the 12 months ended 31 March 2024 and for the price review to date

Line description	12 months ended 31 March 2024							Average 2020–2025						RAG 4 reference	
	Notional returns and notional regulatory equity		Actual returns and notional regulatory equity		Actual returns and actual regulatory equity			Notional returns and notional regulatory equity		Actual returns and notional regulatory equity		Actual returns and actual regulatory equity			
	Units		%		£m			%		%		£m			
	DPs														
Regulatory equity															
Regulatory equity	£m	3	2890.164	2890.164	2322.370				2775.806	2775.806	1996.146				1F.1
Return on regulatory equity															
Return on regulatory equity	See Column Heading		4.41%	3.54%	4.41%	127.456	102.417	102.417	4.38%	3.15%	4.38%	121.580	87.431	87.431	1F.2
Financing															
Impact of movement from notional gearing	See Column Heading			0.87%	0.55%		25.040	12.667		1.23%	0.86%		34.149	17.089	1F.3
Gearing benefits sharing	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.4
Variance in corporation tax	See Column Heading			1.79%	2.23%		51.759	51.759		1.29%	1.79%		35.745	35.745	1F.5
Group relief	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.6
Cost of debt	See Column Heading			3.56%	5.01%		102.955	116.439		2.87%	4.54%		79.618	90.682	1F.7
Hedging instruments	See Column Heading			-0.97%	-1.37%		-28.073	-31.750		-2.80%	-4.50%		-77.679	-89.764	1F.8
Return on regulatory equity including Financing adjustments	See Column Heading		4.41%	8.79%	10.83%	127.456	254.097	251.532	4.38%	5.74%	7.07%	121.580	159.264	141.183	1F.9

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F (Yorkshire Water) – continued

Financial flows for the 12 months ended 31 March 2024 and for the price review to date

Line description		12 months ended 31 March 2024						Average 2020–2025						RAG 4 reference	
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity		
		Units	%		£m		%		£m		%				
		DPs	2		3		2		3		2				
Operational Performance															
Totex out/(under) performance	See Column Heading		-0.89%	-1.10%		-25.585	-25.585		-1.43%	-1.98%		-39.594	-39.594	1F.10	
ODI out/(under) performance	See Column Heading		-1.29%	-1.60%		-37.186	-37.186		-0.65%	-0.91%		-18.169	-18.169	1F.11	
C-MeX out/(under) performance	See Column Heading		-0.02%	-0.02%		-0.510	-0.510		0.00%	0.00%		-0.019	-0.019	1F.12	
D-MeX out/(under) performance	See Column Heading		-0.10%	-0.12%		-2.857	-2.857		-0.11%	-0.15%		-3.046	-3.046	1F.13	
Retail out/(under) performance	See Column Heading		-0.31%	-0.39%		-9.050	-9.050		-0.46%	-0.64%		-12.786	-12.786	1F.14	
Other exceptional items	See Column Heading		0.02%	0.03%		0.676	0.676		0.04%	0.06%		1.217	1.217	1F.15	
Operational performance total	See Column Heading		-2.58%	-3.21%		-74.512	-74.512		-2.61%	-3.63%		-72.397	-72.397	1F.16	
RoRE (return on regulatory equity)	See Column Heading		4.41%	6.21%	7.62%	127.456	179.585	177.020	4.38%	3.13%	3.45%	121.580	86.867	68.786	1F.17
RCV growth	See Column Heading		4.60%	4.60%	4.60%	132.948	132.948	106.829	6.89%	6.89%	6.89%	191.253	191.253	137.534	1F.18
Voluntary sharing arrangements	See Column Heading		-0.17%	-0.21%		-4.815	-4.815		-0.11%	-0.15%		-2.947	-2.947	1F.19	
Total shareholder return	See Column Heading		9.01%	10.65%	12.02%	260.404	307.718	279.034	11.27%	9.91%	10.19%	312.833	275.173	203.374	1F.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F (Yorkshire Water) – continued

Financial flows for the 12 months ended 31 March 2024 and for the price review to date

Line description		12 months ended 31 March 2024						Average 2020–2025						RAG 4 reference
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	
Units		%			£m			%			£m			
DPs		2			3			2			3			
Dividends														
Gross Dividend	See Column Heading	3.18%	2.34%	2.91%	91.907	67.489	67.489	3.18%	1.92%	2.68%	88.271	53.411	53.411	1F.21
Interest Receivable on Intercompany loans	See Column Heading		-0.77%	-0.96%		-22.369	-22.369		-0.92%	-1.27%		-25.413	-25.413	1F.22
Retained Value	See Column Heading	5.83%	9.09%	10.07%	168.497	262.598	233.914	8.09%	8.90%	8.79%	224.563	247.175	175.376	1F.23
Cash impact of 2015–2020 performance adjustments														
Totex out/under performance	See Column Heading		0.02%	0.02%		0.528	0.528		0.02%	0.03%		0.528	0.528	1F.24
ODI out/under performance	See Column Heading		0.65%	0.81%		18.809	18.809		0.68%	0.94%		18.809	18.809	1F.25
Total out/under performance	See Column Heading		0.67%	0.83%		19.337	19.337		0.70%	0.97%		19.337	19.337	1F.26

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F has been developed by Ofwat to improve financial transparency. It aims to enable a comparison between actual financial flows to the company's investors under the actual capital structures which companies have adopted, and what they would have been under the notional structure Ofwat have used for setting the prices that customers pay.

Returns are elevated this year primarily as a result of the high inflation experienced during the year, with the current calculation methodology resulting in potential overstatement or potentially double counting the impacts of inflation within lines 1F5-8.

Return on regulatory equity (lines 1-2)

1F.1: The notional equity was provided by Ofwat, the actual equity was calculated in line with the guidance from Ofwat.

1F.2: This value was provided by Ofwat and is the adjusted return on regulated equity as calculated in the FD19 financial model for the current year.

Financing (lines 3-9)

1F.3: This is a calculation based on the difference between actual and notional gearing levels.

1F.4: This is a zero value as the Gearing Outperformance Sharing Mechanism (GOSM) does not apply to YW as per the CMA FD.

1F.5: This is calculated in line with Ofwat guidance, however we believe the calculation overstates the actual equity returns arising from taxation. During the financial year we received a tax allowance of £2.1m within revenue and have paid no corporation tax to HMRC.

The return of 1.8% that has been calculated in accordance with Ofwat guidance is significantly higher than the simple difference between tax allowance received and the corporation tax paid. The higher level of calculated return arises primarily due to the following factors, which we believe require further consideration as they relate to timing differences which are not ultimately benefit shareholders:

- Deferred capital allowances – this represents capital allowances available to Yorkshire Water that have been deferred and not taken in the year. This is a timing impact only and may not ultimately benefit shareholders. Carried forward capital allowances are realigned at the beginning of each AMP, thereby passing the benefit of the deferred allowances back to customers
- Tax losses being incurred in the year as a result of the high debt indexation costs – this is also a timing impact and not a long-term benefit to shareholders. Customers will benefit from these losses in the future as they will be carried forward into the next price review.
- Due to how the 1F.5 variance is calculated, the impact of debt indexation and accretion is fully disregarded due to starting from a PBT before fair value adjustments. These additional deductions to Profits Chargeable to Corporation Tax (PCTCT) are utilised by the Company ahead of capital allowances to efficiently manage its current and future tax charge to the benefit of our customers.

1F.6: From 2017-18 all losses surrendered to YW by other group companies have been paid for in full at the current rate of corporation tax, so there is no financial benefit shown within the table.

1F.7: The cost of debt impact (excluding hedging instruments) has been calculated in line with Ofwat guidance

As noted in previous APR submissions, we believe there to be an inconsistency in the calculation, as the comparison to a CPIH cost of debt is inconsistent with the RPI/CPIH weighted return on equity.

1F.8: We have assessed the impact of our hedging instruments on our overall cost of debt. In the current year we have calculated that our hedging instruments have increased our overall nominal interest rate by 0.6%.

Operational Performance (lines 10-22)

1F.10: This is taken from [Table 4C](#) and is the total company share of the over/underspend against the totex allowances. This is calculated by summing lines 4C.13,14,21 and 24, this is then deflated to 2017/2018 CPIH average prices.

1F.11: This is the ODI net penalty as reported within the ODI performance model.

1F.12: As per the Ofwat guidance we have included the value for our 2022/2023 C-MeX performance. This was provided within the "Financial-Flows-Data-Source-new-2023-24" published by Ofwat.

1F.13: As per the Ofwat guidance we have included the value for our 2022/2023 D-MeX performance. This was provided within the "Financial-Flows-Data-Source-new-2023-24" published by Ofwat.

1F.14: This has been calculated by comparing the adjusted allowance for retail operating costs, household and the actual costs as reported in table “2C –Operating cost analysis –retail” and then the variance has been deflated to 2017-18 CPIH average prices.

1F.15: We have included a 50% share of the proceeds of land sales as reported in [Table 2L](#). This has been deflated to 2017-18 CPIH average prices

1F.17: This is a calculated line (sum of lines 1F.9 and 1F.16) and is reported in line 4H.5

1F.18: This is provided by Ofwat.

1F.19: We have included the £6m revenue sacrifice within household retail, this £6m is used to support customers on our social tariff WaterSupport, this has been deflated to 2017-18 CPIH average prices.

Dividends (lines 21-23)

1F.21: The notional dividend of 3.18% was provided by Ofwat.

We have included the actual gross dividends that were paid from the appointed company within the relevant years. This has been deflated to 2017/2018 CPIH average prices.

1F.22: We have included the value of interest that the appointed company receives in the year on inter-company loans, less amounts paid in group relief to reflect the amount of dividends paid from the appointed company to fund inter-company

interest paid back to the appointed company.

This has been deflated to 2017/2018 CPIH average prices.

Cash impact of 2015-20 performance adjustments

1F.24: This was provided within the “Financial-Flows-Data-Source-new-2023-24” published by Ofwat.

1F.25: This was provided within the “Financial-Flows-Data-Source-new-2023-24” published by Ofwat.

1F.26: This was provided within the “Financial-Flows-Data-Source-new-2023-24” published by Ofwat.

Statement on RoRE

The calculation for RoRE is undertaken in Table 1F. The value is taken from line 1F.17,

Returns are elevated this year primarily as a result of the high inflation experienced during the year, with the current calculation methodology resulting in potential overstatement or potentially double counting the impacts of inflation within lines 1F5-8.

	31/03/2024 % RoRE	31/03/2024 £m	Average AMP7	31/03/2024 £m
1F.2 Return on regulatory equity	3.54%	102.4	3.15%	87.4
1F.3 Impact of moving from notional gearing	0.87%	25.0	1.23%	34.1
1F.4 Gearing benefits sharing	-	-	-	-
1F.5 Variance in corporation tax	1.79%	51.8	1.29%	35.7
1F.6 Group relief	-	-	-	-
1F.7 Cost of debt	3.56%	103.0	2.87%	79.6
1F.8 Hedging instruments	(0.97%)	(28.1)	(2.80%)	(77.7)
1F.9 Financing adjustment total	5.25%	151.7	1.36%	71.8
1F.10 Totex out/(under) performance	(0.89%)	(25.6)	(1.43%)	(39.6)
1F.11 ODI out/(under) performance	(1.29%)	(37.2)	(0.65%)	(18.2)
1F.12 C-MeX out/(under) performance	(0.02%)	(0.5)	(0.00%)	(0.0)
1F.13 D-MeX out/(under) performance	(0.10%)	(2.9)	(0.11%)	(3.0)
1F.14 Retail out/(under) performance	(0.31%)	(9.1)	(0.46%)	(12.8)
1F.15 Other exceptional items	0.02%	0.7	0.04%	1.2
1F.16 Operational performance total	(2.58%)	(74.5)	(2.61%)	(72.4)
1F.17 RoRE (return on regulatory equity)	6.21%	179.6	3.13%	86.9

Table 2: Price review and other segmental reporting

Introduction

The information in this section details 'Price review and other segmental reporting' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 2A	Segmental income statement
Pro forma 2B	Totex analysis – wholesale
Pro forma 2C	Operating cost analysis – retail
Pro forma 2D	Historic cost analysis of tangible fixed assets
Pro forma 2E	Analysis of 'grants and contributions' – water resources, water Network Plus and wastewater Network Plus
Pro forma 2F	Residential retail
Pro forma 2I	Revenue analysis
Pro forma 2J	Infrastructure network reinforcement costs
Pro forma 2K	Infrastructure charges reconciliation
Pro forma 2L	Analysis of land sales
Pro forma 2M	Revenue reconciliation – wholesale
Pro forma 2N	Residential retail – social tariffs
Pro forma 2O	Historic cost analysis of intangible fixed assets

Table 2A

Segmental income statement for the 12 months ended 31 March 2024

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Revenue – price control	£m	3	68.982	0.000	78.376	443.078	546.896	87.903	0.000	1,225.235	2A.1
Revenue – non price control	£m	3	0.000	0.000	0.854	0.797	0.311	0.000	0.000	1.962	2A.2
Operating expenditure – excluding PU recharge impact	£m	3	-68.084	0.000	-38.370	-265.083	-229.812	-26.046	0.000	-627.396	2A.3
PU opex recharge	£m	3	-3.384	0.000	-1.008	-18.173	24.976	-2.412	0.000	0.000	2A.4
Operating expenditure – including PU recharge impact	£m	3	-71.468	0.000	-39.378	-283.256	-204.836	-28.458	0.000	-627.395	2A.5
Depreciation – tangible fixed assets	£m	3	-1.864	0.000	-9.873	-124.355	-165.184	-28.070	0.000	-329.346	2A.6
Amortisation – intangible fixed assets	£m	3	-3.476	0.000	-0.560	-3.011	-35.812	-0.049	0.000	-42.908	2A.7
Other operating income	£m	3	0.000	0.000	0.048	1.026	1.309	0.116	0.000	2.499	2A.8
Operating profit	£m	3	-7.826	0.000	29.467	34.279	142.684	31.442	0.000	230.047	2A.9
Surface water drainage rebates											
Surface water drainage rebates	£m	3								0.365	2A.10

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2A is a summary table showing retail and wholesale revenue and expenditure, including any recharges associated with principal use of assets. Further information can be found in the tables and commentary below.

Principal use recharge

We have followed the same principles as in 2023/2024 in relation to principal use recharge.

Assets have been allocated to price controls in line with the principal use rules in RAG 2 and RAG 4. Where assets are used by more than one price control, they have been allocated to the most relevant price control. In particular, assets used by all price controls within the wholesale and retail businesses such as information technology, general offices, stores/depots, are allocated to wastewater Network Plus in [Table 2D](#) and [2O](#) with the depreciation or amortisation recharged across price controls using Full Time Equivalent (FTE) headcount. This is in line with the approach in previous years.

In line with the updated RAGs, in 2022/2023, we changed the approach for reporting the wholesale impact of the principal use recharge. We now report within the PU opex recharge on Table 2A and include within the relevant lines in [Table 4D](#), [4E](#), [4J](#) and [4K](#).

Further information can be found in our Accounting Separation Methodology statement, which can be viewed on our reports webpage here: yorkshirewater.com/reports

Other operating income

Other operating income of £2.5m (2022/2023: £7.1m) relates to land sales including a net £0.4m relating to sale of land at our Temple Park, a further £1.7m of profit share from the sale of land in Caldervale, plus £0.4m of sales of life-expired vehicles and computer equipment.

Technical notes

As per the information notice (IN22/01), the provision in relation to the innovation fund in 2023/2024 has been reversed with no corresponding adjustment to revenue.

An accounting policy note for price control units

The Annual Performance Report (APR) tables that contain the regulatory accounts have been prepared in accordance with FRS102, except where Ofwat requires a deviation as per RAG 1.09 – Principles and guidelines for regulatory reporting under the ‘new UK GAAP’ regime. Details of all significant accounting policies are detailed with Yorkshire Water’s Annual Report and Financial Statements which can be found on our reports webpage here: yorkshirewater.com/about-us/reports/

The regulatory accounts have been prepared in accordance with RAG2 – Guideline for classification of costs across the price controls. This is to ensure the costs that are reported by the price control segments are consistent, non-discriminatory and transparent.

Our Accounting Separation Methodology Statement explains the following:

- The methodology to meet the requirements of RAG2 (Guideline for classification of costs across the price controls).
- The governance in place over the process.
- A summary for the basis of the allocation of operating costs and assets.
- Any major changes in the year.

Our Accounting Separation Methodology Statement can be found on our reports webpage here: yorkshirewater.com/about-us/reports/

Note on revenue recognition

The difference between statutory and regulatory policy on revenue recognition is explained in Section 8 of this APR within [Table 1](#) commentary.

Yorkshire Water Charges Scheme permits that all connected household properties (water, sewerage or both) are chargeable and the occupier is responsible for paying the bill. The occupier is defined more widely than physical occupation and includes those persons exercising control over premises (e.g. the legal owner or leaseholder). Where an 'occupier' for a property cannot be identified, no charges will be raised. Therefore, there is no turnover recognised for unoccupied properties. Yorkshire Water endeavours to trace the occupiers of properties in order to raise charges that are payable. Charges may be cancelled, or not raised in the first place, where a customer's circumstances indicate this is appropriate. See below.

Water and sewerage charges fall into the following three categories:

Category Business Rule applied

Charges payable in full

- All household (domestic) properties connected for water or waste services or both.
- This includes second homes, holiday homes and properties under renovation.

Charges payable in part

- Metered standing charges, payable on metered properties which are still connected.
- Sewerage unmetered tariff, payable on unmetered, occupied properties where the water supply is disconnected but sewerage connection is still provided.
- Surface water and highway drainage, payable on occupied properties where the water supply is disconnected.

Chargeable but not billed because the occupier cannot be identified (void properties)

No turnover is recognised in respect of properties which are empty and the owner/occupier cannot be identified. Speculative billing in the name of the 'occupier' is not followed. Where the occupier of a property has been identified, charges may not be raised where:

- The occupier/previous occupier is deceased (and there is no executor)
- The company has been informed that the sole occupier has left the property and it is not expected to be reoccupied immediately (e.g. the customer is in a care home, long-term hospitalisation, in prison, temporarily relocated due to a flood).
- The property has been repossessed or subject to a bankruptcy order.

Voids Management Process

Yorkshire Water has a robust process to determine whether a property is occupied and therefore whether charges are due. The occupier is any person who exercises control over a property and is under a duty of care in respect of visitors. The void property management process is followed to identify whether the property occupier can be identified and charged. Yorkshire Water adopts a risk-based approach to its void property management to ensure the process is cost effective, whilst maintaining a fair billing position with regards to customers individual circumstances. The property management process, therefore, uses several different tools to manage empty properties including customer telephone contact, mailings, meter readings, residency checks using credit reference agencies and physical inspections. If the property management process cannot identify an occupier to be charged, the property will remain unoccupied in our billing file and the property will be counted in our Void Property numbers.

New properties

All new properties are metered. Charges accrue from the date at which the meter is installed. The developer is billed between the date of connection and first occupancy and this is recognised as turnover. If the developer is no longer responsible for the property and no new occupier has been identified, the property management process referred to above is followed to identify the new occupier. Until the new occupier has been identified the property is treated as unoccupied and is not billed.

Measured Accrual

Measured income of £771.1m (2022/2023: £703.3m) has been billed (in arrears) to customers in the year.

The measured income accrual of £86.3m (2022/2023:£77.0m) is an estimation of the amount of water and wastewater charges un-billed at the year end. Key points to consider around this accrual are as follows:

- The accrual calculation is system generated based algorithms. The system methodology uses historical water consumption and tariff data at a customer account level. For high billing value accounts, additional manual adjustments are made where the latest customer intelligence and billing data varies from the system generated calculations.
- Each year following the year end, a review of the actual amount billed against the accrual is conducted to examine the accuracy of the measured accrual. For 2022/2023 the review indicated an overestimation of the measured accrual of £2.0m (2021/2022 £3.1m overestimation).

A consistent approach has been taken in this area.

Table 2B

Totex analysis for the 12 months ended 31 March 2024 – wholesale

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Base operating expenditure									
Power	£m	3	5.430	56.512	76.852	-13.671	0.000	125.123	2B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	-2.131	0.000	-2.131	2B.2
Service charges/ discharge consents	£m	3	10.334	0.245	6.400	0.000	0.000	16.979	2B.3
Bulk Supply/ Bulk discharge	£m	3	4.241	0.000	0.000	0.000	0.000	4.241	2B.4
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.6
Other operating expenditure (including Location specific costs & obligations)	£m	3	13.251	173.190	101.425	42.085	0.000	329.950	2B.7
Local authority and Cumulo rates	£m	3	6.123	24.636	20.102	2.175	0.000	53.036	2B.8
Total base operating expenditure	£m	3	39.378	254.582	204.779	28.458	0.000	527.197	2B.9
Other operating expenditure									
Enhancement operating expenditure	£m	3	0.000	26.502	0.057	0.000	0.000	26.559	2B.10
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.11
Total operating expenditure excluding third party services	£m	3	39.378	281.085	204.836	28.458	0.000	553.757	2B.12
Third party services	£m	3	0.000	2.171	0.000	0.000	0.000	2.171	2B.13
Total operating expenditure	£m	3	39.378	283.256	204.836	28.458	0.000	555.928	2B.14
Grants and contributions									
Grants and contributions – operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.15

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2B – continued

Totex analysis for the 12 months ended 31 March 2024 – wholesale

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Capital expenditure									
Base capital expenditure	£m	3	15.120	86.670	223.606	12.433	0.000	337.829	2B.16
Enhancement capital expenditure	£m	3	8.528	42.641	257.502	4.253	0.000	312.924	2B.17
Developer services capital expenditure	£m	3	0.000	28.912	10.432	0.000	0.000	39.344	2B.18
Total gross capital expenditure excluding third party services	£m	3	23.648	158.223	491.540	16.686	0.000	690.097	2B.19
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.20
Total gross capital expenditure	£m	3	23.648	158.223	491.540	16.686	0.000	690.097	2B.21
Grants and contributions									
Grants and contributions – capital expenditure	£m	3	0.036	15.595	9.270	0.000	0.000	24.901	2B.22
Net totex	£m	3	62.990	425.884	687.106	45.144	0.000	1,221.124	2B.23
Cash expenditure									
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.24
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.25
Totex including cash items	£m	3	62.990	425.884	687.106	45.144	0.000	1,221.124	2B.26

CAPEX commentary

The total gross regulated capital expenditure associated with the delivery of the wholesale programme in the current reporting year was £690m against a Final Determination (FD) of £487m.

Expenditure within the year relating to our Management & General (M&G) programme totals £98m. Of this £40m was assessed using Principal Use and therefore allocated to Wastewater Network Plus. Where possible any remaining support costs that are directly attributable to a specific price control are directly allocated (£12m) with only general cross business management and general costs (£46m) apportioned across the price controls and accounting separation categories by the full time equivalent (FTE)

allocation supporting each area as in previous years' reporting.

Throughout this document when we refer to the base Final Determination values for comparison, this also includes Developer Services expenditure.

Gross base capital expenditure of £377m, including £39m developer services, is above the Final Determination of £309m with this investment supporting service improvements required to meet our performance commitment targets.

The total enhancement capital expenditure of £313m, of which £4m relates to AMP8 accelerated and transitional expenditure, is above the Final Determination of £178m. The overspend in 2023/2024 is due to the ramping up of expenditure to catch up

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

on the underspend we have experienced, against the Final Determination forecast expenditure, in the first 3 years of the AMP. The delays on the programme were due to our continued focus on driving efficiencies to deliver the WINEP programme within the Final Determination funding. Further work is still ongoing, by our strategic planning partner Stantec, to ensure that the best overall totex solutions are promoted. Despite the delay we are confident that no regulatory compliance dates have been put at risk, as we are forecasting to meet corresponding regulatory dates.

In 2023/2024 we had third party diversion expenditure totalling £3m which as per the latest RAGs are now shown with the Developer Services expenditure line. These costs are also reported in [Table 4P](#) and identified as non-price control diversion and as such not included in [Table 4N.4](#) and 4O.4.

Further detailed information on the expenditure reported in the current report year for each service area and price control can be found in the commentary for [Tables 2J, 4D, 4E, 4L, 4J, 4K, 4M, 4N, 4O & 4P](#).

Income totalling £25m has been received in the current report year through grants and contributions against a Final Determination of £28m, £23m in the capex allowance and £5m in opex allowance.

Further detailed information on the income received through grants and contributions in the current report year for each service area and price control can be found in the commentary for [Table 2E](#).

This table breaks down wholesale totex expenditure into the price controls in accordance with the regulatory accounting guidelines specified by Ofwat. This is an aggregation of the information held in [Tables 4D](#) and [4E](#) (these tables are supported by additional commentary).

Operating Expenditure Summary

Compared to 2022/2023 which included the first drought in 25 years, this year was relatively mild. However, we still faced 10 named storms (e.g. Babet, Ciaran etc.) which significantly impacted waste services with additional activities and remediation work needed to keep sites operational.

The energy market has risen sharply in the last two years due to the Russia / Ukraine conflict. Whilst the energy markets remained high in 2023/2024, the company's energy buying policy and trading to fix prices in advance helped avoid the worst impacts of high markets. A UK wind power deal also helped secure 20% of the winter energy needs. Yorkshire Water had fixed 98% of its base power volumes for the year.

In 2022/2023 the Environment Agency (EA) increased their abstraction charges by 92% to £9.6m. 2023/2024 abstraction charges remained at this higher level. Regulatory costs have also increased this year.

The Ofwat licence fee increased by £1.7m (c60%) to enable enhancement to their enforcement capacity. Costs associated with our PR24 submission also added an extra £3.8m.

HMRC Valuation Office Agency (VOA) completed the national Non-Domestic Rating Revaluation affecting rates bills for 2023/2024. This resulted in a net £4.7m decrease in Rates bills, with water seeing a £10.3m reduction (25%) and waste rates bills increasing due to rateable values going up by 16%.

Our transformation programme continues across the business as we continue to look for opportunities to improve and achieve a significant change in operational performance over the current AMP and prepare us for the next AMP. The severance costs in 2022/2023 were atypical, and there has been no additional severance costs this year.

£26.5m enhancement expenditure was incurred in the water price control this year (c19% increase) reflecting the increased effort in reducing our leakage performance. More details of major base operating expenditure changes for each of the four price controls (water resources, water Network Plus, wastewater Network Plus and bioresources) are given below, along with technical notes. To confirm principal use recharge is still reported within our base operating expenditure.

Water Resources

Water resources has seen a year on year increase of £0.1m. This movement comprises c£0.5m increased power costs due to price, £1.1m other operating expenses due to Water resources share of the increased regulatory and data processing costs, and a £1.8m reduction in non-domestic rates due to the national revaluation done by HMRC VOA.

Water Network Plus

The overall year on year increase in Water Network Plus is £30m (13.6%). The increase is across the following lines:

- £12.4m increase in power is due to an increase in the energy costs that we have experienced in 2023/24.

Due to the significant drought costs of £24.8m reported within the Water price control in 2022/2023, we have adjusted the year on year variances to exclude the 2022/23 atypical drought costs to enable like for like comparison. For clarity there were £3.4m atypical drought costs within Water resources in 2022/2023 and £21.4m within Water Network Plus.

Line description	Units	Adjusted for FY23 Drought					Additional Control	Total
		DPs	Water resources	Water Network+	Wastewater Network+	Bioresources		
Base operating expenditure variances								
Power	£m	3	0.51	12.42	21.63	-6.36	0.00	28.20
Income treated as negative expenditure	£m	3	0.00	0.00	0.00	-0.36	0.00	-0.36
Service charges/ discharge consents	£m	3	0.11	-0.01	0.11	-0.21	0.00	0.00
Bulk Supply/Bulk discharge	£m	3	0.16	0.00	0.00	0.00	0.00	0.16
Renewals expended in year (Infrastructure)	£m	3	0.00	0.00	0.00	0.00	0.00	0.00
Renewals expended in year (Non-Infrastructure)	£m	3	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expenditure (including Location specific costs & obligations)	£m	3	1.08	20.92	10.52	0.88	0.00	33.39
Local authority and Cumulo rates	£m	3	-1.80	-8.46	4.72	0.89	0.00	-4.66
Total base operating expenditure variance	£m	3	0.05	24.87	36.98	-5.16	0.00	56.74
Other operating expenditure variances								
Enhancement operating expenditure	£m	3	0.00	4.19	-0.30	0.00	0.00	3.89
Developer services operating expenditure	£m	3	0.00	0.00	0.00	0.00	0.00	0.00
Total operating expenditure excluding third party services	£m	3	0.05	29.06	36.68	-5.16	0.00	60.63
Third party services	£m	3	0.00	0.85	0.00	0.00	0.00	0.85
Total operating expenditure variance	£m	3	0.05	29.91	36.68	-5.16	0.00	61.48

- £20.9m increase in other operating expenditure due to the following:
 - £10.7m increase in repair and maintenance costs across the network due to inflationary cost increases and leakage reduction initiatives.
 - £4.1m increased contracted services due to inflationary contractual increases and a number of operational events.
 - £2.5m increase in provisions relating to our sludge management plan and other related opex impacts.
 - £2.4m increased principal use recharge due to rise in principal use asset base.
 - £1.7m increased sludge recharge from the Waste price control due to inflationary increase in unit rates.
 - £2.3m additional regulation spend due to increased activities relating to PR24 and increased Ofwat licence fees.
 - £2.0m additional data processing spend due to increased allocations to this price control following the reduction in FTEs (full time equivalents) in Waste last year, as well as additional IT spend due to contractual inflationary increases and costs relating to system improvements as part of our transformation project.
 - Water Network Plus had a one-off £2.4m benefit in employment costs from year to year, due to re-organisation costs included in 2022/2023.
 - A further c£2.4m net decrease is made up of other small movements.
- £8.5m decrease in non-domestic rates as a result of the national Non-Domestic Rating Revaluation 2023 undertaken by the HMRC Valuation Office Agency.
- £4.2m increase in enhancement expenditure is due to additional focus on our targeted leakage reduction.
- Several operational escalations occurred within Wastewater this year, costing £5.5m in total, with £3.1m spent on pollution escalations in both Sewage Collection and Sewage Treatment. £1.1m spent on pollution escalations in Sewage Treatment helped to improve pollution run rates, complete activities such as wet well cleaning, and prioritise maintenance workbaskets.
- An additional £1.0m was spent on storm escalations, which required emergency tankering to keep sites operational.
- Large amounts of tankering were also needed on sewers in the year to deal with flooding incidents, and to avoid/reduce pollution and sewer flooding. The total tankering cost was around £2.0m, with notable sites being Sessay, Kilham and North Newbald.
- Wastewater Network Plus had a one-off £4.9m benefit in employment costs from year to year, due to re-organisation costs included in 2022/2023.
- Regulatory spending rose by £2.3m due to additional activities related to PR24 and an increase in Ofwat licence fees. A further c£2.0m net increase is made up of other small movements.
- £4.7m increase in non-domestic rates, £3.0m as a result of the national Non-Domestic Rating Revaluation 2023 undertaken by the HMRC Valuation Office Agency and £1.7m relating to fewer refunds in 2023/2024.

Bioresources

The overall year on year decrease in Bioresources is £5.1m (15.1%).

Power decreased by £6.4m due to improved generation and an increase in the energy price that has been used within the recharge to the wastewater Network Plus price control. The increase in generation was achieved by shortening the time for CHP overhauls (e.g. Knostrop CHP overall reduced from 35 days to 13 days) so that assets were working for longer periods during the year. There was also a £0.9m increase in other operating costs due to the 10 named storms that occurred in 2023/2024. Activities included stockpile correction and digested cake remediation, whilst operating with limited landbanks for recycling due to localised flooding.

Technical notes

As per the information notice (IN22/01) the provision in relation to the innovation fund in 2023/2024 has been excluded from operating expenditure with no corresponding adjustment to revenue.

Principal use recharge continues to be reported within base operating expenditure.

Wastewater Network Plus

The overall year on year increase in Wastewater Network Plus is £37m (22.2%). The increase is across the following lines:

- £21.6m increase in power is mainly due to the increase in energy prices, although we have also incurred an increase in energy consumption due to the 10 named storms that occurred in 2023/2024.
- £10.5m increase in other operating expenditure due to the following:
 - The annual programme of proactive sewer desilts started again after a pause in 2022/2023, with £2.6m spent in 2023/2024.

Note on capitalisation policy

Costs are capitalised following the company's capitalisation policy which states that capital expenditure includes:

- Acquisition of land and buildings.
- Expenditure of more than £1,000 on the construction, provision, purchase, replacement or improvement of other fixed assets or their major renewal. Where individual items each costing less than £1,000 are part of an approved project falling within this definition then the whole of the expenditure is to be capitalised, e.g. Initial furniture and equipment for newly constructed premises.
- Salaries, salaries on cost and associated costs of staff employed on capital works.

The cost of a tangible fixed asset comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Any other costs are treated as operating expenditure. Directly attributable costs are:

- The labour costs of Group employees arising directly from construction or acquisition of the tangible fixed asset.
- The incremental costs to the Group that would have been avoided only if the tangible fixed asset had not been constructed or acquired.

Administration and other general overhead costs are excluded from the cost of a tangible fixed asset.

Table 2C

Cost analysis for the 12 months ended 31 March 2024 – retail

Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
Operating expenditure						
Customer services	£m	3	31.458	0.000	31.458	2C.1
Debt management	£m	3	3.851	0.000	3.851	2C.2
Doubtful debts	£m	3	26.107	0.000	26.107	2C.3
Meter reading	£m	3	1.458	0.000	1.458	2C.4
Services to developers	£m	3		0.000	0.000	2C.5
Other operating expenditure	£m	3	5.099	0.000	5.099	2C.6
Local authority and Cumulo rates	£m	3	0.111	0.000	0.111	2C.7
Total operating expenditure excluding third party services	£m	3	68.084	0.000	68.084	2C.8
Depreciation						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.019	0.000	0.019	2C.9
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	1.845	0.000	1.845	2C.10
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.11
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	3.476	0.000	3.476	2C.12
Recharges						
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.066	0.000	0.066	2C.13
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.14
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	3.318	0.000	3.318	2C.15
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.000	0.000	0.000	2C.16
Net recharges costs	£m	3	3.384	0.000	3.384	2C.17
Total retail costs excluding third party and pension deficit repair costs	£m	3	76.808	0.000	76.808	2C.18
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.19
Pension deficit repair costs	£m	3	0.000	0.000	0.000	2C.20
Total retail costs including third party and pension deficit repair costs	£m	3	76.808	0.000	76.808	2C.21
Debt written off						
Debt written off	£m	3	24.573	0.000	24.573	2C.22
Capital expenditure						
Capital expenditure	£m	3	13.299	0.000	13.299	2C.23

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2C – continued

Cost analysis for the 12 months ended 31 March 2024 – retail

Line description	Units	DPs	Residential	RAG 4 reference
Other operating expenditure includes the net retail expenditure for the following household retail activities which are part funded by wholesale				
Demand-side water efficiency – gross expenditure	£m	3	0.415	2C.24
Demand-side water efficiency – expenditure funded by wholesale	£m	3	0.415	2C.25
Demand-side water efficiency – net retail expenditure	£m	3	0.000	2C.26
Customer-side leak repairs – gross expenditure	£m	3	6.837	2C.27
Customer-side leak repairs – expenditure funded by wholesale	£m	3	6.837	2C.28
Customer-side leak repairs – net retail expenditure	£m	3	0.000	2C.29
Comparison of actual and allowed expenditure				
Cumulative actual retail expenditure to reporting year end	£m	3	313.468	2C.30
Cumulative allowed expenditure to reporting year end	£m	3	256.518	2C.31
Total allowed expenditure 2020-2025	£m	3	322.831	2C.32

CAPEX commentary

Retail expenditure totalling £13.3m has been reported in the current report year

Table 2C further breaks down the retail operating costs included in [Table 2A](#) into cost categories.

Household retail operating costs

Retail household spending increased by £5.7m (c9.3%) to £68.1m in 2023/2024 mainly because of:

- £2.8m increase in the bad debt provision which increased with the higher debt level this year, primarily from measured customers who pay quarterly.
- £1.5m increase in household write offs. This mostly relates to finalised accounts (accounts that legal action didn't recover the debt). There were also more write offs for our resolve scheme that helps vulnerable customers.
- There is a small non-household wholesale provision of £0.3m relating to the risk that specific retailers may default on their due payments. This provision relates to the Yorkshire Water Business Services transactions that ended in 2021/2022 and, consistent with previous years is included within the Household line, as the NHH line is only for retail NHH. Lower wholesale funding for Customer Side Leak and

Demand Side Water Efficiency. This is because there was more activity in 2022/2023 due to last years drought conditions. There were fewer repairs on the customer side of the network in 2023/2024.

- We are still incurring costs for the transformation programme that started in 2020/2021 to improve operational performance for the rest of this AMP and prepare for the next AMP period.

Non-household retail operating costs

The non-household part of the business was disposed of during 2019/2020. As per prior year there are £Nil costs for this price control.

We no longer provide services via a Retailer intermediary and all developer services costs should, therefore, be classified as wholesale resulting in no costs within non-household retail.

Technical notes

No pension costs are included within Retail Household operating expenditure in 2023/2024. As agreed at PR09 and reiterated in Information Note 13-17 at PR19, 2021/2022 was the last year of pension deficit payments to be funded by customers.

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Note on bad debt policy

Debt is only written off after all available economic options for collecting the debt have been exhausted and the debt has been deemed to be uncollectable.

This may be because the debt is considered to be impossible, impractical, inefficient or uneconomic to collect. Debt may also be written off as part of the customer help schemes that Yorkshire Water offer.

Situations where this may arise and where debt may be written off are as follows:

- Where the customer has absconded without paying and strategies to trace their whereabouts and collect outstanding monies have been fully exhausted.
- Where the customer has died without leaving an estate or has left an insufficient estate on which to levy execution.
- Where the customer does not have any assets/has insufficient assets on which to levy execution.
- Where the age and/or value of the debt makes it uneconomic to pursue – all debts of less than £65 are written off.
- Where county court proceedings and attempts to recover the debt by debt collection agencies have proved unsuccessful.
- Where the customer has been declared bankrupt, is in liquidation or is subject to insolvency proceedings or a debt relief order and no dividend has been or is likely to be received.

Bad and doubtful debts provisions policy

The bad debt provision is charged to operating costs to reflect the company's assessment of the risk of non-recoverability of debtors. It is calculated by applying expected residual debt rates to debts outstanding at the end of the accounting period. These rates consider the age of the debt, write offs, payment history and type of debt.

The provision is built on a 'by customer' basis ageing all debt by customer against the oldest invoice date. It is calculated by applying expected residual debt rates to arrears outstanding at the end of the accounting period. The residual debt values are tracked over a period of 2 years and these rates are then applied to the debts outstanding at the end of the accounting period aged on a 'by customer' basis. A further predictive modelling ratio between 2 years and 5 years is applied to estimate the debt outstanding after 5 years which is provided for.

The bad and doubtful debts provisioning policy is applied to both unmeasured and measured accounts. A provision of £65.1m is held on 31 March 2024 (31 March 2022: £63.6m). The main elements of the provision are as follows:

- £34.7m unmeasured household debtor provision. Calculated using information based on the age of debts.
- £24.3m measured household debtor provision. Calculated using information based on the age of debts.
- £4.4m unbilled household measured accounts provision.

There has been an increase in the household element of the bad debt provision in the year. The main driver for this is measured customers who pay on a quarterly basis. These customers are struggling to pay off historic debt (mainly due to increased consumption during the CV-19 pandemic) and as a result have continued to build up an increased level of arrears in the year.

As is the case with any accounting estimate, actual amounts recovered may differ from the estimated levels of recovery which would impact on operating results. The Yorkshire Water website contains details of Yorkshire Water's guide to debt recovery services.

Table 2D

Historic cost analysis of tangible fixed assets at 31 March 2024

Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Cost											
At 1 April 2023	£m	3	25.819	0.000	454.401	5,149.905	6,179.815	585.503	0.000	12,395.443	2D.1
Disposals	£m	3	-7.743	0.000	-4.514	-84.370	-107.091	-15.064	0.000	-218.782	2D.2
Additions	£m	3	0.688	0.000	17.536	160.209	418.667	13.680	0.000	610.780	2D.3
Adjustments	£m	3	0.104	0.000	16.435	0.390	1.813	0.000	0.000	18.742	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	30.693	0.000	0.000	30.693	2D.5
At 31 March 2024	£m	3	18.868	0.000	483.858	5,226.134	6,523.897	584.119	0.000	12,836.876	2D.6
Depreciation											
At 1 April 2023	£m	3	-21.642	0.000	-69.916	-1,794.086	-1,499.591	-190.312	0.000	-3,575.547	2D.7
Disposals	£m	3	7.633	0.000	4.488	82.279	106.570	15.001	0.000	215.971	2D.8
Adjustments	£m	3	-0.004	0.000	0.822	0.043	-0.337	0.000	0.000	0.524	2D.9
Charge for year	£m	3	-1.864	0.000	-9.873	-124.355	-165.184	-28.070	0.000	-329.346	2D.10
At 31 March 2024	£m	3	-15.877	0.000	-74.479	-1,836.119	-1,558.542	-203.381	0.000	-3,688.398	2D.11
Net book amount at 31 March 2024	£m	3	2.991	0.000	409.379	3,390.015	4,965.355	380.738	0.000	9,148.478	2D.12
Net book amount at 1 April 2023	£m	3	4.177	0.000	384.485	3,355.819	4,680.224	395.191	0.000	8,819.896	2D.13
Depreciation charge for year											
Principal services	£m	3	-1.864	0.000	-9.873	-124.355	-165.116	-28.070	-0.067	-329.345	2D.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.15
Total	£m	3	-1.864	0.000	-9.873	-124.355	-165.116	-28.070	-0.067	-329.345	2D.16

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2D analyses changes in the fixed assets of both wholesale and retail activities of Yorkshire Water.

Our accounting policies in relation to fixed assets and depreciation are set out in full in note 1 of the statutory Annual Report and Financial Statements which can be found on our reports page here: yorkshirewater.com/reports

The table above details that the net book value of tangible fixed assets at 31 March 2024 amounted to £9,148.5m, an increase of £328.6m since the start of the year. This movement includes:

- Fixed asset additions during the year of £610.8m, which has increased from 2022/2023 (£466.2m) mainly due to acceleration of expenditure relating to the WINEP programme and investment supporting service improvements required to meet our performance commitment targets.
- Adjustments which include an upward revaluation of £19.2m to 'non-specialised' land and buildings (offices, domestic properties and rural estates), along with a remeasurement of leased assets under IFRS16 of £0.1m.
- Assets adopted at nil cost are valued at £30.7m, an increase from 2022/2023 (28.1m) on sewer adoptions.

- The depreciation charge for the year is £329.3m. This is higher than the previous year (£305.3m) due to increased capital investment and the write-off of a number of decommissioned assets.
- Disposals in the year total £2.8m due to the sale of our Temple Park office (£1.6m), expired leases under accounting standard IFRS16 (£1.0m) and vehicle disposals (£0.2m).

Technical notes

As noted in [Table 1C](#), Yorkshire Water elects under FRS102 to hold infrastructure and land/property assets at valuation rather than historic cost. There is no adjustment to the valuation of infrastructure assets in 2023/2024, however land/property assets have increased in value by £19.2m as stated above.

RAG 1.09 requires all companies to account for leases in accordance with IFRS 16. This has resulted in Yorkshire Water recognising right of use assets within fixed assets and an additional depreciation charge on the right of use assets.



Table 2E

Analysis of 'grants and contributions' for the 12 months ended 31 March 2024 – water resources, water Network Plus and wastewater Network Plus

Line description	Units	DPs	Fully recognised in income statement	Capitalised and amortised (in income statement)	Fully netted off Capex	Total	RAG 4 reference
Grants and contributions – water resources							
Diversions – s185	£m	3	0.000	0.000	0.000	0.000	2E.1
Other contributions (price control)	£m	3	0.000	0.000	0.000	0.000	2E.2
Price control grants and contributions	£m	3	0.000	0.000	0.000	0.000	2E.3
Diversions – NRSWA	£m	3	0.000	0.000	0.000	0.000	2E.4
Diversions – other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.5
Other contributions (non-price control)	£m	3	0.000	0.036	0.000	0.036	2E.6
Total grants and contributions	£m	3	0.000	0.036	0.000	0.036	2E.7
Value of adopted assets	£m	3	0.000	0.000		0.000	2E.8
Grants and contributions – water Network Plus							
Connection charges	£m	3	0.000	5.179	0.000	5.179	2E.9
Infrastructure charge receipts – new connections	£m	3	0.000	0.896	0.000	0.896	2E.10
Requisitioned mains	£m	3	0.000	4.446	0.000	4.446	2E.11
Diversions – s185	£m	3	0.000	1.559	0.000	1.559	2E.12
Other contributions (price control)	£m	3	0.000	-0.001	0.000	-0.001	2E.13
Price control grants and contributions before deduction of income offset	£m	3	0.000	12.079	0.000	12.079	2E.14
Income offset	£m	3	0.000	0.021	0.000	0.021	2E.15
Price control grants and contributions after deduction of income offset	£m	3	0.000	12.058	0.000	12.058	2E.16
Diversions – NRSWA	£m	3	0.000	2.364	0.000	2.364	2E.17
Diversions – other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.18
Other contributions (non-price control)	£m	3	0.000	1.173	0.000	1.173	2E.19
Total grants and contributions	£m	3	0.000	15.595	0.000	15.595	2E.20
Value of adopted assets	£m	3	0.000	0.000		0.000	2E.21

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2E – continued

Analysis of 'grants and contributions' for the 12 months ended 31 March 2024 – water resources, water Network Plus and wastewater Network Plus

Line description	Units	DPs	Fully recognised in income statement	Capitalised and amortised (in income statement)	Fully netted off Capex	Total	RAG 4 reference
Grants and contributions – wastewater Network Plus							
Receipts for on-site work	£m	3	0.000	2.489	0.000	2.489	2E.22
Infrastructure charge receipts – new connections	£m	3	0.000	2.355	0.000	2.355	2E.23
Diversions – s185	£m	3	0.000	3.235	0.000	3.235	2E.24
Other contributions (price control)	£m	3	1.197	0.119	0.000	1.316	2E.25
Price control grants and contributions before deduction of income offset	£m	3	1.197	8.198	0.000	9.395	2E.26
Income offset	£m	3	0.000	0.000	0.000	0.000	2E.27
Price control grants and contributions after deduction of income offset	£m	3	1.197	8.198	0.000	9.395	2E.28
Diversions – NRSWA	£m	3	0.000	1.079	0.000	1.079	2E.29
Diversions – other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.30
Other Contributions (non-price control)	£m	3	0.000	-0.007	0.000	-0.007	2E.31
Total grants and contributions	£m	3	1.197	9.270	0.000	10.467	2E.32
Value of adopted assets	£m	3	0.000	30.693		30.693	2E.33
Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Total	RAG 4 reference
Movements in capitalised grants and contributions							
b/f	£m	3	0.000	226.667	139.327	365.994	2E.34
Capitalised in year	£m	3	0.036	15.595	9.270	24.901	2E.35
Amortisation (in income statement)	£m	3	0.000	-6.974	-5.292	-12.266	2E.36
c/f	£m	3	0.036	235.288	143.305	378.629	2E.37

CAPEX commentary

Income totalling £25m has been received in the current report year through grants and contributions against a Final Determination of £28m, £23m in the capex allowance and £5m in opex allowance.

Grants and contributions associated with the wholesale water programme in the current report year total £16m which is higher than the Final Determination of £13m. Further detail of the how this income is split is explained below:

A total of £5.2m has been received from developers for s45 new connections against a FD allowance of £7.7m. Water infrastructure charge receipts totalling £0.9m against a FD allowance of £1.4m. A total of £4.4m of income on requisitioned water mains, in comparison with FD allowance of £1.3m, has been received due to an increase in requests compared to the level of activity used to calculate the FD allowance.

The remaining income on the water programme relates to income received due to requests to divert our water mains assets which totals £1.6m in the current report year against a FD allowance of £2.6m.

Key

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The brought forward balance on line 34 had included the nominal income value related to adopted sewers up to 2017/2018. To ensure compliance with RAG 4.12, this has been amended to only include the balance of capital grants and contributions that have been received each year less subsequent amortisation. The carried forward total on line 37 now equals that of table 1C.26 for appointed wholesale activities.

Detail of the associated expenditure reported in year can be found in the commentary for [Table 4N](#).

There is also a total of £2.4m income associated with diverting our mains as part of a NRSWA (New Roads and Street Works Act 1991) requests, with the subsequent expenditure reported in [Table 4P](#). There is a small amount of non-price control other contributions (£0.04m) in Water Resources, with a further £1.2m of non-price control other contributions in Water Network Plus. The majority of this income comes from an innovation scheme funded by a government grant.

Grants and contributions associated with the wholesale wastewater programme in the current report year total £9.3m which is lower than the Final Determination of £9.7m. Further detail of the how this income is split is provided below:

A total of £2.5m is with regards to income on requisitioned sewers in comparison with FD allowance of £2.3m. Wastewater infrastructure charge receipts totalling £2.4m have been received in year which is lower than the FD allowance of £6.2m.

The remaining income on the wastewater programme relates to income received due to requests to divert our sewers which totals £3.2m in the current report year against a FD allowance £1.3m.

Detail of the associated expenditure reported in year can be found in the commentary for [Table 4O](#).

There is also a total of £1.1m income associated with diverting our sewers as part of a NRSWA (New Roads and Street Works Act 1991) requests, with the subsequent expenditure reported in [Table 4P](#). There is a small amount of non-price control other contributions (-£0.01m) correcting a previous over-accrual.

We have also reported s104 income that we within the fully recognised in income statement category of £1.2m, this did not have a FD allowance.

The brought forward balance on line 34 had included the nominal income value related to adopted sewers up to 2017/18. To ensure compliance with RAG 4.12, this has been amended to only include the balance of capital grants and contributions that have been received each year less subsequent amortisation. The carried forward total on line 37 now equals that of [Table 1C.26](#) for appointed wholesale activities.

Table 2F

Residential retail for the 12 months ended 31 March 2024

Line description	Revenue	Number of customers	Average residential revenues	RAG 4 reference
Units DPs	£m 3	000s 3	£ 3	
Residential revenue				
Wholesale revenue	888.311			2F.1
Retail revenue	68.982			2F.2
Total residential revenue	957.293			2F.3
Retail revenue				
Revenue Recovered ("RR")	68.982			2F.4
Revenue sacrifice	6.000			2F.5
Actual revenue (net)	74.982			2F.6
Customer information				
Actual customers ("AC")		2,290.246		2F.7
Reforecast customers		2,292.838		2F.8
Adjustment				
Allowed revenue ("R")	75.685			2F.9
Net adjustment	0.703			2F.10
Other residential information				
Average household retail revenue per customer			32.740	2F.11

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2I

Revenue analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Household	Non-household	Total	Water resources	Water Network Plus	Total	RAG 4 reference
Wholesale charge – water									
Unmeasured	£m	3	197.114	1.383	198.497	32.563	165.933	198.496	21.1
Measured	£m	3	196.329	124.814	321.143	45.813	275.330	321.143	21.2
Third party revenue	£m	3	0.000	1.815	1.815	0.000	1.815	1.815	21.3
Total wholesale water revenue	£m	3	393.443	128.012	521.455	78.376	443.078	521.454	21.4
Line description	Units	DPs	Household	Non-household	Total	Wastewater Network Plus	Bioresources	Total	
Wholesale charge – wastewater									
Unmeasured – foul charges	£m	3	172.951	1.552	174.503	138.210	36.293	174.503	21.5
Unmeasured – surface water charges	£m	3	38.738	0.947	39.685	38.348	1.336	39.684	21.6
Unmeasured – highway drainage charges	£m	3	17.282	0.163	17.445	16.935	0.511	17.446	21.7
Measured – foul charges	£m	3	194.513	115.356	309.869	263.006	46.863	309.869	21.8
Measured – surface water charges	£m	3	52.236	13.748	65.984	63.629	2.354	65.983	21.9
Measured – highway drainage charges	£m	3	19.148	6.974	26.122	25.578	0.546	26.124	21.10
Third party revenue	£m	3	0.000	1.190	1.190	1.190	0.000	1.190	21.11
Total wholesale wastewater revenue	£m	3	494.868	139.930	634.798	546.896	87.903	634.799	21.12
Wholesale charge – Additional Control									
Unmeasured	£m	3	0.000	0.000	0.000				21.13
Measured	£m	3	0.000	0.000	0.000				21.14
Total wholesale additional control revenue	£m	3	0.000	0.000	0.000				21.15
Wholesale Total	£m	3	888.311	267.942	1,156.253				21.16
Retail revenue									
Unmeasured	£m	3	20.719	0.000	20.719				21.17
Measured	£m	3	47.975	0.000	47.975				21.18
Retail third party revenue	£m	3	0.288	0.000	0.288				21.19
Total retail revenue	£m	3	68.982	0.000	68.982				21.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2I – continued

Revenue analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Household	Non-household	Total	Wastewater Network Plus	Bioresources	Total	RAG 4 reference
Third party revenue – non-price control									
Bulk supplies – water	£m	3			0.854				2I.21
Bulk supplies – wastewater	£m	3			0.268				2I.22
Other third-party revenue – non price control	£m	3			0.797				2I.23
Principal services – non-price control									
Other appointed revenue	£m	3			0.043				2I.24
Total appointed revenue	£m	3			1,227.197				2I.25

Appointed revenue has increased from £1,143.3m (2022/2023) to £1,227.2m in 2023/2024.

Total wholesale and retail revenue received from household customers for the year 2023/2024 was £957.3m, compared to £893.1m in 2022/2023, an increase of £64.2m (7.2%). This increase is mainly attributable to allowed inflationary increases.

- Household unmeasured income increased by £15.6m to £446.8m (2022/2023: £431.2m)
- Household measured income increased by £48.3m to £510.2m (2022/2023: £461.9m)

Total wholesale revenue received from non-household customers increased by £19.3m to £264.9m in 2023/2024 (2022/23: £245.6m), mainly due to price and settlement re-runs to reflect actual consumption following final meter reads rather than estimates.

- Non household wholesale measured income increased by £19.6m to £260.9m (2022/2023: £241.3m)
- Non household wholesale unmeasured income decreased by £0.3m to £4.0m (2022/2023: £4.3m).

Key

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Please refer to RAG 4.II – Guideline for the table definitions in the annual performance report

Table 2J

Infrastructure network reinforcement costs for the 12 months ended 31 March 2024

Line description	Units	DPs	Network reinforcement Capex	On site/site specific Capex (memo only)	RAG 4 reference
Wholesale water Network Plus (treated water distribution)					
Distribution and trunk mains	£m	3	6.130	0.000	2J.1
Pumping and storage facilities	£m	3	4.273	0.000	2J.2
Other	£m	3	0.000	0.000	2J.3
Total	£m	3	10.403	0.000	2J.4
Wholesale wastewater Network Plus (sewage collection)					
Foul and combined systems	£m	3	0.547	0.000	2J.5
Surface water only systems	£m	3	0.000	0.000	2J.6
Pumping and storage facilities	£m	3	0.114	0.000	2J.7
Other	£m	3	0.000	0.000	2J.8
Total	£m	3	0.661	0.000	2J.9

CAPEX commentary

Water network reinforcement expenditure totalling £10.4m has been reported in the current report year. This majority of this expenditure is investment of £6.1m on our distribution and trunk mains network at various sites, the largest scheme reported cost in the year is £3.7m for the upgrade of our mains, pumping station and service reservoir in Elvington due to the new housing estates and prison being built in the area.

Wastewater network reinforcement expenditure totalling £0.7m has been reported in the current report year.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2K

Infrastructure charges reconciliation for the 12 months ended 31 March 2024

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Impact of infrastructure charge discounts						
Infrastructure charges	£m	3	0.896	2.355	3.251	2K.1
Discounts applied to infrastructure charges	£m	3	0.008	1.002	1.010	2K.2
Gross Infrastructure charges	£m	3	0.904	3.357	4.261	2K.3
Comparison of revenue and costs						
Variance brought forward	£m	3	-9.676	10.878	1.202	2K.4
Revenue	£m	3	0.896	2.355	3.251	2K.5
Costs	£m	3	-10.403	-0.661	-11.064	2K.6
Variance carried forward	£m	3	-19.183	12.572	-6.611	2K.7

CAPEX commentary

As agreed in our proposed developer charging framework, we moved immediately to a suite of fully cost reflective developer charges to only recover costs associated with developer driven network reinforcement activity. It was agreed that until 2023 when a five-year rolling average must be used, we would build our infrastructure charges from 2018 on an incremental basis to reflect any changes to the relating expenditure in comparison to the assumptions in the Final Determination.

The water network reinforcement expenditure of £10.4m within the year and the carried forward variance of £9.7m is compared to the revenue of £0.9m, this leaves a variance of £19.2m.

Our wastewater network reinforcement expenditure of £0.7m is much lower than the forecast activity, this when added to the balance of £10.9m leaves a variance of £12.6m against the £2.4m of revenue.

We will continue to review the level of wastewater network reinforcement activity and expenditure.

Infrastructure Charges:

The total value of 'Discounts Applied to Infrastructure Charges' for 2023/2024 is made up of two components. The first is the total value of environmental discounts applied to water and foul infrastructure charges based on the value of charge reductions for new developments with water efficient fittings. Our discounts are derived from the industry 'Water Calculator' and based on a reducing multiplier that measure daily forecast water consumption below 110lpppd.

The second component is the total value of Surface Water Drainage (SWD) charges 'not charged' where surface water for new developments is discharged to a watercourse or soak away rather than into the YWS network. These properties are identified from our central billing records where new properties have not been set up without an annual SWD charge.

In 2023/2024 we have continued to promote our environmental discounts in both our annual charges book and at consultations with our customers. The value of our total discount (water and waste) has reduced from £1.036m (2022/2023) to £1.012m (2023/2024) due to a lower FY24 SWD charge £150 (FY23 £160) and lower volumes of new properties connected – see [Table 4Q](#) for more information.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2L

Analysis of land sales for the 12 months ended 31 March 2024

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Additional control	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	0.038	0.840	0.717	0.091	1.686	2L1

- Protected land sales of £1.6m include sales of surplus land on water treatment sites.
- There were 6 disposals of protected land in 2023/2024 of which one of these is above the threshold for reporting to Ofwat. The largest of which was a sale of land at Pillswood Farm Battery.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2M

Revenue reconciliation for the 12 months ended 31 March 2024 – wholesale

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Revenue recognised									
Wholesale revenue governed by price control	£m	3	78.376	443.078	546.896	87.903	0.000	1,156.253	2M.1
Grants & contributions (price control)	£m	3	0.000	12.058	9.395	0.000	0.000	21.453	2M.2
Total revenue governed by wholesale price control	£m	3	78.376	455.136	556.291	87.903	0.000	1,177.706	2M.3
Calculation of the revenue cap									
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	80.676	453.851	546.461	88.520	0.000	1,169.508	2M.4
Allowed grants & contributions before adjustments (or modified by CMA)	£m	3	0.000	12.753	9.497	0.000	0.000	22.250	2M.5
Revenue adjustment	£m	3	-2.351	-19.154	-4.064	-2.793	0.000	-28.362	2M.6
Other adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2M.7
Revenue cap	£m	3	78.325	447.450	551.894	85.727	0.000	1,163.396	2M.8
Calculation of the revenue imbalance									
Revenue cap	£m	3	78.325	447.450	551.894	85.727	0.000	1,163.396	2M.9
Revenue Recovered	£m	3	78.376	455.136	556.291	87.903	0.000	1,177.706	2M.10
Revenue imbalance	£m	3	-0.051	-7.686	-4.397	-2.176	0.000	-14.310	2M.11

Water resources price control

In 2023/2024 the wholesale water resources revenue recognised is £78.4m compared to the revenue cap of £78.4m, an over recovery of £0.05m – 0.07%.

Water Networks+ price control

In 2023/2024 the wholesale water Network Plus revenue recognised is £455.1m compared to the revenue cap of £447.5m, an over recovery of £7.7m – 1.7%.

Wholesale wastewater Network Plus price control

In 2023/2024 the wholesale wastewater Network Plus revenue recognised is £556.3m compared to the revenue cap of £551.9m, an over recovery of £4.4m – (0.8%).

Bioresources price control

In 2023/2024 the bioresources revenue recognised is £87.9m compared to the revenue cap of £85.7m, an over recovery of £2.2m – 2.5%.

These variances will be adjusted within the PR24 Final Determination.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2N

Residential retail – social tariffs

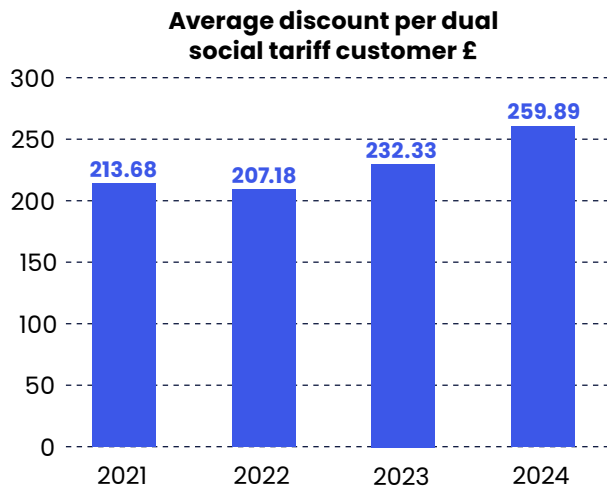
Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units DPs	£m 3	000s 3	£ 3	
Number of residential customers on social tariffs				
Residential water only social tariffs customers		0.044		2N.1
Residential wastewater only social tariffs customers		1.821		2N.2
Residential dual service social tariffs customers		58.513		2N.3
Number of residential customers not on social tariffs				
Residential water only no social tariffs customers		114.464		2N.4
Residential wastewater only no social tariffs customers		124.468		2N.5
Residential dual service no social tariffs customers		1,990.936		2N.6
Social tariff discount				
Average discount per water only social tariffs customer			113.636	2N.7
Average discount per wastewater only social tariffs customer			149.918	2N.8
Average discount per dual service social tariffs customer			259.891	2N.9
Social tariff cross-subsidy – residential customers				
Total customer funded cross-subsidies for water only social tariffs customers	0.003			2N.10
Total customer funded cross-subsidies for wastewater only social tariffs customers	0.167			2N.11
Total customer funded cross-subsidies for dual service social tariffs customers	9.315			2N.12
Average customer funded cross-subsidy per water only social tariffs customer			0.026	2N.13
Average customer funded cross-subsidy per wastewater only social tariffs customer			1.322	2N.14
Average customer funded cross-subsidy per dual service social tariffs customer			4.545	2N.15
Social tariff cross-subsidy – company				
Total revenue forgone by company to fund cross-subsidies for water only social tariffs customers	0.002			2N.16
Total revenue forgone by company to fund cross-subsidies for wastewater only social tariffs customers	0.106			2N.17
Total revenue forgone by company to fund cross-subsidies for dual service social tariffs customers	5.892			2N.18
Average revenue forgone by company to fund cross-subsidy per water only social tariffs customer			45.455	2N.19
Average revenue forgone by company to fund cross-subsidy per wastewater only social tariffs customer			58.210	2N.20
Average revenue forgone by company to fund cross-subsidy per dual service social tariffs customer			100.696	2N.21
Social tariff support – willingness to pay				
Level of support for social tariff customers reflected in business plan			4.000	2N.22
Maximum contribution to social tariffs supported by customer engagement			6.000	2N.23

Key

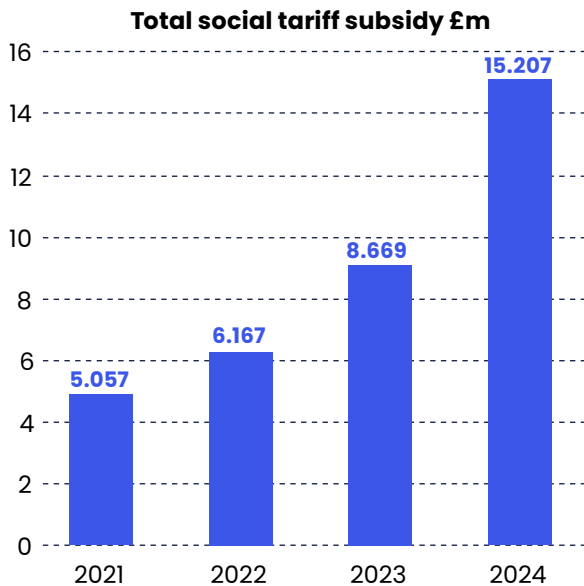
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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

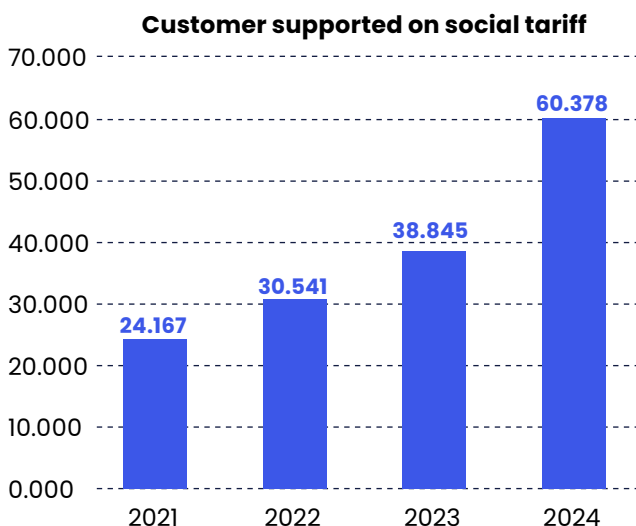
2N.1 – 2N.27: 2023/2024 has seen a £27.56 increase in the average discount per dual service social tariff customer compared to previous year.



We have seen an increase in the total social tariff subsidy:



This ties in with the increase in the number of customers being supported with social tariffs. We have seen a 22k increase, with 60k being the weighted average number supported.



The increase in the number of customers being supported through the social tariff this year has been a key success. A key enabler for this achievement has been able to maintain the bill value for WaterSupport at 2022-23 charges meaning more customers have been eligible for the support. There has also been increased engagement with customers which has been achieved through updated processes, increased promotion and additional community engagement activity.

We are improving our application processes which should enable customers to access help more easily. This will include simplifying the online application form; improving the process for registering over the telephone; and making verification of eligibility simpler for the customer by utilising data sources where possible. This should increase the number of customers on social tariffs.

2N.28 – 2N.49: The management of accounts in arrears and the processes applied to collect cash continue to represent a challenge following the cost-of-living crisis and new work/life patterns post-Covid. We continue to see increased arrears in our aged debt accounts meaning we require innovative approaches to engage these customer segments beyond that available in our current strategies. The focus in 2023/2024 was to ensure we have a robust and fair approach to debt collection, increasing resource to meet demand and to develop stability in cash collection whilst protecting financially vulnerable customers.

We continue to pursue all collectable debt using a variety of data driven debt strategies and household segmentation. 2023/2024 saw us lay the groundwork to improve cash collection for 2024/2025, focusing on accurate billing, supporting financially vulnerable customers and appropriate enforcement.

We have transitioned from a debt scorecard to an affordability scorecard which provides a wider view of our debtors' affordability needs and means we can identify financial vulnerability earlier in our billing and debt processes. This has helped us outperform the target for number of customers supported this financial year and significantly overachieved on take up to our social tariffs.

Working with third parties in the year we have been able to double our doorstep visit capacity and increased the number of writ partners to provide additional capacity and performance management/comparison opportunity.

We have increased claim and enforcement activity year on year to ensure we robustly challenge 'won't pay' behaviours.

2N.50 – 4N.62: All data items here are new reporting requirements for this year, introduced by our Regulator Ofwat.

Table 20

Historic cost analysis of intangible fixed assets

Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Total	RAG 4 reference
Cost											
At 1 April 2023	£m	3	26.427	0.000	3.047	19.895	282.048	0.123	0.000	331.540	20.1
Disposals	£m	3	-1.407	0.000	-0.051	-1.812	-11.281	-0.027	0.000	-14.578	20.2
Additions	£m	3	13.352	0.000	0.152	4.168	80.212	0.053	0.000	97.937	20.3
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.5
At 31 March 2024	£m	3	38.372	0.000	3.148	22.251	350.979	0.149	0.000	414.899	20.6
Amortisation											
At 1 April 2023	£m	3	-4.356	0.000	-0.616	-6.024	-97.142	-0.019	0.000	-108.157	20.7
Disposals	£m	3	1.407	0.000	0.051	1.812	11.281	0.027	0.000	14.578	20.8
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.9
Charge for year	£m	3	-3.476	0.000	-0.560	-3.011	-35.812	-0.049	0.000	-42.908	20.10
At 31 March 2024	£m	3	-6.425	0.000	-1.125	-7.223	-121.673	-0.041	0.000	-136.487	20.11
Net book amount at 31 March 2024	£m	3	31.947	0.000	2.023	15.028	229.306	0.108	0.000	278.412	20.12
Net book amount at 1 April 2023	£m	3	22.071	0.000	2.431	13.871	184.906	0.104	0.000	223.383	20.13
Amortisation for year											
Principal services	£m	3	-3.476	0.000	-0.560	-3.011	-35.813	-0.049	0.000	-42.909	20.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.15
Total	£m	3	-3.476	0.000	-0.560	-3.011	-35.813	-0.049	0.000	-42.909	20.16

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 20 analyses changes in the intangible fixed assets of both wholesale and retail activities of Yorkshire Water.

Our accounting policies in relation to fixed assets and depreciation are set out in full in note 1 of the statutory Annual Report and Financial Statements which can be found on our reports page here:

yorkshirewater.com/reports

The table above details that the net book value of intangible fixed assets at 31 March 2024 amounts to £278.4m, an increase of £55.0m since the start of the year. This movement includes:

- Additions of £97.9m, mainly due to investment in modernisation of operational software systems and improvements to customer service and billing systems.
- Amortisation in the year is £42.9m, an increase of £9.6m on 2022/2023 due to the increased investment in software detailed above.
- Disposals in the year consist of asset-life expired software.



Table 3: Performance summary

Introduction

The information in this section details the 'Performance Summary' as required by Ofwat. A breakdown of how we performed against each of our Performance Commitments can be found in [section 3](#). The information in this section comprises the following tables:

Pro forma 3A	Outcome performance – Water common performance commitments
Pro forma 3B	Outcome performance – Wastewater common performance commitments
Pro forma 3C	Customer measure of experience (C-MeX) table
Pro forma 3D	Developer services measure of experience (D-MeX) table
Pro forma 3E	Outcome performance – Non financial performance commitments
Pro forma 3F	Underlying calculations for common performance commitments – water and retail
Pro forma 3G	Underlying calculations for common performance commitments – wastewater
Pro forma 3H	Summary information on outcome delivery incentive payments
Pro forma 3I	Supplementary outcomes information

AtkinsRéalis



**AMP 7 Technical
Assurance Provider**

5203914 / JAJ / OUT / 600

1st July 2024

ASSURANCE OF YORKSHIRE WATER 2023/24 ANNUAL PERFORMANCE ASSURANCE REPORT

Notice

This document and its contents have been prepared and are intended solely as information for Yorkshire Water and use in relation to 2023/24 Annual Performance Assurance Report.

AtkinsRéalis assumes no responsibility to any other party in respect of or arising out of or in connection with this document and/or its contents.

Document history

Revision	Purpose description	Originated	Checked	Reviewed	Authorised	Date
1.0	For client	Various	JAJ	JPA	JAJ	19/06/24
2.0	Addressing client feedback	YWS	JPA	JAJ	JAJ	23/06/24
3.0	Company update	JAJ	RD	JPA	JAJ	26/06/24
4.0	Addressing Client request to remove Table 2N from scope of audit	RD	JPA	NS	JPA	01/07/24



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2.2 Reporting of Additional Regulatory Information	13
2.3 Summary of Changes in Company Submission	Error! Bookmark not defined.



Assurance Statement

AtkinsRéalis is engaged by Yorkshire Water to provide independent assurance on technical and some financial aspects of the annual reporting activities that Yorkshire Water carries out. This statement is part of a continuous improvement process that has involved detailed consideration of the methodologies and their application by which Yorkshire Water reports on its performance at financial year end. We presented our findings to the Yorkshire Water Executive Committee on 18th June 2024, Customer Forum on 20th June 2024 and the Yorkshire Water Audit and Risk Committee on 1st July 2024.

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 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.

The areas in scope for this assurance are:

- Data and commentary reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A, 3B, 3E, 3F, 3G, 3H and 3I - Outcome performance tables (common and bespoke measures)
 - Table 3C – C-MeX
 - Table 3D – D-MeX
 - Table 2B, 2E, 2K, 4A, 4D; 4E, 4F, 4G, 4J, 4K, 4L, 4M, 4N, 4O, 4P, 4Q, 4R, 5A, 6A, 6B, 6C, 6D, 7B, 7C, 7D, 7E, 8A, 8C, 8D – Asset and financial data
 - Table 11A including process and traffic light system for embedded Green House Gas emissions
 - Bioresources Market Information and Market Activity
- DWI submission for water quality contacts
- Report to CCW
- Water UK Developer Services Levels of Service metrics

In a series of over 90 virtual meetings from April to June 2024 we carried out combined methodology and data audits designed to confirm whether:

- Yorkshire Water has appropriate systems, procedures and reporting mechanisms in place to control and meet its reporting obligations.
- Yorkshire 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 Yorkshire Water's Performance Commitments are consistent with the way that the target was set for the PR19 Final Determination or through the Competition and Markets Authority process.
- The methodologies that have been used for reporting of the common metrics are consistent with the technical guidance that published by Ofwat, and where there are shortfalls these have been identified appropriately using the Red, Amber, Green classifications provided by Ofwat in the compliance checklists.

For the areas we cover and from the information we have been provided, 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.

This is the fourth report year of AMP7, some Performance Commitments (PCs) continue to evolve and Ofwat has again made changes to its Regulatory Accounting Guidelines (RAGs) where the definitions and reporting format for all annual reporting are stipulated. Established reporting processes demonstrate either consistent good practice or improvements from previous years. We can see further positive progress has been made on the methodologies, documentation and supporting evidence for reporting. We have also seen a generally positive audit process, with challenge embraced and responded to. There is still further work to do but we have seen a continuing improvement culture.



There were in total 32 changes to reported data which were identified through the audit process and would have been material to this year's reporting but have been addressed prior to submission.

In relation to Performance Commitments, there are six areas where we identified "Amber" reporting risks to the business. This indicates shortfalls in methodology or that it is still in development and/or that there is incomplete data or minor errors. These do not materially impact on the performance reported relative to targets and threshold values. The "Ambers" relate to:

1. 3A.4 Per capita consumption (Data) – There are concerns about meter under-registration of the meters used in the unmeasured domestic consumption monitor and the potential impact upon bills.
2. 3A.14 Low pressure (Methodology and Data) – Moving to a robust reporting approach for reporting pressure logging results, but identified further improvements around inconsistent use of exclusion codes, time taken to resolve data and logger issues and need to increase logger coverage from 75-85% to be addressed by the Company's ongoing programme.
3. 3B.3 Sewer collapses (Methodology and Data) – Reduction in checks and controls. Ofwat expressed concern in APR23 feedback. Reasons for non-reportable collapses need to be evidenced.
4. 3B.10 Surface Water Management - The Company's approach is appropriate based on the data available but the data could be more robust if survey data was collected at every property where a water butt was installed.
5. 3B.12 Living with Water (Methodology) - The PC Gateway, which will be reported in Year 5, refers to 'the number of properties protected from internal flooding during rainfall events'. We identified issues relating to deriving the Gateway property counts. We understand that Yorkshire Water proposes to engage with Ofwat to discuss the detail of this measure and potential changes.
6. 3C.5 to 7 Total household complaints (Data) – Company checks identified that processes were not being consistently followed particularly for one contact channel, Operations telephone calls. A small number of additional complaints identified through these and our checks have been added to the reported number. But when the findings from the Company's checks are combined with our findings, it suggests confidence in the reporting may be outside Yorkshire Water's stated range of +/- 10%. We concur that the Company's proposed actions should improve the accuracy of the reporting closer to the expected 5-10% range which we consider reasonable for type of metric.

For the PCs 3B.7 Water recycling and 3E.6 Integrated catchment management, we were informed that the decision has been taken not to prioritise activity and therefore not to meet the committed performance level. This is because Yorkshire Water has made organisational decisions to prioritise resourcing legal compliance and WINEP delivery over delivering these PCs.

We believe that the published metrics provide a fair and reasonable account of Yorkshire Water's performance in 2023/24. 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 Yorkshire Water has provided 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 Regulation team and the cooperation of the people responsible for preparing and reporting the 2023/24 APR and other regulatory submissions.



Jonathan Archer

Chief Engineer and Lead Technical Assurer to Yorkshire Water



1. Scope of work

AtkinsRéalis has been appointed to provide external assurance on the regulatory submissions presented by Yorkshire Water 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 reported as part of the Annual Performance Report (APR) to Ofwat:
 - Table 3A, 3B, 3E, 3F, 3G, 3H and 3I - Outcome performance tables (common and bespoke measures)
 - Table 3C – C-MeX
 - Table 3D – D-MeX
 - Table 2B, 2E, 2K, 4A, 4D; 4E, 4F, 4G, 4J, 4K, 4L, 4M, 4N, 4O, 4P, 4Q, 4R, 5A, 6A, 6B, 6C, 6D, 7B, 7C, 7D, 7E, 7F, 8A, 8C, 8D – Asset and financial data including
 - Table 11A including process and traffic light system for embedded Green House Gas emissions
 - Bioresources Market Information and Market Activity
- DWI submission for water quality contacts
- Report to CCW
- Water UK Developer Services Levels of Service metrics

It was not within our scope to assure the outperformance or underperformance payments for 2023/24 or the Forecast of total 2020-25 outperformance or underperformance payment associated with the financial Performance Commitments.

2. Key Findings

We classify our findings into 'red', 'amber' and 'green' categories. The definition for each category as follows:

Categories	Definition
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 where we identified reporting risks to the business. They may relate to the methodology and/or data, however they do not alter the performance reported relative to targets and threshold values.
Green	These 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.



2.1 AMP7 Performance Commitments

Table 2-1 Summary of key findings

Performance Commitment	Findings	Methodology	Data
3A.1 Water quality compliance (CRI)	The CRI is calculated by the DWI based on supporting data provided by Yorkshire Water during the year and the reported score may be subject to change as Yorkshire Water is waiting on the final confirmation from DWI. We found the Company's methodology and systems to be robust, appropriate and effective checks and controls have been built in, and we were satisfied that the data reported to the DWI and ultimately to Ofwat through this Performance Commitment appears reliable, accurate and complete.	Green	Green
3A.2 Water supply interruptions	Overall, this area of reporting is being managed effectively and appropriately. The methodology is robust and in line with Ofwat guidance. Yorkshire Water has made a change to methodology to determine pressure in the main rather than at ground level to determine loss of supply. This change is consistent with Ofwat's guidance and has been previously adopted by another Water Company and subsequently approved by Ofwat.	Green	Green
3A.3 Leakage	Our checks were satisfactory. We reviewed the various components and identified some areas for improvement that have either been actioned within the year or will be taken forward to improve accuracy of reporting in future years. The overall methodology and its application for the reporting of leakage is robust. However, there is an underlying concern about the accuracy of customer meters and in particular newer domestic meters, as discussed below under 3A.4 PCC. The Distribution Input (DI) meter asset stock is old, is losing accuracy and replacement rates are not keeping up with the deterioration rates. The inaccuracy through meter under-registration (MUR) is accommodated within the MLE adjustments made when reporting leakage; however, this is not sustainable.	Green	Green
3A.4 Per capita consumption	Our checks were satisfactory. We reviewed the various components and identified some areas for improvement that have either been actioned within the year or will be taken forward to improve accuracy of reporting in future years. There remains an underlying concern about the accuracy of customer meters and newer domestic meters. A study by WRC noted that Yorkshire Water's 15mm meter stock is made up primarily of Itron meters which in the last 5 years appear to have declined in quality and accuracy. The Meter Under Registration (MUR) issue on newer meters also effects the Domestic Customer Monitor from which PCC is derived; the less accurate meters should be swapped out.	Green	Amber
3A.5 Mains repairs	The Company continues to take a precautionary approach to mains repairs reporting. This year was the consolidation of the new software system (FYLD) introduced last year that has improved the evidential approach and may see an ability to discount more jobs going forward.	Green	Green
3A.6 Unplanned outage	The reporting of unplanned and planned outage is strongly tied into the management of outage and is subject to detailed scrutiny and checking. The supporting documentation and validation is comprehensive and robust, though some improvements could be built into the reporting methodology.	Green	Green
3A.7 Working with others	The Company is slightly ahead of target (cumulative total for the AMP) reporting a total of 32 partnership projects, against a target of 30 for this stage in the AMP. The issue identified last year regarding completion dates and which year to report them stands: four of the 13 projects reported this year strictly should have been included in the previous year's reporting, however either because of payment dates or WINEP sign off they have been included in this reporting year. As this ODI is a cumulative total, we accept the impact of not reporting them in the correct year is minimal.	Green	Green



3A.8 Land conserved and enhanced	The Company is not reporting any increase in SSSI hectare (cumulative total) this year due to changes outside the Company's Control; Natural England have changed the way it monitors SSSIs and updates have been made to land outlines resulting in a reduction in baseline hectare owned by YW. While the Company are not meeting the Year 4 Performance Commitment target, they do not feel that the changes with Natural England will impact the meeting the Year 5 target. The Beyond Nature initiative is performing well and we could trace the numbers reported through the tracking spreadsheets and supporting documents.	Green	Green
3A.9 Education	We consider the methods used by the Company to be robust and comprehensive and we were satisfied with the accuracy of the reported data.	Green	Green
3A.10 Gap sites	Overall, our findings were satisfactory. The reporting and associated supporting evidence is robust.	Green	Green
3A.11 Managing void properties	This reporting line is simply a calculation of the percentage of voids from the properties counts in Table 4R. The Company's approach to identifying, reducing and reporting voids is appropriate and aligns with good practice we have seen elsewhere. The properties reporting appears to be reliable, accurate and complete and the calculation was correct.	Green	Green
3A.12 Drinking water contacts	The Company's overall methodology and reporting is robust and appropriate. Yorkshire Water has embedded comprehensive checks which should ensure it is neither over or under reporting the number of water quality contacts. We identified a small number of activities associated with internal processes which were miscoded due to human error and should have been reported as customer contacts. The Company subsequently adjusted its figures and will include this as an additional check in the future.	Green	Green
3A.13 Significant water supply events	The underlying methodology for reporting significant water supply events is robust with every significant event being reviewed in detail. Significant water supply events differ from interruptions to supply in as much as the start time for events is based on when Yorkshire Water become aware of the incident either through customer contact or an alarm. The reviews of events therefore rightly exclude some events where the initial estimate suggested that properties were affected for more than 12 hours. However, this requires significant analysis and, in some cases, a best central estimate is required on the duration of an interruption for an individual customer.	Green	Green
3A.14 Low pressure	The Company has carried out a comprehensive review to address the issue identified last year to ensure that loggers are being assessed from the time installed as opposed to when enabled within the Netbase software package. The Amber categorisation relates to inconsistent use of exclusion codes, the length of time to resolve data/logger issues and that approximately 20-25% of properties are still not covered by a logger and analysis in Netbase. Yorkshire Water recognises that there are still further improvements to be made and appears to be taking appropriate action to address it for the next reporting year, notably by increasing the number of loggers and also analysts.	Amber	Amber
3A.15 Repairing or replacing customer owned pipes	The reporting of this measure is a manual trawl of activity on the job management system, which Yorkshire Water's Service Provider also provides supporting evidence for through the use of recently installed software (FYLD) to confirm customer repairs and replacements. Our audits confirmed that the methodology was appropriate and the data appears reliable accurate and complete..	Green	Green
3B.1 Internal sewer flooding	The sewer flooding management team demonstrate a continual improvement mindset and this is evidenced through the process/governance initiatives that have been embedded during the year. The process is being managed and controlled proactively by the management team. A few gaps and inconsistencies in application and the gathering of data and information to support incident classification were identified and we made minor suggestions about how to improve the reporting of this measure.	Green	Green



3B.2 Pollution incidents	Overall, this area of reporting is being managed effectively and appropriately. The methodology is robust, in line with Ofwat guidance, and the reported performance can be considered reliable, accurate, and complete. Work is ongoing with the EA and Industry to redefine the reporting requirements which Yorkshire Water is engaged in. We believe that these new definitions will create an upward pressure on the total number of pollutions reported and Yorkshire need to consider actions to ensure delivery of the ODI targets.	Green	Green
3B.3 Sewer collapses	The material issues from last year's audit relating to the supporting calculations for 3I.4 have been satisfactorily addressed. Some of quarterly checks and controls were not undertaken therefore compliance with the following reporting guidance cannot be fully confirmed: 'this measure should include all public sewer and lateral collapses recorded by the company inclusive of those incidents that have been reported as flooding or pollution failures, if the primary cause of the flooding or pollution was a sewer collapse'. However, we consider that the potential impact of this issue is within the stated confidence grade. We understand that progress is already being made to improve the approach to reconciliation of ODIs by integrating teams with reporting responsibilities, which will strengthen the reporting for APR25. We concur with the Company's overall assessment that there is a confidence of +/- 10% to 25% in the reported value.	Amber	Green
3B.4 Treatment works compliance	Overall, this area of reporting is being managed effectively and appropriately. The methodology is robust, in line with Ofwat guidance, and the reported performance can be considered reliable, accurate, and complete. We have made a small number of recommendations to improve the process and reduce the risk of errors in reporting. However, we did not find any errors in the data or reporting to the EA and Ofwat.	Green	Green
3B.5 Length of river improved	The Company is not reporting any increase in length of river improved for wastewater obligations this year (in line with target), therefore we did not review the waste elements of this Performance Commitment (PC) (in previous years we have reviewed procedure documents and assurance statements with confidence). The procedure document and assurance statement for the clean elements are direct and accurate in line with observations at audit. We were able to trail through reported figures with ease.	Green	Green
3B.6 Operational Carbon	Yorkshire Water has reported its operational carbon emissions for many years and benefits from an established process. The Company also undergoes external ISO14064 compliance assurance. The Company has chosen not to purchase REGO or gas equivalent (RGGO) certificates this year and opted to sell any REGOs generated at their sites which resulted in an increase in Scope 2 purchased electricity emissions and Scope 3 Transmission and Distribution and WTT losses which led to the 2024 Performance Commitment target being unmet.	Green	Green
3B.7 Water recycling	We have not been asked to audit this PC because there has been no activity and the Company is therefore reporting zero.	N/A	N/A
3B.8 External sewer flooding	The sewer flooding management team demonstrate a continual improvement mindset and this is evidenced through the process/governance initiatives that have been embedded during the year. The process is being managed and controlled proactively by the management team. A few gaps and inconsistencies in application and the gathering of data and information to support incident classification were identified and we made minor suggestions about how to improve the reporting of this measure.	Green	Green
3B.9 Bathing water quality	The reported number of sites reflects the previous change in line definition and aligns with the Defra website. The number of coastal bathing water sites meeting 'Poor', 'Sufficient', 'Good' or 'Excellent' classification aligns with that on the Defra website and is supported by the data gathered by the EA and assessed separately by the Company's internal processes. The Company has two sites that are not 'Good' or 'Excellent'; given the PC requirement is 18 out of 18 coastal bathing waters to be at this	Green	Green



	classification it does mean that two sites will be considered against the PC penalty (total £2.47m). We note that the Company did have discussions with Ofwat around changing the basis of the PC to reflect the de-designation of Tunstall beach, but this was declined.		
3B.10 Surface water management	The Company has delivered ~1,000 domestic water butts which are being used to claim the hectares (Ha) of surface water run-off removed or attenuated for this PC. Survey data has been used in a small number of cases (4%) to calculate the claimable roof area. The majority of properties have been calculated using an assumption based on the survey data sample. We challenged the Company's application of this assumption on properties with large roof areas. It was subsequently agreed that introducing a cap on claimable roof area when applying the assumption would be more appropriate, which reduced the reported claimable area from 9 to 8 Ha. The Company's approach is appropriate based on the data available, but the data could be more robust if survey data was collected at every property where a water butt was installed.	Green	Amber
3B.11 Quality agricultural products	The Company's process is assured through external auditing of adherence to the Biosolids Assurance Scheme (BAS) requirement. The BAS certificate is provided if the Company can evidence appropriate biosolids management, from source control, treatment to agricultural recycling. Yorkshire Water provided its BAS certificate alongside that of Northumbrian Water, who also manage a proportion of the Company's biosolids. We concurred that this is a robust method and source for reporting the data.	Green	Green
3B.12 Living with Water	The methodology categorisation relates to the Company's approach to applying Performance Commitment Gateway. In our opinion, the method whereby properties are identified as contributing to achievement of the Gateway raises a significant risk, based on issues we have identified, relating to deriving the PC Gateway property counts using: <ul style="list-style-type: none"> Rainfall event critical durations local to each scheme as opposed to consideration of flooding across a full range of durations. Global 100mm assumption for the floodwater depth threshold for internal flooding, as opposed to using, where available, survey results and extrapolations of survey results. Yorkshire Water plans to engage with Ofwat in light of the issue raised. This is about providing greater clarity around the definition and that measurement is in accordance with the methodology developed during the PR19 Business Plan process..	Amber	Green
3C.1 to 3 Annual C-MeX score	Overall the datasets sent to the market research company for the purposes of conducting the customer service survey are satisfactory. There are a small number of cases of human error and we have queried the business rules in some rarely applied scenarios, which in both cases lead to contacts being excluded but this is not material and would not impact on the actual survey scores. The results have been transcribed accurately into the Ofwat tables.	Green	Green
3C.5 to 7 Total household complaints	Complaints reporting is challenging for a number of reasons, including an element of subjectivity and also because of the inherent weaknesses in our view in the industry guidance produced by and subsequent messaging from CCW. Moreover, we have highlighted for a number of years our concern about the lack of internal quality checks on the complaints reporting. This year a more robust sample of checks had been carried out and identified that processes were not being consistently followed particularly for one contact channel, Operations telephone calls. A small number of additional complaints identified through these checks have been added to the reported number. But when the findings from the Company's checks are combined with the findings from our audit checks, it suggests confidence in the reporting may be outside Yorkshire Water's stated range of +/- 10%. For next year, the Company is proposing to create an enhanced approach for its internal checks, additional training and a more effective feedback loop where errors are identified, as well as the possibility for potential systems changes. We concur that	Green	Amber



	these actions should improve the accuracy of the reporting closer to the expected 5-10% range which we consider reasonable for type of metric.		
3D D-MeX score	Overall, the Company's processes are robust and appropriate, and they are documented effectively. In addition, the checks and controls built into the processes are comprehensive. We were able to confirm that a compliant dataset is sent to the market research company each month. The Company would benefit from automating the processes through the development of a portal, which we understand is under consideration, as well as having more resilience built into the team for reporting.	Green	Green
3E.1 Risk of severe restrictions in a drought	This is a challenging metric to report as the Ofwat guidance is both complex and ambiguous. By way of summary, if dry year supply is less than dry year demand plus target headroom in a given year then this is a "deficit" and results in customers being designated as at risk of severe restrictions in that year. The % reported is dependent on the number of failures across a 25-year period, the zones affected and their relative population size. The Company has a target of 0% of customers at risk of severe restrictions in a drought for each year of AMP7. The Company's failure in 2020/21 against the 0% target, results in a figure above 0% across the 2020 to 2045 period and a failure to meet this PC target. In previous reporting years for this AMP, the Company had used outturn DI rather than the WRMP19 forecast DI in calculating the reported % figure. This was because the reporting years were dry years and outturn DI was significantly higher than the WRMP19 dry year forecast DI, so WRMP19 DI was not considered to be representative of current conditions. However, 2023/2024 was not a dry year and we therefore challenged the Company's continued use of outturn DI, given that the guidance requires use of a dry year demand to represent drought conditions. We suggested that the Company use WRMP24 forecast DI for the current and next year, as this was now available, alongside WRMP24 outage as the guidance states that both can be updated if there are more recent forecasts available. Using WRMP24 DI and outage does not change the reported value for this year and the final year of the AMP as the supply-demand balance is still in surplus, but represents a more robust approach that is better aligned with the guidance. The Company needs to reflect the updated approach in its procedure document and assurance statement.	Green	Green
Priority services for customers in vulnerable circumstances 3E.2 PSR reach 3E.3 Attempted contacts 3E.4 Actual contacts	The methodology for reporting this measure appears robust. We made minor recommendations to the Company's process which were resolved. An error in Ofwat's data table calculation was reported at audit, which Ofwat has resolved. No material findings were found during audit sampling.	Green	Green
3E. 5 Risk of sewer flooding in a storm	The ArcGIS system that underpins the reported numbers is robust and comprehensive, and the data contained within it was clearly and confidently explained and demonstrated. This reporting line requires extensive data provision from multiple sources, precluding the ability to fully verify robustness and accuracy from all source data, which reinforces a need to ensure that there are checks and controls in place throughout the chain supplying the data (an observation made with particular reference to the data inputs from hydraulic modelling). We identified a minor error in the reported number following review of supporting information, that was corrected post audit.	Green	Green
3E.6 Integrated catchment management	We have not been asked to audit this PC because there has been no activity and the Company is therefore reporting zero.	N/A	N/A
3E.7 Biosecurity implementation	Yorkshire Water must complete 12No. Pathway Management Plans (PMPs) over the AMP cycle, with a target of three PMPs each year from Years 2 to 5. The Company has correctly reported the completion of 6No PMPs. Continuing challenges in the	Green	Green



	allocation of specialist resource to the PC has led to delays in achieving project outcomes for the PMPs and as a result the Company is currently failing this PC. The situation is unlikely to change and the commitment to complete 12No. PMPs by the of the AMP is unlikely to be met. The Company's methodology had not been subject to any amendments since the APR2022/23 audit. The methodology was found to still align with appropriate guidance and legislation on biosecurity and its implementation. All data was concisely recorded in the relevant summary reports for each of the PMPs and the Company were able to call on specific evidence and additional information for individual Objectives under each of the plans, including progression on Objectives listed for previously completed PMPs.		
3E.8 Capital carbon and emissions arising from owned land	This PC reflects emissions from the Company's capital works and emissions sequestered by the Company's habitat management activities. There is a clear process for deriving the capital carbon data, based on project delivery at particular gates. Although this year's PC target was missed slightly, the Company continues to develop and embed reduction strategies for capital emissions through appropriate calculations and reporting processes including robust monitoring and assurance.	Green	Green
3E.9 Creating value from waste	The procedure document provides a good summary of the reporting process and how checks are carried out. The reported data appears reliable, accurate and complete.	Green	Green
3E.10 Affordability of bills	The reported data is sourced from CCW who commission the customer research. We were able to confirm that the data has been transcribed accurately.	Green	Green
3E.11 Direct support given to customers	The methodology is comprehensive and the reporting process appears to be robust. Checks and controls are built into the Company's processes. We identified no issues in the accounts we sampled during audit.	Green	Green
3E.12 Cost of bad debt	Overall, this area of reporting is being managed effectively and appropriately. The methodology is robust, in line with Ofwat guidance, and the reported performance can be considered reliable, accurate, and complete. The procedure documentation and assurance statement are of a high quality. Data is provided from several sources, some of these are audited by financial auditors and it is not possible to trace all the data back to source. However, the sources of data are clearly evidenced and, in some cases, have been cross checked with other data presented in the Annual Performance Report.	Green	Green
3E.13 Priority services awareness	The methodology for reporting this measure appears robust. The survey data is collated by CC Water and was shared during the audit. No material findings were found during audit sampling.	Green	Green
3E.14 Priority services satisfaction	Overall the Company's processes for managing and reporting appears robust and appropriate. The Company migrated to a new system in the reporting period and during January to March 2024 and were unable to replicate its reporting of customer who made contact for a billing query. However, the Company was able to increase its survey volumes in other areas to meet its Final Determination 2019 requirements. The Company considered this to have low material impact and is confident this will be resolved in time for their next survey due in October 2024.	Green	Green
3E.15 Inclusive customer service	The Company's methodology for managing and reporting is robust and appropriate. There were no material issues identified with the reporting.	Green	Green
3E.16 Renewable energy generation	The methodology accurately describes the process followed, which uses SCADA data, and some assumptions and calculations to manage shortfalls in data. The method could be enhanced through sub-metering and instrumentation to enhance data quality. Overall, we concluded that the dataset is robust for the purposes of reporting.	Green	Green
3E.17 WINEP Delivery	The reporting methodology and documented procedure are robust and up to date. The dataset underlying the reported figure is complete and there is a good evidence trail to demonstrate how the reported number has been generated. We have no concerns	Green	Green



	over the reported value for the year based on delivery and Environment Agency sign-off of all 105 outputs that had a regulatory obligation date in the period 01/04/2023-31/3/2024.		
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2.2 Reporting of Additional Regulatory Information

We have reviewed other data reported and highlight, on an exception basis, areas of note that we encountered or where there has been significant improvement in addressing issues highlighted last year.

Table 2-2 Areas of note encountered during audit of additional regulatory information tables

Submission	Findings	Methodology	Data
Table 4R Population (Water and Wastewater)	We repeat our previous audit finding from earlier years about the approach to calculating population using occupancy multiplied over property counts. We believe there is an inherent weakness in this approach because of the way that properties are reported in line with Ofwat RAG in Table 4R which means that the Company is likely to under-report population. We understand the reasoning to maintain this approach until the end of AMP7. We recommend that property numbers are not used as the basis for the AMP8 population reporting.	Amber	Green
5A.30 – total number of completed investigations (WINEP/NEP), cumulative for AMP	The reporting methodology and documented procedure are robust and up to date. The dataset underlying the reported figure is complete and there is a good evidence trail to demonstrate how the reported number has been generated. We have no concerns over the reported value for the year of cumulative delivery of 32 clean water investigations by the end of Year 4.	Green	Green
7C 5 Sewer Blockages	Overall, there were no outstanding issues for the reporting. While the key quality control check relating to a 2% sample review of incidents has not happened due to resource time constraints, the 0.2% error rate identified previously suggests it would not be material even if we think it is advisable that it should be carried out in line with the Company's stated methodology. . Following our challenge, the Company also took the appropriate action to exclude 'gully blockages' from the reportable numbers.	Green	Green
7B1-10, 7C12, and 7D1-16 Large STWs, Volume of Trade Effluent and Loads Received	We noted that for several trade effluent customers that there were significant billing rebates reported for those sites which were the result of initial estimates being corrected once measured data became available. This has the potential to impact on the classification of works within bands and the loads being received.	Amber	Amber
7C CSO, Emergency Overflows and Network Pumping	There are several new lines of data in this year's APR. The reporting requirements for these lines of data are unclear and we made several recommendations on the approach. Several corrections were required to the data in the APR tables before submission.	Green	Green



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Table 3A

Outcome performance – Water performance commitments (financial)

or much more information on our Performance Commitment, please view [Section 3](#) of this document.

Line description	Unique reference	Unit	Decimal places	Performance level – actual	PCL met?	Outperformance or underperformance payment £m	Forecast of total 2020–25 outperformance or underperformance payment £m	RAG 4 reference
Common PCs – Water (Financial)								
Water quality compliance (CRI)	PR19YKY_20	number	2	9.27	No	-9.526	-19.591	3A.1
Water supply interruptions	PR19YKY_21	hh:mm:ss	0	00:10:35	No	-6.395	-22.303	3A.2
Leakage	PR19YKY_22	%	1	12.7	Yes	0.431	-0.222	3A.3
Per capita consumption	PR19YKY_25	%	1	1.0	No	0.000	-11.078	3A.4
Mains repairs	PR19YKY_24	number	1	175.3	Yes	0.000	-10.855	3A.5
Unplanned outage	PR19YKY_23	%	2	2.95	Yes	0.000	0.000	3A.6
Bespoke PCs – Water and Retail (Financial)								
Working with others	PR19YKY_1	nr	0	32	Yes	0.000	0.000	3A.7
Land conserved and enhanced	PR19YKY_2	nr	0	11045	No	0.000	-1.721	3A.8
Education	PR19YKY_7	nr	0	29203	Yes	0.000	-0.029	3A.9
Gap sites	PR19YKY_17	%	0	99	Yes	0.000	-1.122	3A.10
Managing void properties	PR19YKY_18	%	2	3.66	Yes	1.157	4.665	3A.11
Drinking water contacts	PR19YKY_26	nr	1	8.9	Yes	0.000	-1.536	3A.12
Significant water supply events	PR19YKY_27	nr	0	18	No	-1.590	-13.515	3A.13
Low pressure	PR19YKY_28	nr	0	10	Yes	0.000	0.000	3A.14
Repairing or replacing customer owned pipes	PR19YKY_29	nr	0	4576	No	-1.397	-5.212	3A.15
Financial water performance commitments achieved		%			60			3A.27
Overall performance commitments achieved (excluding C-MeX and D-MEX)		%			50			3A.28

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3B

Outcome performance – Wastewater performance commitments (financial)

Line description	Unique reference	Unit	Decimal places	Performance level – actual	PCL met?	Outperformance or underperformance payment £m	Forecast of total 2020–25 outperformance or underperformance payment £m	RAG 4 reference
Common PCs – Wastewater (Financial)								
Internal sewer flooding	PR19YKY_31	Number of internal sewer flooding incidents per 10,000 sewer connection	2	2.78	No	-11.303	-47.489	3B.1
Pollution incidents	PR19YKY_30	Pollution incidents per 10,000 km of sewer length	2	26.21	No	-2.614	-4.199	3B.2
Sewer collapses	PR19YKY_33	Number of sewer collapses per 1,000 km of all sewers	2	12.37	Yes	0.000	0.000	3B.3
Treatment works compliance	PR19YKY_32	%	2	99.68	No	0.000	0.000	3B.4
Bespoke PCs – Wastewater (Financial)								
Length of river improved	PR19YKY_4	km	2	117.92	Yes	0.000	2.656	3B.5
Operational Carbon	PR19YKY_6a	%	1	-177.3	No	-2.738	-4.413	3B.6
Water recycling	PR19YKY_9	nr	2	0.00	No	-0.089	-0.307	3B.7
External sewer flooding	PR19YKY_35	nr	0	5873	Yes	1.422	55.103	3B.8
Bathing water quality	PR19YKY_36	nr	0	16	No	-2.470	-9.880	3B.9
Surface water management	PR19YKY_37	nr	0	8	No	-0.010	-0.024	3B.10
Quality agricultural products	PR19YKY_40	%	0	100	Yes	0.000	0.000	3B.11
Living with Water scheme	PR19CMA_YKY-01	£m	3	9.789	No	0.000	0.000	3B.12
Financial wastewater performance commitments achieved		%			33			3B.19

Key

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Table 3C

Customer measure of experience (C-MeX) table

Item	Unit	Value	RAG 4 reference
Annual customer satisfaction score for the customer service survey	Number	73.57	3C.1
Annual customer satisfaction score for the customer experience survey	Number	79.52	3C.2
Annual C-MeX score	Number	76.54	3C.3
Annual net promoter score	Number	24.00	3C.4
Total household complaints	Number	23306	3C.5
Total connected household properties	Number	2,388,813	3C.6
Total household complaints per 10,000 connections	Number	97.563	3C.7
Confirmation of communication channels offered	TRUE or FALSE	TRUE	3C.8

Key

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Table 3D

Developer services measure of experience (D-MeX) table

Item	Unit	Value	RAG 4 reference
Qualitative component annual results	Number	67.29	3D.1
Quantitative component annual results	Number	99.91	3D.2
D-MeX score	Number	83.60	3D.3
Developer services revenue (water)	£m	12.087	3D.4
Developer services revenue (wastewater)	£m	10.397	3D.5

Calculating the D-MeX quantitative component

Water UK performance metric	Unit	Reporting period (1 April to 31 March)	Quantitative score (annual)	RAG 4 reference
W1.1	%	100.00%		3D.W1
W3.1	%	99.90%		3D.W2
W4.1	%	97.68%		3D.W3
W6.1	%	100.00%		3D.W4
W7.1	%	100.00%		3D.W5
W8.1	%	100.00%		3D.W6
W17.1	%	100.00%		3D.W7
W17.2	%			3D.W8
W18.1	%	100.00%		3D.W9
W20.1	%			3D.W10
W21.1	%			3D.W11
W23.1	%			3D.W12
W24.1	%			3D.W13
W25.1	%			3D.W14
W26.1	%	100.00%		3D.W15
W27.1	%	100.00%		3D.W16
W28.1	%			3D.W17
W29.1	%			3D.W18
W30.1	%	100.00%		3D.W19
S1.1	%	100.00%		3D.W20
S3.1	%			3D.W21
S4.1	%	100.00%		3D.W22
S6.1	%			3D.W23
S7.1	%	100.00%		3D.W24
S8.1	%			3D.W25
S9.1	%			3D.W26
WN1.1	%	100.00%		3D.W27
WN2.2	%	100.00%		3D.W28
WN4.1	%	100.00%		3D.W29
WN4.2	%	100.00%		3D.W30
WN4.3	%			3D.W31

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Table 3D – continued

Developer services measure of experience (D-MeX) table

Water UK performance metric	Unit	Reporting period (1 April to 31 March)	Quantitative score (annual)	RAG 4 reference
SN2.2	%	100.00%		3D.W32
SN4.1	%			3D.W33
SAM 3/1	%	100.00%		3D.W34
SAM 4/1	%	100.00%		3D.W35
SLPM – S1/2	%	100.00%		3D.W36
SLPM – S2/2a	%	100.00%		3D.W37
SLPM – 2/2b	%	100.00%		3D.W38
SLPM – S3	%	100.00%		3D.W39
SLPM – S4/1	%	100.00%		3D.W40
SLPM – S5/1a	%			3D.W41
SLPM – S7/1	%	100.00%		3D.W42
D-MeX quantitative score (for the reporting period)	%	99.91%		3D.7
D-MeX quantitative score (annual)	Number		1.00	3D.8

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Table 3E**Outcome performance – Non financial performance commitments**

Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	RAG 4 reference
Common						
Risk of severe restrictions in a drought	PR19YKY_38	%	1	4.0	No	3E.1
Priority services for customers in vulnerable circumstances – PSR reach	PR19YKY_42	%	1	9.2	Yes	3E.2
Priority services for customers in vulnerable circumstances – Attempted contacts	PR19YKY_42	%	1	107.0	Yes	3E.3
Priority services for customers in vulnerable circumstances – Actual contacts	PR19YKY_42	%	1	34.1	No	3E.4
Risk of sewer flooding in a storm	PR19YKY_34	%	2	5.68	Yes	3E.5
Bespoke PCs						
Integrated catchment management	PR19YKY_3	%	1	0.0	No	3E.6
Biosecurity implementation	PR19YKY_5	nr	0	6	No	3E.7
Capital carbon and emissions arising from owned land	PR19YKY_6b	%	1	21.1	No	3E.8
Creating value from waste	PR19YKY_8	£m	0	281	Yes	3E.9
Affordability of bills	PR19YKY_11	%	0	78	No	3E.10
Direct support given to customers	PR19YKY_12	nr	0	124396	Yes	3E.11
Cost of bad debt	PR19YKY_13	%	2	3.39	Yes	3E.12
Priority services awareness	PR19YKY_14	%	0	50	No	3E.13
Priority services satisfaction	PR19YKY_15	%	0	81	No	3E.14
Inclusive customer service	PR19YKY_16	%	0	24	Yes	3E.15
Renewable energy generation	PR19YKY_41	nr	0	297	Yes	3E.16
WINEP Delivery	PR19YKY_NEP01	text	0	Met	Yes	3E.17
Non-financial performance commitments achieved		%			53	

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Table 3F

Underlying calculations for common performance commitments – water and retail

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level – Actual (current reporting year)	Performance level – Calculated (i.e. standardised)	RAG 4 reference							
Performance commitments set in standardised units – Water													
Mains repairs – Reactive	Mains repairs per 1000 km	Mains length in km	32,375.60	3,755	115.98	3F.1							
Mains repairs – Proactive	Mains repairs per 1000 km	Mains length in km	32,375.60	1,919	59.27	3F.2							
Mains repairs	Mains repairs per 1000 km	Mains length in km	32,375.60	5,674	175.26	3F.3							
Per capita consumption (PCC)	lpd	Total household population (000s) and household consumption (Ml/d)	5,463.44	685	125.30	3F.4							
Line description	Unit	Performance level – actual (2017–2018)	Performance level – actual (2018–2019)	Performance level – actual (2019–2020)	Baseline (average from 2017–2018 to 2019–2020)	Performance level – actual (2020–21)	Performance level – actual (2021–2022)	Performance level – actual (2022–2023)	Performance level – actual (2023–2024)	Performance level – actual (2024–2025)	Performance level 3 year average (current and previous 2 years)	Calculated performance level to compare against PCLs	RAG 4 reference
Performance commitments measured against a calculated baseline													
Leakage	Ml/d	323.0	324.1	298.7	315.3	289.8	283.1	282.8	260.0		275.3	12.7	3F.5
Per capita consumption (PCC)	lpd	128.3	128.6	127.7	128.2	141.2	131.5	123.9	125.3		126.9	1.0	3F.6

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Table 3F – continued

Underlying calculations for common performance commitments – water and retail

Line description	Unit	Standardising data indicator	Standardising data numerical value	Total minutes lost	Number of properties supply interrupted	Calculated performance level			RAG 4 reference
Water supply interruptions									
Water supply interruptions	Average number of minutes lost per property per year	Number of properties (thousands)	2,392.89	25344000	61,183	00:10:35			3F.7
Line description	Current company level peak week production capacity (PWPC) MI/d	Reduction in company level PWPC MI/d	Outage proportion of PWPC %						
Unplanned or planned outage									
Unplanned outage	1,655.50	48.86	2.95%						
Line description	Total residential properties (000s)	Total number of households on the PSR (as at 31 March)	PSR reach	Total number of households on the PSR over a 2 year period	Number of attempted contacts over a 2 year period	Attempted contacts %	Number of actual contacts over a 2 year period	Actual contacts %	RAG 4 reference
Priority services for customers in vulnerable circumstances									
Priority services for customers in vulnerable circumstances	2,301.61	212,872	9.2%	58,657	62,781	107.0%	19,979	34.1%	3F.9

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Table 3G

Underlying calculations for common performance commitments – wastewater

Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level – actual current reporting year	Calculated performance level	RAG 4 reference
Performance commitments set in standardised units							
Internal sewer flooding – customer proactively reported	PR19YKY_31	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,378.43	574	2.41	3G.1
Internal sewer flooding – company reactively identified (i.e. neighbouring properties)	PR19YKY_31	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,378.43	88	0.37	3G.2
Internal sewer flooding	PR19YKY_31	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,378.43	662	2.78	3G.3
Pollution incidents	PR19YKY_30	Pollution incidents per 10,000 km of sewer length	Sewer length in km	52,263.00	137	26.21	3G.4
Sewer collapses	PR19YKY_33	Number of sewer collapses per 1,000 km of all sewers	Sewer length in km	52,607.00	651	12.37	3G.5

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Table 3H

Summary information on outcome delivery incentive payments

Line description	Initial calculation of performance payments (excluding C-MeX and D-MeX) £m (2017-18 prices)	RAG 4 reference
Initial calculation of in period revenue adjustment by price control		
Water resources	-0.25	3H.1
Water Network Plus	-18.84	3H.2
Wastewater Network Plus	-15.69	3H.3
Bioresources (sludge)	-1.51	3H.4
Residential retail	1.16	3H.5
Business retail	0.00	3H.6
Dummy control	0.00	3H.7
Initial calculation of end of period revenue adjustment by price control		
Water resources	0.00	3H.8
Water Network Plus	-2.06	3H.9
Wastewater Network Plus	0.00	3H.10
Bioresources (sludge)	0.00	3H.11
Residential retail	0.00	3H.12
Business retail	0.00	3H.13
Dummy control	0.00	3H.14
Initial calculation of end of period RCV adjustment by price control		
Water resources	0.00	3H.15
Water Network Plus	0.00	3H.16
Wastewater Network Plus	0.00	3H.17
Bioresources (sludge)	0.00	3H.18
Residential retail	0.00	3H.19
Business retail	0.00	3H.20
Dummy control	0.00	3H.21

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Table 31
Supplementary outcomes information

Line description	Current company level peak week production capacity (PWPC) Ml/d	Reduction in company level PWPC Ml/d	Outage proportion of PWPC %					RAG 4 reference			
Unplanned or planned outage											
Planned outage	1,655.50	41.88	2.53%					31.1			
Line description	Deployable output	Outage allowance	Dry year demand	Target headroom	Total population supplied	Customers at risk					
Risk of severe restrictions in drought											
Risk of severe restrictions in drought	1,442.92	43.90	1,261.38	125.54	5,427,500.00	0.00				31.2	
Line description	Total pe served	Total pe in excluded catchments	Percentage of total pe in excluded catchments	Total pe Option 1a	Percentage of total pe Option 1a	Total pe Option 1b	Percentage of total pe Option 1b	Vulnerability risk grade			
								Low	Medium	High	
Risk of sewer flooding in a storm											
Risk of sewer flooding in a storm	5,275,626	0	0.00%	232,465	4.41%	5,043,162	95.59%	94.32%	0.28%	5.39%	31.3
Line description	Number of patch repairs or relining undertaken on sewer and not included in reported sewer collapses										
Sewer collapses											
Sewer collapses	1,223										31.4

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Table 4: Additional regulatory information – service level

Introduction

The information in this section details 'Additional regulatory information - service level' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 4A	Water bulk supply
Pro forma 4B	Analysis of debt
Pro forma 4C	Impact of price control performance to date on RCV
Pro forma 4D	Totex analysis - water resources and water Network Plus
Pro forma 4E	Totex analysis - wastewater Network Plus and bioresources
Pro forma 4F	Major project expenditure for wholesale water by purpose
Pro forma 4G	Major project expenditure for wholesale wastewater by purpose
Pro forma 4H	Financial metrics
Pro forma 4I	Financial derivatives
Pro forma 4J	Base expenditure analysis - water resources and water Network Plus
Pro forma 4K	Base expenditure analysis - wastewater Network Plus and bioresources
Pro forma 4L	Enhancement expenditure - water resources and water Network Plus
Pro forma 4M	Enhancement expenditure - wastewater Network Plus and bioresources
Pro forma 4N	Developer services expenditure - water resources and water Network Plus

<u>Pro forma 4O</u>	Developer services expenditure – wastewater Network Plus and bioresources
<u>Pro forma 4P</u>	Developer services non-price control expenditure
<u>Pro forma 4Q</u>	Developer services – Non financial information
<u>Pro forma 4R</u>	Connected properties, customers and population
<u>Pro forma 4V</u>	Mark-to-market of financial derivatives analysed based on payment dates
<u>Pro forma 4W</u>	Defined Benefit Pension Scheme – Additional Information
<u>Pro forma 4Y</u>	Accelerated infrastructure delivery project expenditure – wastewater Network Plus and bioresources



Table 4A

Water bulk supply information for the 12 months ended 31 March 2024

Line description	Volume	Operating costs	Revenue	RAG 4 reference
Unit DPs	MI 3	£m 3	£m 3	
Bulk supply exports				
Anglian Water – Finningley	94.378	0.060	0.124	4A.1
Severn Trent Water – Bradway Grange Farm	0.323	0.000	0.001	4A.2
NAV – IWNL	551.394	0.350	0.700	4A.3
NAV – Leep	1.551	0.001	0.003	4A.4
NAV – ESP	18.395	0.012	0.021	4A.5
Total bulk supply exports	666.042	0.423	0.849	4A.26
Bulk supply imports				
Severn Trent Water – Ladybower	20,892.163	4.241		4A.27
Total bulk supply imports	20,892.163	4.241		4A.52

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4B

Analysis of debt for the 12 months ended 31 March 2024

Due to the size of the data table, we have published Table 4B separately on our website here: yorkshirewater.com/about-us/reports/

The table itself displays our analysis of debt per 'fixed rate instrument' and 'Floating rate instrument' for 2023/2024 and provides the following information:

- Instrument
- Issuer
- Category
- Maturity type
- Instrument identifier
- Seniority
- Long-term issue credit rating
- Currency
- Issue date
- Issue price
- Maturity date
- Years to maturity
- Original issuance/facility size
- Principal sum outstanding
- Amount used to calculate nominal interest cost and cash interest payment
- Years to maturity x principal sum
- RPI interest rate
- CPI interest rate
- Reference benchmark
- Reference benchmark rate
- Margin over reference benchmark rate
- Nominal interest rate
- Nominal interest cost
- Cash interest cost
- Utilisation fee
- Commitment fee
- Issuance costs
- Value per balance sheet
- Fair value of debt
- Further information

All entries in Table 4B agree to [Table 1E](#).

1. Class A and Class B ratings reflect debt ratings issued by CRA's on publicly rated debt (S&P/Moody's/Fitch).
2. The total fair values of swaps are shown on the paying legs.
3. SONIA cash flows are calculated using compounded SONIA at the year end, for the relevant interest period with 5 day lookback applied.
4. IL swaps have been regrouped since prior years, to ensure accurate reporting of the additional reporting Ofwat requested on swaps.

Table 4C

Impact of price control performance to date on RCV

Line description	Units	DPs	12 months ended 31 March 2024					Price control period to date					RAG 4 reference
			Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	
Totex (net of business rates, abstraction licence fees and grants and contributions)													
Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	41.315	342.790	418.821	86.480	0.000	154.165	1,284.835	1,991.944	282.012	0.000	4C.1
Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	46.569	398.071	667.413	40.522	0.000	173.383	1,479.367	1,861.632	196.373	0.000	4C.2
Transition expenditure	£m	3	0.000	-0.527	-3.291	0.000	0.000	0.405	0.266	2.066	0.083	0.000	4C.3
Disallowable costs	£m	3	0.000	0.466	4.319	0.000	0.000	0.009	2.252	8.797	0.047	0.000	4C.4
Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	£m	3	46.569	397.078	659.803	40.522	0.000	173.779	1477.381	1854.901	196.409	0.000	4C.5
Variance	£m	3	5.254	54.288	240.982	-45.958	0.000	19.614	192.546	-137.043	-85.603	0.000	4C.6
Variance due to timing of expenditure	£m	3	0.007	0.047	168.221	-3.000	0.000	0.001	0.008	-281.816	-22.634	0.000	4C.7
Variance due to efficiency	£m	3	5.247	54.241	72.761	-42.958	0.000	19.613	192.538	144.773	-62.969	0.000	4C.8
Customer cost sharing rate – outperformance	%	2	55.00%	55.00%	55.00%	0.00%	0.00%	55.00%	55.00%	55.00%	0.00%	0.00%	4C.9
Customer cost sharing rate – underperformance	%	2	45.00%	45.00%	45.00%	0.00%	0.00%	45.00%	45.00%	45.00%	0.00%	0.00%	4C.10
Customer share of totex overspend	£m	3	2.361	24.409	32.742	0.000	0.000	8.826	86.642	65.148	0.000	0.000	4C.11
Customer share of totex underspend	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.12
Company share of totex overspend	£m	3	2.886	29.833	40.018	0.000	0.000	10.787	105.896	79.625	0.000	0.000	4C.13
Company share of totex underspend	£m	3	0.000	0.000	0.000	-42.958	0.000	0.000	0.000	0.000	-62.969	0.000	4C.14

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4C – continued

Impact of price control performance to date on RCV

Line description	Units	DPs	12 months ended 31 March 2024					Price control period to date					RAG 4 reference
			Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	
Totex – business rates and abstraction licence fees													
Final determination allowed totex – business rates and abstraction licence fees	£m	3	16.176	38.174	20.530	1.416	0.000	59.182	139.662	75.111	5.180	0.000	4C.15
Actual totex – business rates and abstraction licence fees	£m	3	16.457	27.190	20.102	4.622	0.000	61.702	127.822	68.787	13.395	0.000	4C.16
Variance – business rates and abstraction licence fees	£m	3	0.281	-10.984	-0.428	3.206	0.000	2.520	-11.840	-6.324	8.215	0.000	4C.17
Customer cost sharing rate – business rates	%	2	-111.57%	91.69%	90.00%	78.55%	0.00%	44.66%	92.21%	90.00%	76.94%	0.00%	4C.18
Customer cost sharing rate – abstraction licence fees	%	2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4C.19
Customer share of totex over/underspend – business rates and abstraction licence fees	£m	3	-0.314	-10.071	-0.385	2.518	0.000	1.126	-10.918	-5.692	6.321	0.000	4C.20
Company share of totex over/underspend – business rates and abstraction licence fees	£m	3	0.595	-0.913	-0.043	0.688	0.000	1.394	-0.922	-0.632	1.894	0.000	4C.21
Totex not subject to cost sharing													
Final determination allowed totex – not subject to cost sharing	£m	3	0.000	3.162	0.023	0.000	0.000	0.155	12.407	0.976	0.238	0.000	4C.22
Actual totex – not subject to cost sharing	£m	3	-0.036	1.089	3.909	0.000	0.000	1.492	30.337	22.189	1.916	0.000	4C.23
Variance – 100% company allocation	£m	3	-0.036	-2.073	3.886	0.000	0.000	1.337	17.930	21.213	1.678	0.000	4C.24
Total customer share of totex over/under spend	£m	3	2.047	14.337	32.357	2.518	0.000	9.951	75.724	59.456	6.321	0.000	4C.25

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Table 4C – continued

Impact of price control performance to date on RCV

Line description	Units	DPs	12 months ended 31 March 2024					Price control period to date					RAG 4 reference
			Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional Control	
RCV													
Total customer share of totex over/under spend	£m	3	2.047	14.337	32.357	2.518	0.000	9.951	75.724	59.456	6.321	0.000	4C.26
PAYG rate	%	2	77.64%	77.30%	50.41%	50.76%	0.00%	81.32%	73.87%	41.77%	56.27%	0.00%	4C.27
RCV element of cumulative totex over/underspend	£m	3	0.458	3.255	16.047	1.240	0.000	1.859	19.784	34.621	2.764	0.000	4C.28
Adjustment for ODI outperformance payment or underperformance payment	£m	3						0.000	0.000	0.000	0.000	0.000	4C.29
Green recovery	£m	3						0.000	0.000	0.000		0.000	4C.30
RCV determined at FD at 31 March	£m	3						705.658	2,896.083	5,154.139	376.345	0.000	4C.31
Projected 'shadow' RCV	£m	3						707.517	2,915.867	5,188.760	379.109	0.000	4C.32

Key

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Totex (net of business rates, abstraction licence fees and grants and contributions) (Lines 1-14)

4C.1: This was provided by Ofwat in the Financial Flows Data spreadsheet and was inflated to nominal prices from 2017/2018 Average CPIH price base.

4C.2: This has been calculated as per the Ofwat line definition, however we have included the impact of insurance income related to flood recovery claims within the cumulative wastewater network control. The value of this income is £8.7m (£3.0m 2021/2022 and £5.7m 2020/2021). We have also made adjustments to transfer the industrial emission directive (IED) expenditure and the strategic resources option expenditure into line 4C.16, this will enable the correct sharing mechanisms to be applied. The IED expenditure sharing mechanism was determined by the CMA and is 75:25 customer funded, the SRO has been approved through RAPID and will be recovered through the PR24 process through the strategic regional water resources reconciliation model.

4C.3: We have included the transitional totex that we incurred in 2018/2019 and 2019/2020 within our cumulative position.

4C.4: This has been calculated as per the Ofwat line definition.

4C.7: We have included an adjustment to reflect the impact of timing differences.

4C.9: This reflects the sharing rates which were included in the CMA FD19.

4C.10: This reflects the sharing rates which were included in the CMA FD19.

Totex – business rates and abstraction licence fees (Lines 15-21)

We have included our Industrial Emissions Directive (IED) expenditure within Bioresources as 4C had not been updated to include this specifically.

4C.15: This was provided by Ofwat in the Financial Flows Data spreadsheet and was inflated to nominal prices from 2017/2018 Average CPIH price base. As we have no allowance for IED or the SRO then no adjustment was required.

4C.16: We have included IED expenditure into this line to date this is £7.2m (£2.4m 2023/2024, £1.6m 2022/2023, £1m 2021/2022, £2.1m 2020/2021) and £2.3m to date for the SRO expenditure.

4C.18: This line is used in the table to provide the sharing value of business rates, abstraction, IED and SRO recovery, therefore this line includes the weighted % for each price control after the different sharing rates were applied.

4C.19: We have left this line blank as it does not feed into the calculation of this section.

Totex not subject to cost sharing (Lines 22-24)

4C.22: This was provided by Ofwat in the Financial Flows Data spreadsheet and was inflated to nominal prices from 2017/2018 Average CPIH price base.

4C.23: We have followed Ofwat guidance and have in addition included the CMA expenditure that we excluded from line 4C.2 within our cumulative position.

RCV (Lines 26-32)

4C.27: This was provided by Ofwat in the Financial Flows Data spreadsheet.

4C.29: We do not have any ODIs linked to RCV adjustments.

4C.31: This was published by Ofwat within the RCV spreadsheet.

Table 4D

Totex analysis for the 12 months ended 31 March 2024 – water resources and water Network Plus

Line description	Units	DPs	Network Plus					Total	RAG 4 reference
			Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution		
Operating expenditure									
Base operating expenditure	£m	3	39.378	13.495	3.701	88.327	149.059	293.960	4D.1
Enhancement operating expenditure	£m	3	0.000	0.000	0.000	0.000	26.502	26.502	4D.2
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.3
Total operating expenditure excluding third party services	£m	3	39.378	13.495	3.701	88.327	175.562	320.463	4D.4
Third party services	£m	3	0.000	0.000	0.000	0.000	2.171	2.171	4D.5
Total operating expenditure	£m	3	39.378	13.495	3.701	88.327	177.733	322.634	4D.6
Grants and contributions									
Grants and contributions – operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.7
Capital expenditure									
Base capital expenditure	£m	3	15.120	0.869	0.413	28.623	56.765	101.790	4D.8
Enhancement capital expenditure	£m	3	8.528	0.739	0.002	23.086	18.814	51.169	4D.9
Developer services capital expenditure	£m	3	0.000	0.196	0.000	0.000	28.716	28.912	4D.10
Total gross capital expenditure excluding third party services	£m	3	23.648	1.804	0.415	51.709	104.295	181.871	4D.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.12
Total gross capital expenditure	£m	3	23.648	1.804	0.415	51.709	104.295	181.871	4D.13
Grants and contributions									
Grants and contributions – capital expenditure	£m	3	0.036	0.195	0.000	0.008	15.392	15.631	
Net totex	£m	3	62.990	15.104	4.116	140.028	266.636	488.874	4D.15
Cash expenditure									
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.17
Totex including cash items	£m	3	62.990	15.104	4.116	140.028	266.636	488.874	4D.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4D – continued

Totex analysis for the 12 months ended 31 March 2024 – water resources and water Network Plus

Line description	Units	DPs	Water resources	Network Plus				Total	RAG 4 reference
				Raw water transport	Raw water storage	Water treatment	Treated water distribution		
Atypical expenditure									
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.19
Item 2	£m	3						0.000	4D.20
Item 3	£m	3						0.000	4D.21
Item 4	£m	3						0.000	4D.22
Item 5	£m	3						0.000	4D.23
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.24

CAPEX commentary

Water Resources

Gross regulated capital expenditure associated with the delivery of the wholesale water resources programme in the current reporting year was £23.6m against a Final Determination of £23.6m.

A total of £15.1m has been expended within the water base programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, this is above the FD allowances of £14.8m.

The water resources enhancement capital expenditure in the current report year totals £8.5m against a final determination of £8.8m.

Water Network Plus

Gross regulated capital expenditure associated with the delivery of the wholesale water Network Plus programme in the current reporting year was £158.2m, including £0.5m of AMP8 transitional expenditure, against a Final Determination of £150.4m.

A total of £115.6m has been expended within the water Network Plus base programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, £28.9m is for developer services, against a Final Determination base allowance of £125.1m, which also includes the allowance for all Developer services capital expenditure.

The water Network Plus enhancement capital expenditure in the current report year totals £42.6m, including £0.5m of AMP8 transitional expenditure, against a final determination of £25.3m.

Within the report year we had no third party services expenditure as mains diversions which are NRSWA requests, where a proportion of the income is received that offsets against the total scheme delivery cost, are now included within the Developer Services expenditure reporting line as per RAG 4.12. These costs are also reported in [Table 4P](#) and identified as non-price control diversions and as such not included in [Table 4N.4](#).

Income has been received totalling £15.6m from grants and contributions in the current year associated with the water Network Plus programme against a Final Determination of £14.7m, £13m in the capex allowance and £1.7m in opex allowance.

Further detailed information on the grants and contributions reported on line 4D.14 can be found in [Table 2E](#) which identifies all income received through grants and contributions by type.

Table 4D provides information relating to wholesale water upstream services from raw water abstraction to water distribution. For further information regarding base operating expenditure variances please refer to [Table 4J](#).

Key

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Operating expenditure

Water resources

Please refer to [Table 4J](#) for base operating expenditure variance commentary.

Water Network Plus

Please refer to [Table 4J](#) for base operating expenditure variance commentary.

Treated water distribution has seen an annual increase of £9.0m principally reflecting a £4.0m increase in base operating expenditure, £4.2m increase in enhancement expenditure to drive leakage performance improvements, and £0.9m increased third party services.

Due to the significant impact of the drought on the Water price control in 2022/2023, we have adjusted for the drought atypical costs to enable a like for like comparison.

Cash expenditure

As in 2022/2023, there are no pension costs for 2023/2024. As agreed at PR09 and reiterated in Information Note 13-17 at PR19, 2021/2022 was the final year of pension deficit payments to be funded by customers.

Atypical expenditure

Base operating expenditure includes £nil atypical expenditure.

Technical notes

As per the information notice (IN22/01) the provision in relation to the innovation fund in 2023/2024 has been excluded from operating expenditure with no corresponding adjustment to revenue.

Line description	Adjusted for FY23 Drought							
	Units	DPs	Water resources	Network+				Total
				Raw water transport	Raw water storage	Water treatment	Treated water distribution	
Adjusted Operating expenditure variances								
Base operating expenditure	£m	3	0.054	-1.547	0.536	21.854	4.027	24.922
Enhancement operating expenditure	£m	3	0.000	0.000	0.000	0.000	4.188	4.188
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000
Total operating expenditure excluding third party services	£m	3	0.054	-1.547	0.536	21.854	8.216	29.110
Third party services	£m	3	0.000	0.000	0.000	0.000	0.854	0.854
Total operating expenditure variance	£m	3	0.054	-1.547	0.536	21.854	9.070	29.964



Table 4E

Totex analysis for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Units	DPs	Network Plus Sewage collection			Network Plus Sewage treatment		Bioresources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal		
Operating expenditure												
Base operating expenditure	£m	3	48.664	18.531	6.411	131.106	0.067	11.323	8.694	8.441	233.237	4E.1
Enhancement operating expenditure	£m	3	0.000	0.000	0.000	0.057	0.000	0.000	0.000	0.000	0.057	4E.2
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.3
Total operating expenditure excluding third party services	£m	3	48.664	18.531	6.411	131.163	0.067	11.323	8.694	8.441	233.294	4E.4
Total third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.5
Total operating expenditure	£m	3	48.664	18.531	6.411	131.163	0.067	11.323	8.694	8.441	233.294	4E.6
Grants and contributions												
Grants and contributions – operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.7
Capital expenditure												
Base capital expenditure	£m	3	96.775	32.605	9.794	83.597	0.835	0.103	7.886	4.444	236.039	4E.8
Enhancement capital expenditure	£m	3	28.241	15.578	3.372	210.301	0.010	0.000	4.253	0.000	261.755	4E.9
Developer services capital expenditure	£m	3	8.394	1.134	0.325	0.579	0.000	0.000	0.000	0.000	10.432	4E.10
Total gross capital expenditure excluding third party services	£m	3	133.410	49.317	13.491	294.477	0.845	0.103	12.139	4.444	508.226	4E.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total gross capital expenditure	£m	3	133.410	49.317	13.491	294.477	0.845	0.103	12.139	4.444	508.226	4E.13
Grants and contributions												
Grants and contributions – capital expenditure	£m	3	6.783	1.845	0.523	0.119	0.000	0.000	0.000	0.000	9.270	4E.14
Net totex	£m	3	175.291	66.003	19.379	425.521	0.912	11.426	20.833	12.885	732.250	4E.15

Key

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Table 4E – continued

Totex analysis for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Units	DPs	Network Plus Sewage collection			Network Plus Sewage treatment		Bioresources			Total	RAG 4 reference	
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal			
Cash expenditure													
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.17
Totex including cash items	£m	3	175.291	66.003	19.379	425.521	0.912	11.426	20.833	12.885	732.250		4E.18
Atypical expenditure													
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.19
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.20
Item 3	£m	3										0.000	4E.21
Item 4	£m	3										0.000	4E.22
Item 5	£m	3										0.000	4E.23
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.24

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

CAPEX commentary

Wastewater Network Plus

Gross regulated capital expenditure associated with the delivery of the wholesale wastewater Network Plus programme in the current reporting year was £491.5m against a Final Determination of £269.4m.

A total of £234.0m has been expended within the wastewater Network Plus base programme to maintain and improve service where required to support the delivery of our wastewater and cross-business Performance Commitments, £10.4m is for developer services, against a Final Determination allowance of £154.7m which also includes the allowance for all developer services capital expenditure.

The wastewater Network Plus enhancement capital expenditure in the current report year totals £257.5m, including £3.3m of AMP8 accelerated expenditure, against a final determination of £114.7m, a significant increase when compared to last year’s expenditure of £106.1m. The overspend in 2023/2024 is due to the ramping up of expenditure to catch up on the underspend we have experienced, against the Final Determination forecast expenditure, in the first 3 years of the AMP. The delays on the programme were due to our continued focus on driving efficiencies to deliver the WINEP programme within the Final Determination funding. Further work is still ongoing, by our strategic planning partner Stantec, to ensure that the best overall totex solutions are promoted. Despite the delay we are confident that no regulatory compliance dates have been put at risk, as we are forecasting to meet corresponding regulatory dates.

A total of £9.3m of grants and contributions has been received in the current year associated with the wholesale wastewater programme against a Final Determination of £13.1m, £9.7m in the capex allowance and £3.4m in opex allowance.

Further detailed information on the grants and contributions, reported on line 4E.14, can be found in [Table 2E](#) which identifies all income received through grants and contributions by type.

Bioresources

Gross regulated capital expenditure associated with the delivery of the wholesale bioresources programme in the current reporting year was £16.7m against a Final Determination of £43.4m.

A total of £12.4m has been expended within the bioresources base programme to maintain and improve service where required against a Final Determination allowance of £14.4m.

The bioresources enhancement capital expenditure in the current report year totals £4.3m against an FD allowance of £28.9m.

Table 4E provides information relating to wholesale wastewater upstream services from sewage collection to sludge disposal, for further information please see [Tables 2B](#) and [4K](#).

Operating expenditure

Sewage Collection

Please refer to [Table 4K](#) for base operating expenditure variance commentary.

Sewage Treatment

Please refer to [Table 4K](#) for base operating expenditure variance commentary.

Sewage Treatment has seen a £0.3m reduction in enhancement expenditure.

Bioresources

Please refer to [Table 4K](#) for base operating expenditure variance commentary.

Cash expenditure

As in 2022/2023, there are no pension costs for 2023/2024. As agreed at PR09 and reiterated in Information Note 13-17 at PR19, 2021/2022 was the final year of pension deficit payments to be funded by customers.

Atypical expenditure

Base operating expenditure includes £nil atypical expenditure.

Technical notes

As per the information notice (IN22/01) the provision in relation to the innovation fund in 2023/2024 has been excluded from operating expenditure with no corresponding adjustment to revenue.

Line description	Network+			Network+		Bioresources			Total		
	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport		Sludge treatment	Sludge disposal
Operating expenditure variances											
Base operating expenditure	£m	3	7.467	11.864	-7.683	25.238	0.090	1.691	-5.935	-0.920	31.812
Enhancement operating expenditure	£m	3	0.000	0.000	0.000	-0.297	0.000	0.000	0.000	0.000	-0.297
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total operating expenditure excluding third party services	£m	3	7.467	11.864	-7.683	24.941	0.090	1.691	-5.935	-0.920	31.515
Total third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total operating expenditure variance	£m	3	7.467	11.864	-7.683	24.941	0.090	1.691	-5.935	-0.920	31.515

Table 4F

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2024

Line description	Expenditure in report year £m								Cumulative expenditure incurred on schemes in £m						RAG 4 reference	
	Units	DPs	Water Network Plus					Total	Water Network Plus					Total		
			Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution		Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution			
Major project capital expenditure by purpose																
Capital expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.1
Capital expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.2
Capital expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.3
Capital expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.4
Capital expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.5
Capital expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.6
Capital expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.7
Capital expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.8
Capital expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.9
Capital expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.10
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.11

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4F – continued

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2024

Line description	Expenditure in report year £m								Cumulative expenditure incurred on schemes in £m						RAG 4 reference	
	Units	DPs	Water Network Plus					Total	Water Network Plus					Total		
			Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution		Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution			
Major project operating expenditure by purpose																
Operating expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.12
Operating expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.13
Operating expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.14
Operating expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.15
Operating expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.16
Operating expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.17
Operating expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.18
Operating expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.19
Operating expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.20
Operating expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.21
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.22

CAPEX commentary

We have nil return on this table for the reporting year following the guidance contained in 'RAG 4.12 Guideline for the table definitions in the annual performance report'.

We have £nil return on this table for the reporting year, as per RAG 4.11, section 16.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4G

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2024

Line description	Expenditure in report year £m											RAG 4 reference	
	Wastewater Network Plus						Bioresources						
	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal	Total		
Major project capital expenditure by purpose													
Capital expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1
Capital expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2
Capital expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3
Capital expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4
Capital expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5
Capital expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6
Capital expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7
Capital expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8
Capital expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9
Capital expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11
Major project operating expenditure by purpose													
Operating expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12
Operating expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13
Operating expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14
Operating expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15
Operating expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16
Operating expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17
Operating expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18
Operating expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19
Operating expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20
Operating expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4G – continued

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2024

Line description	Units	DPs	Expenditure in report year £m									Total	RAG 4 reference
			Wastewater Network Plus					Bioresources					
			Foul	Sewage collection		Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal			
			Surface water drainage	Highway drainage									
Major project capital expenditure by purpose													
Capital expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1
Capital expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2
Capital expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3
Capital expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4
Capital expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5
Capital expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6
Capital expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7
Capital expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8
Capital expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9
Capital expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11
Major project operating expenditure by purpose													
Operating expenditure purpose – line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12
Operating expenditure purpose – line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13
Operating expenditure purpose – line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14
Operating expenditure purpose – line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15
Operating expenditure purpose – line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16
Operating expenditure purpose – line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17
Operating expenditure purpose – line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18
Operating expenditure purpose – line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19
Operating expenditure purpose – line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20
Operating expenditure purpose – line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22

CAPEX commentary

We have nil return on this table for the reporting year following the guidance contained in 'RAG 4.12 Guideline for the table definitions in the annual performance report'.

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4H

Financial metrics for the 12 months ended 31 March 2024

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
Financial indicators					
Net debt	£m	3	6264.984		4H.1
Regulatory equity	£m	3	2,867.241		4H.2
Regulatory gearing	%	2	68.60%		4H.3
Post tax return on regulatory equity	%	2	-1.73%		4H.4
RORE (return on regulatory equity)	%	2	6.21%	3.13%	4H.5
Dividend yield	%	2	2.93%		4H.6
Retail profit margin – Household	%	2	-0.81%		4H.7
Retail profit margin – Non household	%	2	0.00%		4H.8
Credit rating – Fitch	Text	n/a	n/a		4H.9
Credit rating – Moody's	Text	n/a	Baa2 (Stable)		4H.10
Credit rating – Standard and Poor's	Text	n/a	A- (Negative)		4H.11
Return on RCV	%	2	2.41%		4H.12
Dividend cover	dec	2	0.36		4H.13
Funds from operations (FFO)	£m	3	526.191		4H.14
Interest cover (cash)	dec	2	5.43		4H.15
Adjusted interest cover ratio (ACICR)	dec	2	2.51		4H.16
FFO/Net debt	dec	2	0.08		4H.17
Effective tax rate	%	2	-116.60%		4H.18
Retained cash flow (RCF)	£m	3	442.091		4H.19
RCF/Net debt	dec	2	0.07		4H.20
Borrowings					
Proportion of borrowings which are fixed rate	%	2	35.74%		4H.21
Proportion of borrowings which are floating rate	%	2	7.37%		4H.22
Proportion of borrowings which are index linked	%	2	56.89%		4H.23
Proportion of borrowings due within 1 year or less	%	2	0.03%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	0.03%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	13.71%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	70.82%		4H.27
Proportion of borrowings due in more than 20 years	%	2	15.41%		4H.28

The values included on the table do not include any rounding adjustments.

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4H.6. Dividend Yield

'Dividend yield' is a calculated item linking to [Table 1A](#). Dividend yield of 2.93% (2022/2023: 2.40%) is higher than last year. The dividend has been paid to cover costs relating to the entity that have been incurred elsewhere in the group. This was a legal distribution as sufficient distributable reserves were available at the date of distribution.

4H.9 – 4H.11: Yorkshire Water Services Limited and its financing subsidiaries have credit ratings assigned to their issued debt by three rating agencies, Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and S&P Global Ratings (S&P).

Yorkshire Water Services Limited and its financing subsidiaries have issued two types of debt: Class A and Class B – the main difference between the two is that the Class A lenders have more rights and also payment priority in the event of an unresolved Event of Default than Class B lenders. Fitch, Moody's and S&P periodically confirm and/or re-rate Class A debt and Class B debt credit ratings in the form of published notices.

The latest published ratings for Yorkshire Water Services Limited and its financing subsidiaries are shown in the table below (outlook status shown in brackets):

Rating Agency	Class A debt rating	Class B debt rating	Latest publication
Fitch	A- (stable)	BBB- (stable)	July 2023
Moody's	Baa2 (stable)	Ba1 (stable)	January 2024
S&P	A- (negative)	BBB (negative)	November 2022

The credit rating reports for all three of the rating agencies that assign credit ratings to Yorkshire Water Services Limited and the other companies within the Yorkshire Water Financing Group can be found on our group website at: keldagroup.com/investors/creditor-considerations/ratings-reports/

Ofwat monitors Yorkshire Water's Moody's Class A Debt Rating and S&P's Class A Issue Rating. Accordingly, these two ratings meet the definition for inputting into the table as at 31 March 2024.

Table 4H.13. Dividend cover

The dividend cover ratio for this year is 0.362 (2022/2023: 8.150). This has decreased due to the regulatory profit for the year of £30.4m (2022/2023: profit of £508.0m) per [Table 1A.14](#), which is lower due largely to the reduction in fair value of financial instruments in 2024 to £71.6m from £797.9m.

4H.15: We have used the formula in Ofwat's guidance to calculate the interest cover (cash) in [Table 4H](#) line 15:

$$\text{Interest cover (cash)} = \frac{\text{Funds from operations (Table 4H line 14) calculated before deducting interest paid (cash)}}{\text{Interest paid (cash)}}$$

Interest paid on borrowings is made up of the following:

	£m
YW Net Interest Paid (Table 1D Line 10 of the APR).	£89.4
Add back interest received on subordinated inter-company loans (see note 6 of Yorkshire Water Services Ltd annual report and financial statement for the year ended 31 March 2024) yorkshirewater.com/reports	£27.9
Add loan repayment from YW to fund interest payments on exchange bonds held by subsidiary companies to pay the interest on bonds raised by those subsidiary companies (see note 16 of Yorkshire Water Services Ltd annual report and financial statement for the year ended 31 March 2024 and further detail below). yorkshirewater.com/reports	£2.7
Interest Paid on Borrowings	£120.0

Certain bonds issued by subsidiaries of YW and subsequently on-lent to YW at their issue date had their terms changed in 2009. The changes involved exchanging the bonds with the bond holders for new bonds – resulting in changes to both their nominal value and applicable interest rates. 'Exchange Accounting' was applied by YW in relation to these bonds.

The difference in the pre and post exchange interest rates resulted in a funding gap between the interest payable on the original bonds and the actual interest payable at the new interest rates.

These differences are covered by loans between YW and its subsidiary – Yorkshire Water Finance Plc (YWFplc) whereby YW pays an amount over to YWF plc in order for the correct amount of interest to be paid to the bond holders. For the year ended 31 March 2024 this difference amounted to £2.7m. The associated loans will be repayable in full when the bonds mature.

The purpose of adding the £2.7m to the interest cost is to reflect the actual interest cost that YW and its subsidiaries have to pay to its external bond holders and therefore better reflects the actual interest attributable to YW.

Therefore, the calculation for line 15: Interest cover (cash) is as follows:

$$\text{Interest cover (cash)} = (\text{£}531.1\text{m} + \text{£}120.0\text{m}) / \text{£}120.0\text{m} = 5.43 \text{ times.}$$

4H.16: We have used the formula in Ofwat's guidance (which is different to the methodology used within our covenanted interest cover ratios and also the methodology used by the credit rating agencies) to calculate the adjusted interest cover (cash) in Table 4H line 16. The formula is as follows:

$$\text{Adjusted Interest Cover (cash)} = (\text{Funds from operations (Table 4H line 14) before deducting interest paid (cash) less RCV run off}) / \text{Interest paid (cash)}$$

Interest paid on borrowings is as per line 15 – Interest cover (cash). RCV run off is defined within Yorkshire Water's final determination and is adjusted to the year-end price base. The RCV run off figures are published by Ofwat each year.

Therefore, the calculation for line 16: Adjusted interest cover (cash) is as follows:

$$\text{Interest Cover (cash)} = (\text{£}531.1\text{m} + \text{£}120.0\text{m} - \text{£}349.4\text{m}) / \text{£}120.0\text{m} = 2.51 \text{ times.}$$

4H.21 – 4H.28: Yorkshire Water has a balanced mix of funding at fixed, floating and inflation linked interest rates. Yorkshire Water assesses debt portfolio exposures including derivatives. The reported proportion of index linked debt is 56.9% and reflects the position including the consideration of derivatives. If derivatives were not considered, then the company's index linked exposure would be 36.7%.

Yorkshire Water's debt maturity profile reflects the company's effective management of its refinancing requirements.

Yorkshire Water measures its debt percentages against the company's regulated capital value to ensure that no more than 20 per cent of the company's refinancing requirements fall due within any 24-month period and that no more than 40 per cent falls due within any AMP.

The proportion of borrowings due within 1 year or less is 0.03% (2022/23: 2.29%). Yorkshire Water issued bonds with a principal value of £300.0m in the year to 31 March 2024. The bonds were issued at a discount to par, raising £202.1m of net proceeds. Other movements to the proportion of borrowings due reflects the reducing maturity of existing debt.

Table 4I

Financial derivatives

Line description	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate		RAG 4 reference
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable	
Units	£m	£m	£m	£m	£m	£m	£m	%	%	
DPs	3	3	3	3	3	3	3	3	3	
Interest rate swap (sterling)										
Floating to fixed rate	0.000	0.000	0.000	45.000	45.000	5.116	0.000	6.033%	5.523%	4I.1
Floating from fixed rate	1,000.000	0.000	0.000	430.000	1,430.000	23.007	0.000	5.764%	4.979%	4I.2
Floating to index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	4I.3
Floating from index linked	23.405	0.000	110.203	978.445	1,112.053	1,752.851	256.170	2.794%	10.539%	4I.4
Fixed to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	4I.5
Fixed from index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	4I.6
Index-linked to index-linked	0.000	0.000	0.000	300.000	300.000	2.277	0.000	0.000%	0.000%	4I.7
Total	1,023.405	0.000	110.203	1,753.445	2,887.053	1,783.251	256.170			4I.8
Foreign Exchange										
Cross currency swap USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.9
Cross currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.10
Cross currency swap YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.11
Cross currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.12
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.13
Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.14
Currency interest rate swaps EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.15
Currency interest rate swaps YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.16
Currency interest rate swaps Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.17
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4I – continued

Financial derivatives

Line description	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate		RAG 4 reference
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable	
Units	£m	£m	£m	£m	£m	£m	£m	%	%	
DPs	3	3	3	3	3	3	3	3	3	
Forward currency contracts										
Forward currency contracts USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.19
Forward currency contracts EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.20
Forward currency contracts YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.21
Forward currency contracts CAD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.22
Forward currency contracts AUD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.23
Forward currency contracts HKD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.24
Forward currency contracts Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.25
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.26
Other financial derivatives										
Other financial derivatives	0.000	0.000	0.000	0.000	0.000	-1.121	0.000			4I.27
Total financial derivatives	1,023.405	0.000	110.203	1,753.445	2,887.053	1,782.130	256.170			4I.28

Due to the size of the data table, we have published the second half of Table 4I separately on our website here: yorkshirewater.com/about-us/reports/

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4I provides an analysis of Yorkshire Water's portfolio of financial derivatives.

Yorkshire Water's operations expose the company to a variety of financial risks that include interest rate risk and inflation risk.

Yorkshire Water has several interest rate swaps to manage the interest rate risk arising from the debt instruments that are used to finance the company's activities.

Yorkshire Water's revenues are partly linked to the underlying rate of inflation, principally measured by the consumer price index including owner-occupiers' housing costs (CPIH). Revenues are therefore subject to fluctuations in line with changes in CPIH. In addition, Yorkshire Water's RCV, which is one of the critical components for setting customer's bills, is also linked to inflation. The percentage of the company's net debt to RCV is a covenant within Yorkshire Water's financing arrangements. In the absence of any management action, negative inflation could potentially lead to a breach of gearing limits, however, this risk is mitigated by Yorkshire Water maintaining levels of inflation linked debt and being a counterparty to inflation linked swaps.

Interest received on inflation linked swaps is based on the Sterling Overnight Index Average (SONIA). Interest is paid at fixed amounts plus RPI. Movements in RPI are also applied to the nominal value of inflation linked debt and swaps to determine additional amounts to be paid either at maturity or during the life of some inflation linked swaps. Therefore, the impact of inflation reductions on income and RCV is mitigated by reduced interest charges and lower value of inflation linked debt used in calculating gearing as a percentage of RCV.

The inflation profile of Yorkshire Water's debt and swap portfolio continues to be reviewed in relation to reform of RPI methodology, and any changes would be expected to be made between 2025 and 2030.

4I.1: Floating to fixed rate interest rate swaps

In relation to managing interest rate risk Yorkshire Water holds £45.0m (2023: £45.0m) nominal value of legacy floating to fixed rate swaps.

4I.2: Floating from fixed rate interest rate swaps

Also, in relation to managing interest rate risk, Yorkshire Water holds £1,430.0m (2023: £430.0m) nominal value of floating from fixed rate swaps. In September 2023, new floating from fixed rate interest rate swaps with a nominal value of £1,000.00m, maturing in 2025, were entered into. These new swaps have the impact of fixing the floating receive legs of Yorkshire Water's inflation linked swaps until the end of AMP7.

4I.4: Floating from index linked swaps

In relation to managing inflation risk, Yorkshire Water holds £1,112.1m (2023: £1,289.0m) nominal value of floating from index linked swaps (termed inflation linked swaps). In September 2023, two inflation linked swaps with a nominal value of £176.9m were voluntarily early terminated. These two swaps were due to mature in 2026.

Yorkshire Water's inflation linked swaps have the following cash flows:

- Six monthly interest is received by Yorkshire Water based on SONIA.
- Six monthly interest is paid by Yorkshire Water based on a fixed rate plus RPI.
- An RPI linked amount is also payable on maturity of the swaps or at certain predetermined dates over the duration of the swaps.
- A proportion of the swaps also receive six monthly interest amounts based on a margin over the SONIA based rate.

The maturity dates of the company's portfolio of inflation linked swaps range from 2038 to 2063.

At 31 March 2024, swaps with a total nominal value of £292.5m included Mandatory Break clauses in their terms. The dates for these Mandatory Breaks are: 21 February 2025 (£23.4m), 21 February 2028 (£110.2m), 21 August 2030 (£117.5m), and 21 February 2033 (£41.4m). It is prudently assumed in [Table 4I](#) that swaps will mature on their Mandatory Break date.

4I.7: Index-linked to index-linked

Yorkshire Water holds RPI to CPI swaps with a notional value of £300.0m (2023: £nil) to hedge inflation basis risk.

The swaps have the following cash flows:

- Annual accretion receivable linked to RPI
- Annual accretion payable linked to CPI plus a fixed accretion amount payable.

Both RPI-linked and CPI-linked accretion accrued on these swaps at 31 March 2024 was £nil (2023: £nil).

4I.27: Other financial derivatives

Other financial derivatives relate to Yorkshire Water's exposure to energy price fluctuations. Yorkshire Water aims to manage this risk by fixing energy contract prices where possible and operating within an energy purchasing policy that is designed to manage price volatility risk. The notional amounts of energy that Yorkshire Water has hedged is in megawatts per hour (i.e. not in £m's) and therefore the nominal value by maturity has been left blank in line 4I.27.

Lines 4I.29 to 4I.140 provide further analysis by swap types of data items included in lines 4I.1 to 4I.28.

Data validation

Within the statement of financial position at [Table 1C](#), in accordance with generally accepted accounting principles, financial derivatives are stated at fair value rather than the mark to market value. The fair value of a swap is essentially the mark to market value of the swap adjusted to take into account the potential impact of the risk of swap counterparties defaulting (the counterparties being Yorkshire Water and the bank or financial institution providing the swap) as well as a number of other valuation adjustments.

[Table 4I](#) requests information on swap mark to market values rather than swap fair values. The table below reconciles the mark to market values shown in [Table 4I](#) to the fair value amounts shown within [Table 1C](#) (which include credit risk and other valuation adjustments), the latter being reflected within Yorkshire Water's published financial statements.

[Table 4B](#) requests information on the fair value of instruments. Those values included within [Table 4B](#) for financial derivatives are consistent with those presented within [Table 1C](#). Other financial instruments (energy swaps) are not included within [Table 4B](#).

Table 4I to Table 1C reconciliation

Derivative type	Table 4I – mark to market values – liabilities shown as negative and assets shown as positive £m	Valuation adjustment to reflect the day 1 loss/gain on exchange transaction on exchanged swaps in line with IFRS accounting £m	Credit risk and other adjustments required under FRS102 accounting £m	Table 1C £m
Floating to fixed rate	-5.116	0.000	0.201	-4.915
Floating from fixed rate	-23.007	0.000	0.555	-22.452
Floating from index linked	-1,752.851	63.019	199.509	-1,490.323
Index-linked to index-linked	-2.277	0.000	0.063	-2.214
Other financial derivatives	1.121	0.000	-0.001	1.120
Total	-1,782.130	63.019	200.327	-1,518.784

Table 1C	£m
Non-current assets: Financial instruments	240.941
Current assets: Financial instruments	9.081
Non-Current liabilities: Financial instruments	-1,742.601
Current liabilities: Financial instruments	-26.205
Total	-1,518.784

Technical notes

Nominal value

The Nominal value is the face amount that is used to calculate all payments made and received under the associated swap.

Mark to market value

The mark to market value is the net present value of all future expected receipts and payments under a swap. The amount is based on the current market expectations of future interest rates, future inflation rate, and future energy prices depending on the swap in question. Out-of-the-money (liability) positions are presented as positive, in-the-money (asset) positions are presented as negative. This signage convention is reversed in the [Table 4I](#) to [Table 1C](#) reconciliation presented above.

Interest rates

Interest rates payable and receivable for floating legs of derivatives have been determined using compounded SONIA rates for either 6 months or 12 months with 5 day lookback, dependent on the relevant swap as at 31 March 2024.

As only accretion and not interest is settled on index-linked to index-linked derivatives, interest rates are shown as 0.000%.

Table 4J

Base expenditure analysis for the 12 months ended 31 March 2024 – water resources and water Network Plus

Line description	Units	DPs	Water Network Plus					Total	RAG 4 reference
			Water resources	Raw water distribution	Raw water storage	Water treatment	Treated water distribution		
Operating expenditure									
Power	£m	3	5.430	10.036	0.012	20.431	26.033	61.942	4J.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.2
Bulk Supply/Bulk discharge	£m	3	4.241	0.000	0.000	0.000	0.000	4.241	4J.3
Renewals expensed in year (infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.5
Other operating expenditure	£m	3	13.251	1.971	3.167	66.901	97.951	183.241	4J.6
Local authority and Cumulo rates	£m	3	6.123	1.488	0.521	0.751	21.877	30.759	4J.7
Service Charges									
Canal & River Trust abstraction charges/discharge consents	£m	3	0.391	0.000	0.000	0.000	0.000	0.391	4J.8
Environment Agency/NRW abstraction charges/discharge consents	£m	3	9.943	0.000	0.000	0.245	0.000	10.188	4J.9
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.10
Location specific costs & obligations									
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.000	3.199	3.199	4J.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.12
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.13
Total base operating expenditure	£m	3	39.378	13.495	3.701	88.327	149.059	293.960	4J.14
Capital expenditure									
Maintaining the long term capability of the assets – infra	£m	3	12.508	0.625	0.000	0.082	38.687	51.902	4J.15
Maintaining the long term capability of the assets – non-infra	£m	3	2.612	0.244	0.413	28.541	18.078	49.888	4J.16
Total base capital expenditure	£m	3	15.120	0.869	0.413	28.623	56.765	101.790	4J.17
Traffic Management Act									
Projects incurring costs associated with Traffic Management Act	nr	0	0	0	0	0	23607	23607	4J.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

CAPEX commentary

A total of £101.8m has been invested in maintaining the long-term capability of our water assets in the current report year. The above table identifies the split of this investment between each of the price controls as well as by infrastructure investment of £51.9m and non-infra £49.9m.

The total of £51.9m water infra base investment is split between the Water Resources price control £12.5m and the Water Network Plus price control £39.4m.

The total £49.9m of water non-infra base investment is split between the Water Resources price control £2.6m and the Water Network Plus price control £47.3m.

Water Resources investment of £15.1m includes £13.6m of directly allocated investment and £1.5m associated with its reallocation of Management and General costs apportioned across the whole programme.

Water Network Plus investment of £86.7m includes £77.4m of directly allocated investment and £9.3m associated with its reallocation of Management and General costs apportioned across the whole programme.

Table 4J splits out the base expenditure in [4D](#). For more information on year on year variances refer to the commentary for [Table 2B](#) or [4D](#).

Due to the significant impact of the drought on the Water price control in 2022/2023, we have adjusted for the drought atypical costs to enable a like for like comparison.

Water resources

Water resources has seen a year on year increase of £0.1m. This movement comprise c£0.5m increased power costs due to price, £1.1m further other operating expenses due to Water resources share of the increased regulatory and data processing costs, and £1.8m less in non-domestic rates due to the national revaluation done by HMRC VOA.

Water Network Plus

Raw water distribution has seen an annual decrease of £1.5m, reflecting £0.6m reduction in energy costs due to high consumption experienced in 2022/2023 in response to the drought, £0.5m reduction in non-domestic rates and a further c£0.4m net decrease made up of other small movements.

Raw water storage has seen a net increase of £0.5m, reflecting an increase of £0.9m due to this service's portion of regulatory increases (Ofwat licence fee and PR24) as well as a £0.3m reduction in non-domestic rates.

Water Treatment has seen an annual increase of £21.9m. This includes £11.0m increased power costs due to high prices continuing in 2023/2024, £8.7m increased contracted services primarily due to inflationary contractual increases, £1.7m increased sludge recharge from Waste price control largely due to increase in unit rates, £0.5m increased Principal use recharge.

Treated water distribution has seen an annual increase of £4.0m comprising £2.0m due to increased power costs due to price, £10.7m increased repair and maintenance costs, £7.4m reduction in non-domestic rates, £1.7m reduction in employee related costs, £1.8m increased Principal use recharge, £0.5m lower Traffic management costs and a net £0.9m net reduction in other costs.

Line description	Adjusted for FY23 drought								
	Water		Water network+			Water		Treated water	Total
			Raw water	Raw water	Raw water				
	Units	DPs	resources	distribution	storage	treatment	distribution		
Operating expenditure variances									
Power	£m	3	0.508	-0.587	0.007	11.017	1.986	12.930	
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Bulk Supply/Bulk discharge	£m	3	0.159	0.000	0.000	0.000	0.000	0.159	
Renewals expensed in year (infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Other operating expenditure	£m	3	1.080	-0.477	0.870	11.093	9.934	22.502	
Local authority and Cumulo rates	£m	3	-1.798	-0.483	-0.341	-0.249	-7.388	-10.261	
Service Charges variances									
Canal & River Trust abstraction charges/ discharge consents	£m	3	-0.287	0.000	0.000	0.000	0.000	-0.287	
Environment Agency / NRW abstraction charges/ discharge consents	£m	3	0.393	0.000	0.000	-0.005	0.000	0.388	
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Location specific costs & obligations variances									
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.000	-0.507	-0.507	
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	
Total base operating expenditure variance	£m	3	0.054	-1.547	0.536	21.856	4.026	24.924	

Table 4K

Base expenditure analysis for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Units	DPs	Expenditure in report year					RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	
Operating expenditure								
Power	£m	3	7.369	2.749	0.880	65.410	0.444	4K.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	4K.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	4K.3
Renewals expensed in year (infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	4K.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	4K.5
Other operating expenditure	£m	3	39.349	15.000	4.907	42.312	-0.380	4K.6
Local authority and Cumulo rates	£m	3	0.211	0.136	0.044	19.710	0.002	4K.7
Service Charges								
Canal & River Trust abstraction charges/discharge consents	£m	3	0.000	0.000	0.564	0.000	0.000	4K.8
EA/NRW abstraction charges/discharge consents	£m	3	1.574	0.587	0.000	3.675	0.000	4K.9
Other abstraction charges/discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	4K.10
Location specific costs & obligations								
Costs associated with Traffic Management Act	£m	3	0.162	0.059	0.017	0.000	0.000	4K.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	4K.12
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	0.000	4K.13
Total base operating expenditure	£m	3	48.664	18.531	6.411	131.106	0.067	4K.14
Capital expenditure								
Maintaining the long term capability of the assets – infra	£m	3	54.541	19.120	5.521	4.607	0.000	4K.15
Maintaining the long term capability of the assets – non-infra	£m	3	42.234	13.485	4.273	78.990	0.835	4K.16
Total base capital expenditure	£m	3	96.775	32.605	9.794	83.597	0.835	4K.17
Traffic Management Act								
Projects incurring costs associated with Traffic Management Act	nr	0	1284	479	153	0	0	4K.18
Operating expenditure (AMP 7 shadow reported values)								
Power	£m	3	0.000	0.000	0.000	0.353	0.000	4K.19
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	4K.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4K – continued

Base expenditure analysis for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Units	DPs	Expenditure in report year			Total	RAG 4 reference
			Bioresources				
			Sludge Transport	Sludge Treatment	Sludge Disposal		
Operating expenditure							
Power	£m	3	0.007	-13.672	-0.005	63.181	4K.1
Income treated as negative expenditure	£m	3	0.000	-2.131	0.000	-2.131	4K.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	4K.3
Renewals expensed in year (infrastructure)	£m	3	0.000	0.000	0.000	0.000	4K.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	4K.5
Other operating expenditure	£m	3	11.311	22.331	8.443	143.272	4K.6
Local authority and Cumulo rates	£m	3	0.006	2.167	0.002	22.277	4K.7
Service Charges							
Canal & River Trust abstraction charges/discharge consents	£m	3	0.000	0.000	0.000	0.564	4K.8
EA/NRW abstraction charges/discharge consents	£m	3	0.000	0.000	0.000	5.836	4K.9
Other abstraction charges/discharge consents	£m	3	0.000	0.000	0.000	0.000	4K.10
Location specific costs & obligations							
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.238	4K.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	4K.12
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	4K.13
Total base operating expenditure	£m	3	11.323	8.694	8.441	233.237	4K.14
Capital expenditure							
Maintaining the long term capability of the assets – infra	£m	3	0.000	0.000	0.000	83.789	4K.15
Maintaining the long term capability of the assets – non-infra	£m	3	0.103	7.886	4.444	152.250	4K.16
Total base capital expenditure	£m	3	0.103	7.886	4.444	236.039	4K.17
Traffic Management Act							
Projects incurring costs associated with Traffic Management Act	nr	0	0	0	0	1916	4K.18
Operating expenditure (AMP 7 shadow reported values)							
Power	£m	3	0.000	0.000	0.000	0.353	4K.19
Income treated as negative expenditure	£m	3	0.000	-0.353	0.000	-0.353	4K.20

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

CAPEX commentary

A total of £223.6m has been invested in maintaining the long-term capability of our wastewater assets in the current report year. The above table identifies the split of this investment between each of the price controls as well as by infrastructure investment of £83.8m and non-infra £139.8m.

Further detail on the areas of spend and the improvements the overall wastewater base investment will deliver can be found in the commentary for [Table 4E](#).

The total of £83.8m wastewater infra base investment is split between the Network Plus Sewage Collection £79.2m and Network Plus Sewage Treatment £4.6m.

The total £139.8m of wastewater non-infra base investment is split between the Network Plus Sewage collection £60.0m, Network Plus Sewage treatment £79.8m

Investment of £139.2m within the Network Plus Sewage Collection price control is split between £91.1m of investment that is directly allocated, with the remaining £48.1m associated with its reallocation of Management and General costs apportioned across the whole programme.

Investment of £84.4m within the Network Plus Sewage Treatment price control is split between £48.8m of investment that is directly, with the remaining £35.6m associated with its reallocation of Management and General costs apportioned across the whole programme.

Investment of £12.4m within the Bioresources price control is split between £11.7m of investment that is directly allocated, with the remaining £0.7m associated with its reallocation of Management and General costs apportioned across the whole programme.

Table 4K splits out the base expenditure in [4E](#). For more information on year on year variances refer to the commentary for [Table 2B](#) or [4E](#).

Sewage Collection

In 2023/2024, we revised our cost allocation method for these price controls, and all costs are now allocated to the upstream services resulting in total base operating costs to reflect the distribution of assets. As a result of this change, Highways drainage costs decreased and Surface Water drainage costs increased.

Sewage Collection has seen an overall annual increase of £11.7m reflecting £4.3m increased power costs due to high prices continuing in

2023/2024 as well as additional pumping during the many storms, £8.2m increased contracted services, £0.4m increased non-domestic rates, £2.0m additional EA fines in relation to pollution, £1.7m increased benefit relating to Principal use recharge, £2.1m reduction in employee related spend due to severance in 2022/2023 and £0.6m other net cost variances.

Costs associated with Traffic Management Act compliance are in line with previous years.

Sewage Treatment

Sewage Treatment reflects an annual increase of £25.2m reflecting £17.2m increased power costs due to high prices continuing in 2023/2024 as well as increased consumption due to increased flows during the many storms, £7.6m increased contracted services, £4.4m increased non-domestic rates, £1.6m increased benefit relating to Principal use recharge, £2.9m reduction in employee related costs and the remaining £0.5m other net cost variances.

Liquor Treatment has seen an annual increase of £0.1m, primarily due to slight increase in power costs.

Bioresources

Sludge Transport has seen an annual increase of £1.7m, primarily due contractual inflationary increases from our tankering contracts.

Sludge Treatment has seen an annual decrease of £5.9m which includes £6.3m decreased power costs due to high prices continuing in 2023/2024 as well as increased generation performance, £0.4m increased income for renewable energy exports, £0.9m increased non-domestic rates and £0.1m other net cost variances.

Sludge Disposal has seen an annual decrease of £0.9m, primarily due to £0.2m reduction in service charges and the remaining £0.7m is due to decreased contracted services.

Table 4K requires Yorkshire Water to shadow report the cost to wastewater Network Plus of purchasing energy from bioresources, as well as to report income received by the bioresources price control associated with this transfer. As per the guidance in RAG 2, the price used is the price to purchase energy from the national electricity/gas network (the grid).

Line description	Variances										
	Wastewater network+						Bioresources				
	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport t	Sludge Treatment	Sludge Disposal	Total
Operating expenditure variance											
Power	£m	3	2,806	1,112	0.420	17,234	0.059	0.007	-6.332	-0.032	15,273
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	-0.360	0.000	-0.360
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Renewals expensed in year (infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other operating expenditure	£m	3	4,430	10,592	-8,235	3,598	0.028	1,679	-0.121	-0.677	11,293
Local authority and Cumulo rates	£m	3	0.180	0.133	0.033	4,372	0.002	0.006	0.879	0.002	5,606
Service Charges variance											
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.000	0.000	0.284	0.000	0.000	0.000	0.000	0.000	0.284
EA / NRW abstraction charges/ discharge consents	£m	3	-0.020	0.001	-0.192	0.035	0.000	0.000	0.000	-0.214	-0.390
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Location specific costs & obligations variance											
Costs associated with Traffic Management Act	£m	3	0.072	0.026	0.007	0.000	0.000	0.000	0.000	0.000	0.106
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total base operating expenditure variance	£m	3	7,467	11,865	-7,683	25,238	0.090	1,691	-5,935	-0,920	31,812

Table 4L

Enhancement expenditure for the 12 months ended 31 March 2024 – water resources and water Network Plus

Due to the size of the data table, we have published Table 4L separately on our website here: yorkshirewater.com/about-us/reports/

CAPEX commentary

The water Network Plus enhancement capital expenditure in the current report year totals £42.1m against a final determination of £25.3m. There is £41.4m of direct allocation and £0.7m associated with its reallocation of Management and General costs apportioned across the whole programme.

The water resources enhancement capital expenditure in the current report year totals £8.5m against a final determination of £8.7m and this is all directly allocated.

We have included 1 free-form line, 4L.100 – COVID-19 capital costs. This was created in 2020/2021 to show enhancement expenditure that was due to COVID-19 delays. We have no costs assigned to here this year, however we shown the expenditure from 2020/2021 within the cumulative column.

Transition and Acceleration Expenditure

We have no water acceleration schemes so this column will always be a nil-return.

We have transition expenditure of £0.5m, this is made up of £0.4m on smart meter infrastructure and £0.1m on DWI obligations.

Regulatory obligations delivered within the reporting year

There were two DWI regulatory obligations relating to our wholesale water resources and water Network Plus programme due for completion within the reporting year.

Chellow WTW – Notice – LI/YKS/2018/00005, which had a regulatory date of 31/3/2024 was completed this year at a cumulative cost of £1.6m.

Embsay WTW – Notice – LI/YKS/2018/00006, which had a regulatory date of 30/9/2023 was completed this year at a cumulative cost of £3.6m.

The costs for these schemes can be found on line 4L.67.

We also completed some block schemes relating to leakage totalling £1.2m, found on line 4L.26.

All other AMP7 Water WINEP and DWI regulatory obligations are forecast to be completed before or in line with their corresponding compliance dates.

OPEX

Treated water distribution has reported £26.5m of leakage related enhancement expenditure. This has increased by £4.2m, reflective of the additional resources consumed to drive leakage performance improvements.

Table 4M

Enhancement expenditure for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Due to the size of the data table, we have published Table 4M separately on our website here: yorkshirewater.com/about-us/reports/

CAPEX commentary

The wastewater Network Plus enhancement capital expenditure in the current report year totals £254.2m against a final determination of £154.7m. There is £252.3m of direct allocation and £1.9m associated with its reallocation of Management and General costs apportioned across the whole programme.

The overspend in 2023/2024 is due to the ramping up of expenditure to catch up on the underspend we have experienced, against the Final Determination forecast expenditure, in the first 3 years of the AMP. The delays on the programme were due to our continued focus on driving efficiencies to deliver the WINEP programme within the Final Determination funding. Further work is still ongoing, by our strategic planning partner Stantec, to ensure that the best overall totex solutions are promoted. Despite the delay we are confident that no regulatory compliance dates have been put at risk, as we are forecasting to meet corresponding regulatory dates.

The bioresources enhancement capital expenditure in the current report year totals £4.3m which is all directly allocated.

Transition and Acceleration Expenditure

We have acceleration expenditure of £3.3m, this is made up of £3.2m on the Inland bathing water improvement scheme and £0.1m on the Coastal bathing water improvement scheme.

We have no wastewater transition expenditure this year.

Regulatory obligations delivered within the reporting year

We have achieved 4 storage at STW regulatory outputs within the year with cumulative expenditure totalling £2.7m, all mapped to line 4M.13.

- Long Riston North STW
- Long Marston STW
- Kirkbymoorside STW
- Holme on Spalding Moor WWTW

All AMP7 Wastewater WINEP regulatory obligations are forecast to be completed before or in line with their corresponding compliance dates.

OPEX

There are no opex costs for enhancement expenditure. Costs are expected to be incurred in 2024/2025.

Table 4N

Developer services expenditure for the 12 months ended 31 March 2024 – water Network Plus (price control)

Line description	Units	DPs	Water Network Plus			RAG 4 reference
			Capex	Opex	Totex	
New connections	£m	3	6.655	0.000	6.655	4N.1
Requisition mains	£m	3	8.415	0.000	8.415	4N.2
Infrastructure network reinforcement	£m	3	10.403	0.000	10.403	4N.3
s185 diversions	£m	3	1.504	0.000	1.504	4N.4
Other price controlled activities	£m	3	0.000	0.000	0.000	4N.5
Total developer services expenditure	£m	3	26.977	0.000	26.977	4N.6

CAPEX commentary

Developer services expenditure associated with the wholesale water programme in the current report year total £27.0m which is all reported in the above table under the Water Network Plus Treated water distribution price control.

Income totalling £12.1m has been received and reported within [Table 2E](#).

OPEX

The majority of our developer services costs are of a capital nature and minimise the requirements for opex costs.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 40

Developer services expenditure for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Wastewater Network Plus								RAG 4 reference	
	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Total		
Capex										
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40.1
Requisition sewers	£m	3	5.094	0.045	0.018	0.000	0.000	5.157	40.2	
Infrastructure network reinforcement	£m	3	0.613	0.036	0.012	0.000	0.000	0.661	40.3	
s185 diversions	£m	3	2.495	1.056	0.274	0.000	0.000	3.824	40.4	
Other price controlled activities	£m	3	0.000	0.000	0.000	0.128	0.000	0.128	40.5	
Total total developer services capex	£m	3	8.202	1.137	0.304	0.128	0.000	9.771	40.6	
Opex										
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.7	
Requisition sewers	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.8	
Infrastructure network reinforcement	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.9	
s185 diversions	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.10	
Other price controlled activities	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.11	
Total developer services opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.12	
Totex										
Total developer services expenditure	£m	3	8.202	1.137	0.304	0.128	0.000	9.771	40.13	

CAPEX commentary

Developer services expenditure associated with the wholesale wastewater programme in the current report year total £9.8m which is all reported in the above table under the Wastewater Network Plus price control.

Income totalling £8.2m has been received and reported within [Table 2E](#).

OPEX

The majority of our developer services costs are of a capital nature and minimise the requirements for opex costs. Yorkshire Water does not undertake the laying and construction of sewer connections, as we do not exercise our powers under S107. Therefore, line 40.7 to 40.12 is a nil return.

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4P

Expenditure on non-price control diversions for the 12 months ended 31 March 2024

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Total	RAG 4 reference
Capex							
Capex associated with NSWRA diversions	£m	3	0.000	1.919	0.200	2.119	4P.1
Capex associated with other non-price control diversions	£m	3	0.000	0.016	0.462	0.478	4P.2
Other developer services non-price control capex	£m	3	0.000	0.000	0.000	0.000	4P.3
Developer services non-price control capex	£m	3	0.000	1.935	0.662	2.597	4P.4
Opex							
Opex associated with NSWRA diversions	£m	3	0.000	0.000	0.000	0.000	4P.5
Opex associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.6
Other developer services non-price control opex	£m	3	0.000	0.000	0.000	0.000	4P.7
Developer services non-price control opex	£m	3	0.000	0.000	0.000	0.000	4P.8
Totex							
Costs associated with NSWRA diversions	£m	3	0.000	1.919	0.200	2.119	4P.9
Costs associated with other non-price control diversions	£m	3	0.000	0.016	0.462	0.478	4P.10
Other developer services non-price control totex	£m	3	0.000	0.000	0.000	0.000	4P.11
Developer services non-price control totex	£m	3	0.000	1.935	0.662	2.597	4P.12

CAPEX commentary

Expenditure on non-price control diversions with the wholesale programme in the current report year totals £2.6m.

Income totalling £3.4m has been received and reported within [Table 2E](#).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4Q

Developer services – New connections, properties and mains

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Connections volume data						
New connections (residential – excluding NAVs)	nr	0	8302	9602	17904	4Q.1
New connections (business – excluding NAVs)	nr	0	419	741	1160	4Q.2
Total new connections served by incumbent	nr	0	8721	10343	19064	4Q.3
New connections – SLPs	nr	0	4046			4Q.4
Properties volume data						
New properties (residential – excluding NAVs)	nr	0	10289	10859	21148	4Q.5
New properties (business – excluding NAVs)	nr	0	702	759	1461	4Q.6
Total new properties served by incumbent	nr	0	10991	11618	22609	4Q.7
New residential properties served by NAVs	nr	0	3534	1478	5012	4Q.8
New business properties served by NAVs	nr	0	1	0	1	4Q.9
Total new properties served by NAVs	nr	0	3535	1478	5013	4Q.10
Total new properties	nr	0	14526	13096	27622	4Q.11
New properties – SLP connections	nr	0	4304			4Q.12
New water mains data						
Length of new mains (km) – requisitions	nr	0	29.5			4Q.13
Length of new mains (km) – SLPs	nr	0	47			4Q.14

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

4Q.1 – 4Q.12: The total number of waste Self-Lay Properties (and connections) haven't previously been reported in the APR (in AMP7) based on what our interpretation of the Ofwat guidance was. However, following a query with our Regulator, we have been incorrectly excluding them. This has been rectified within this years reporting, and we will be restating our previous year's figures too. The below shows our breakdown of new connections, and how these compare to last year:

Connections volume data	Residential Connections	Business Connections	2023/2024 Total	2022/2023 Connections	% Difference
Water Connections	4,302	373	4,675	6,272	-29.2%
Self-Lay Property Water Connections	4,000	46	4,046	4,416	-8.7%
Total	8,302	419	8,721	10,688	-20.3%

Connections volume data	Residential Connections	Business Connections	2023/2024 Total	2022/2023 Connections	% Difference
Wastewater Connections	5,716	695	6,411	8,718	-30.5%
Self-Lay Property Wastewater Connections	3,886	46	3,932	0	n/a
Total	9,602	741	10,343	8,718	17.1%

4Q.13 & 4Q.14: This data is made up of both requisition and self-lay mains which has been laid under the statutory mainlaying scheme for 2023/2024.

The length of new mains laid in 2023/2024 is 76.49km, this compares with 86.15km in 2022/2023 and is an 11% decrease.

New Appointments & Variations (NAV) have increased throughout AMP7 and in particular, 2023/2024 saw a significant increase in NAV applications which has subsequently affected requisition mainlaying and, though to a lesser extent, self-lay mainlaying too.

Table 4R

Connected properties, customers and population

Line description	Units	DPs	Unmeasured	Measured	Total	Voids	RAG 4 reference
Customer numbers – average during the year							
Residential water only customers	000s	3	51.056	63.452	114.508	4.334	4R.1
Residential wastewater only customers	000s	3	55.779	70.510	126.289	3.173	4R.2
Residential water and wastewater customers	000s	3	798.827	1250.622	2049.449	79.408	4R.3
Total residential customers	000s	3	905.662	1384.584	2290.246	86.915	4R.4
Business water only customers	000s	3	0.871	22.972	23.843	2.851	4R.5
Business wastewater only customers	000s	3	1.953	3.915	5.868	1.552	4R.6
Business water & wastewater customers	000s	3	12.196	79.900	92.096	20.593	4R.7
Total business customers	000s	3	15.020	106.787	121.807	24.996	4R.8
Total customers	000s	3	920.682	1491.371	2412.053	111.911	4R.9

Line description	Units	DPs	Water			Wastewater			RAG 4 reference
			Un-measured	Measured	Total	Un-measured	Measured	Total	
Property numbers – average during the year									
Residential properties billed	000s	3	849.883	1314.074	2163.957	854.606	1321.132	2175.738	4R.10
Residential void properties	000s	3			83.742			82.581	4R.11
Total connected residential properties	000s	3			2247.699			2258.319	4R.12
Business properties billed	000s	3	13.068	102.872	115.940	14.149	83.815	97.964	4R.13
Business void properties	000s	3			23.444			22.145	4R.14
Total connected business properties	000s	3			139.384			120.109	4R.15
Total connected properties	000s	3			2387.083			2378.428	4R.16

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4R – continued

Connected properties, customers and population

Line description	Units	DPs	Water															RAG 4 reference	
			Unmeasured					Measured					Unbilled			Total			
			No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	Un-economic to bill		Other		Total
Property and meter numbers – at end of year (31 March)																			
Total new residential properties connected in year	000s	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.605	6.393	4.206	16.204			16.204	4R.17	
Total number of new business properties connections	000s	3	0.214	0.001	0.000	0.000	0.000	0.215	0.000	0.060	0.412	0.000	0.589	1.061			1.276	4R.18	
Residential properties billed at year end	000s	3	838.322	0.465	3.361	0.000	0.000	842.148	0.000	167.806	1112.034	30.506	18.099	1328.445			2170.593	4R.19	
Residential properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.20
Residential void properties at year end	000s	3						38.825						44.555			83.380	4R.21	
Total connected residential properties at year end	000s	3						880.973						1373.000			2253.923	4R.22	
Business properties billed at year end	000s	3	12.851	0.061	0.054	0.000	0.001	12.967	0.012	33.571	65.453	0.000	3.221	102.257			115.224	4R.23	
Business properties unbilled at year end	000s	3													0.000	0.095	0.095	0.095	4R.24
Business void properties at year end	000s	3						5.480						18.508			23.988	4R.25	
Total connected business properties at year end	000s	3						18.447						120.765			139.307	4R.26	
Total connected properties at year end	000s	3						899.420						1493.765			2393.280	4R.27	

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4R – continued

Connected properties, customers and population

Line description	Units	DPs	Water	Wastewater	RAG 4 reference
Population data					
Resident population	000s	3	5549.251	5578.619	4R.28
Non-resident population (wastewater)	000s	3		129.703	4R.29

			Water			
Line description	Units	DPs	Resident population	Non-resident population	Total	RAG 4 reference
Household population data						
Household population	000s	3	5463.046	0.000	5463.046	4R.30
Household measured population (water only)	000s	3	3135.293	0.000	3135.293	4R.31
Household unmeasured population (water only)	000s	3	2327.753	0.000	2327.753	4R.32

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

4R.1 – 4R.4: Total residential customers have increased by 15,513 (0.7%) to 2,290,245. Voids have increased by 1,854 (2.2%) to 86,914.

In year new connections appear to remain in line with previous years and whilst we continue to focus on managing void properties we have seen an increase this year.

4R.5 – 4R.8: In 2023/2024 we have seen there has been an increase in void properties (1,242 properties), along with a decrease in occupied/billed properties (1,639 properties). This has meant that overall there has been a decrease in business customers of circa 400 properties.

As there are circa 140,000 Supply Point IDs (SPIDs) relating to business customers, the differences in these figures are all miniscule, and in line with changes identified over previous years.

4R.9 – 4R.12: Unmeasured residential customers have reduced by 23,218 (-2.5%) to 905,661 with voids increasing by 49 (0.1%) to 41,264. The reduction is mainly due to customers switching to metered accounts.

Measured residential customers have increased by 38,732 (2.9%) to 1,384,584 with voids increasing by 1,805 (4.1%) to 45,650. The increase is due to customers switching from unmeasured accounts and new connections.

4R.17: In year new connections appear to have resumed to normal levels at 16,204.

4R.18: Compared to 2022/2023 there are 107 more new connections for business properties. Within this there has been a change in the type of meters which were most common. In 2022/2023 the primary meter type was AMR meters however, we have seen this change in 2023/2024 to be AMI active meters, in line with our smart meter roll out programme.

4R.19: Total residential customers have increased by 10,554 (0.5%) to 2,170,593.

In year new connections appear to remain in line with previous years and whilst we continue to focus on managing void properties, we have seen an increase this year resulting in a year end position of 3.84% versus 2022/2023 of 3.69%.

4R.20: We do not have any unbilled residential customers.

4R.21: Voids have increased by 3,646 (4.6%) 83,380.

Whilst we continue to focus on managing void properties, we have seen an increase this year resulting in a year end position of 3.84% versus 2022/2023 of 3.69%.

4R.23 – 4R.26: Overall there has been a reduction (1,990 properties) in the number of business properties billed at year end for 2023/2024. We identify the same trend as mentioned above in relation to smart meter penetration.

We have identified an increase in the number of void properties (1,623), which ties in with the decrease in business properties billed (1,990). Therefore there has been an overall decrease in connected business properties by 378 in 2023/2024.

As there are circa 147,000 SPIDs relating to business customers, the differences in these figures are all immaterial, and in line with changes identified over previous years.

4R.28 (Water): Resident Population is calculated as the sum of Household Population ([Table 4R line 30](#)) plus Non-Household Residential Population. Non-Household Residential population includes communal populations living in non-household properties, such as prisons, hospitals and residential homes.

The total water resident population (4R.28) for 2023/2024 is estimated at 5,549,251 people. This is an increase of 49,475 people, 0.9% since last year.

The total water residential population for 2023/2024 is in line with the 2021 ONS census estimate for Yorkshire and The Humber of 5,541,262 (source ONS > Population Estimates, mid-2022 edition). Note, the geographic areas are not identical and so the ONS data can only be used as a guide.

4R.28 (Wastewater): Slight increase when compared to 2022/2023 (1%) as expected due to increasing population. There was a slight increase in the VisitBritain reported occupancy for Jul-Sept compared to last year.

4R.29: Slight increase when compared to 2022/2023 (0.4%) due to higher occupancy during summer months.

4R.30: Household Population is calculated by adding the Household Unmeasured Population ([Table 4R Line 32](#)) to the Household Unmeasured Population ([Table 4 Line 31](#)).

The Household Population (4R.30) for 2023/2024 is estimated at 5,463,046 people. This is an increase of 48,254 people, 0.9 % since last year.

4R.31: Household Measured Population is calculated by the number of Measured properties in our Billing System (YorBill) multiplied by the Measured Occupancy Rate, which is estimated by an external provider CACI based on our Netbase flow data. Finally, we add on an estimate for hidden and transient populations, which includes irregular migrants, short term residents, people staying at a second address and domestic and foreign visitors to friends and relatives.

The household Measured population (4R.31) for 2023/2024 is estimated at 3,135,293 people. This is an increase of 129,781 people, 4.3 % since last year. This increase is expected as the number of unmeasured properties has decreased so more properties are now metered (so counted in the measured property count instead of the unmeasured property count). This is due to our rollout of smart meters, customer asking to be put on a meter supply (DMO), plus our adoption of new developments which have increased the overall number.

4R.32: Household Unmeasured Population is calculated by the number of unmeasured properties in the YW Billing System (YorBill) multiplied by the unmeasured occupancy rate, which is estimated by an external provider CACI based on our Netbase flow data. Finally, we add on an estimate for hidden and transient populations, which includes irregular migrants, short term residents, people staying at a second address and domestic and foreign visitors to friends and relatives.

The household unmeasured population (4R.32) for 2023/2024 is estimated at 2,327,753 people. This is a decrease of 81,526 people, 3.4 % since last year. This decrease is expected as the number of unmeasured properties has decreased as more properties are now metered (so counted in the measured property count instead of here).



Table 4V

Mark-to-market of financial derivatives analysed based on payment dates

Line description	Units	DPs	Derivatives – Analysed by earliest payment date				Derivatives – Analysed by expected maturity date				RAG 4 reference
			Net settled	Gross Settled outflows	Gross Settled inflows	Total	Net settled	Gross Settled outflows	Gross Settled inflows	Total	
Due within one year	£m	3	17.213	0.000	0.000	17.213	17.213	0.000	0.000	17.213	4V.1
Between one and two years	£m	3	-0.176	0.000	0.000	-0.176	-0.176	0.000	0.000	-0.176	4V.2
Between two and three years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.3
Between three and four years	£m	3	177.554	0.000	0.000	177.554	177.554	0.000	0.000	177.554	4V.4
Between four and five years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.5
After five years	£m	3	1,561.828	106.098	-80.387	1,587.539	1,561.828	106.098	-80.387	1,587.539	4V.6
Total	£m	3	1,756.419	106.098	-80.387	1,782.130	1,756.419	106.098	-80.387	1,782.130	4V.7

Table 4V provides an analysis of the mark-to-market of Yorkshire Water's portfolio of financial derivatives analysed by payment date.

Yorkshire Water has swaps with a total nominal value of £292.5m that include Mandatory Break clauses in their terms. It is prudently assumed in Table 4V, consistent with [Table 4I](#), that swaps will mature on their Mandatory Break date. This results in the analysis of derivatives by earliest payment date and expected maturity date being identical.

Out-of-the-money positions are presented as positive, in-the-money positions are presented as negative.

4V.1: Index Linked Swaps with mandatory breaks in 2025 (notional £23.4m) are included in [Table 4I](#) as being due within 1 year (i.e. prudently assumes that matures on break dates). For consistency, it is assumed in Table 4V that the earliest payment date of these swaps is the same as the expected maturity date (i.e. in both cases within 1 year being the mandatory break date).

4V.4: Index Linked Swaps with mandatory breaks in 2028 (notional £110.2m) are included in [Table 4I](#) as being due within 2 to 5 years (i.e. prudently assumes that matures on break dates). For consistency, it is assumed in Table 4V that the earliest payment date of these swaps is the same as the expected maturity date (i.e. in both cases between 3 and 4 years being the mandatory break date).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4W

Defined Benefit Pension Scheme – Additional Information

Line description	Units	DPs	Defined benefit pension schemes			RAG 4 reference
			Pension scheme 1	Pension scheme 2	Pension scheme 3	
Scheme details						
Scheme name	Text	n/a	Kelda Group Pension Plan (KGPP)	n/a	n/a	4W.1
Scheme status	Text	n/a	Closed to new members – Yes Closed to the accrual of future defined benefits – Yes	n/a	n/a	4W.2
Scheme valuation under IAS/IFRS/FRS						
Scheme assets	£m	3	1,037.100	n/a	n/a	4W.3
Scheme liabilities	£m	3	951.100	n/a	n/a	4W.4
Scheme surplus/(deficit) Total	£m	3	86.000	#VALUE!	#VALUE!	4W.5
Scheme surplus/(deficit) Appointed business	£m	3	Nil – see notes	n/a	n/a	4W.6
Pension deficit recovery payments	£m	3	0.000	n/a	n/a	4W.7
Scheme valuation under part 3 of Pensions Act 2004						
Scheme funding valuation date	Date	n/a	31/03/2021	n/a	n/a	4W.8
Assets	£m	3	1,563.000	n/a	n/a	4W.9
Technical Provisions	£m	3	1,521.000	n/a	n/a	4W.10
Scheme surplus/(deficit)	£m	3	42.000	#VALUE!	#VALUE!	4W.11
Discount rate assumptions	Text	n/a	Pre-retirement: Based on full gilt yield curve + 0.5% p.a. Post-retirement: Based on full gilt yield curve + 0.5% p.a.	n/a	n/a	4W.12
Recovery plan (where applicable)						
Recovery Plan Structure	Text	n/a	n/a for this valuation period	n/a	n/a	4W.13
Recovery plan end date	Date	n/a	n/a for this valuation period	n/a	n/a	4W.14
Asset Backed Funding (ABF) arrangements	Text	n/a	n/a for this valuation period	n/a	n/a	4W.15
Responsibility for ABF arrangements	Text	n/a	n/a for this valuation period	n/a	n/a	4W.16

Technical notes

Figures shown in 4W.3-7 relate to the overall group defined benefit pension scheme which sits outside the regulated entity in Kelda Group Ltd. The regulated entity, Yorkshire Water Services Ltd (YWS), is a participating member of this scheme. Therefore 4W.5 and 4W.11 do not tie back to [Table 1C](#) figures as per the RAG instructions, as the IC figures for YWS are £nil. Figures split into non-appointed and appointed businesses are not available, and figures shown are for the entire Kelda group.

4W.7 figure is £nil for 2023/2024 as deficit recovery payments ceased in 2021/2022. This agrees with the figure shown in [Table 2B](#) (line 2B.24). The figure excludes a credit of £0.1m of pension protection payments, (reduced as a result of lower risk on the pension plan).

4W.8 date relates to the last triennial funding valuation, completed as at 31 March 2021 and agreed in June 2022. 4W.8-4W.12 relate to this valuation and are as reported in 2023. A triennial valuation is currently underway as at 31 March 2024, with the report due by 30 June 2025. Updated valuation information will therefore be reported in the 2025 APR tables.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4Y

Accelerated infrastructure delivery project expenditure for the 12 months ended 31 March 2024 – wastewater Network Plus and bioresources

Line description	Units	DPs	Expenditure in report year									Total	RAG 4 reference
			Wastewater Network Plus					Bioresources					
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal			
Accelerated infrastructure delivery project													
Inland bathing water improvement scheme – Wharfe Ilkley	Capex	£m	3	1.988	0.742	0.237	0.219	0.000	0.000	0.000	0.000	3.186	4Y.1
Inland bathing water improvement scheme – Wharfe Ilkley	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.2
Inland bathing water improvement scheme – Wharfe Ilkley	Totex	£m	3	1.988	0.742	0.237	0.219	0.000	0.000	0.000	0.000	3.186	4Y.3
Coastal bathing water improvement	Capex	£m	3	0.070	0.026	0.008	0.000	0.000	0.000	0.000	0.000	0.104	4Y.4
Coastal bathing water improvement	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.5
Coastal bathing water improvement	Totex	£m	3	0.070	0.026	0.008	0.000	0.000	0.000	0.000	0.000	0.104	4Y.6
Accelerated scheme 3	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.8
Accelerated scheme 3	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.9
Accelerated scheme 4	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.10
Accelerated scheme 4	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.11
Accelerated scheme 4	Totex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.12
Accelerated scheme 5	Capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.13
Accelerated scheme 5	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.14
Total accelerated programme capex	Capex	£m	3	2.058	0.768	0.245	0.219	0.000	0.000	0.000	0.000	3.290	4Y.16
Total accelerated programme opex	Opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4Y.17
Total accelerated programme expenditure	Totex	£m	3	2.058	0.768	0.245	0.219	0.000	0.000	0.000	0.000	3.290	4Y.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 5: Additional regulatory information – water resources

Introduction

The information in this section details 'Additional regulatory information' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

[Pro forma 5A](#) Water resources asset and volumes data

[Pro forma 5B](#) Water resources operating cost analysis

Table 5A

Water resources asset and volumes data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Water resources				
Water from impounding reservoirs	MI/d	2	578.92	5A.1
Water from pumped storage reservoirs	MI/d	2	9.95	5A.2
Water from river abstractions	MI/d	2	458.38	5A.3
Water from groundwater works,excluding managed aquifer recharge (MAR) water supply schemes	MI/d	2	267.17	5A.4
Water from artificial recharge (AR) water supply schemes	MI/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	MI/d	2	0.00	5A.6
Water from saline abstractions	MI/d	2	0.00	5A.7
Water from water reuse schemes	MI/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	42	5A.9
Number of pumped storage reservoirs	nr	0	4	5A.10
Number of river abstractions	nr	0	16	5A.11
Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	41	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	103	5A.17
Total number of water reservoirs	nr	0	116	5A.18
Total volumetric capacity of water reservoirs	MI	0	185169	5A.19
Total number of intake and source pumping stations	nr	0	80	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	12602	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	56.60	5A.22
Average pumping head – raw water abstraction	m.hd	2	11.28	5A.23
Energy consumption – water resources (MWh)	MWh	3	57,101.432	5A.24
Total number of raw water abstraction imports	nr	0	1	5A.25
Water imported from 3rd parties to raw water abstraction systems	MI/d	2	0.00	5A.26
Total number of raw water abstraction exports	nr	0	0	5A.27
Water exported to 3rd parties from raw water abstraction systems	MI/d	2	0.00	5A.28
Water resources capacity (measured using water resources yield)	MI/d	2	1651.30	5A.29
Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	0	32	5A.30

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

5A.1: The volume of water from impounding reservoirs in 2023/2024 is **578.92 MI/d**, which is an increase of 9.5% since 2022/2023. This increase is expected as the drought in 2022/2023 led to lower reservoir abstraction. Whereas in 2023/2024 the weather was mild, so the reservoir abstraction aligns closer to the other mild years of 2020/2021 and 2021/2022.

		Table 5A Line 1				
		Water from YW's Impounding Reservoirs	Water from Bulk Supply Import Ladybower to Rivelin	Water from Impounding Reservoirs	Difference Since Last Year	Difference Since Last Year
		MI/d	MI/d	MI/d	(AR)	(%)
	2017/2018	495.13	53.44	548.57	n/a	n/a
AMP6	2018/2019	460.04	49.17	509.21	-39.36	-7.2 %
	2019/2020	494.03	59.94	553.97	44.76	8.8 %
	2020/2021	526.25	57.33	583.58	29.61	5.3 %
AMP7	2021/2022	510.19	53.32	563.51	-20.07	-3.4 %
	2022/2023	485.64	43.07	528.71	-34.79	-6.2 %
	2023/2024	521.84	57.08	578.92	50.21	9.5 %

5A.2: In 2023/2024, we abstracted **9.95 MI/d** from the only pumped storages reservoir, Chelker Reservoir. The volume of water abstracted from Chelker Reservoir has increased since last year, partly due to the lower reservoir abstraction in 2022/2023 because of the drought. But the increase is also higher than in 2020/2021 and 2021/2022, this can be explained because Chelker Reservoir feeds Chellow Heights Water Treatment Works (WTW), and this year we have been favouring the reservoir source instead of the river source because of water quality.

		Table 5A Line 2		
		Water from Pumped Storage Reservoirs	Difference Since Last Year	Difference Since Last Year
		MI/d	MI/d	(%)
	2017/2018	5.59	n/a	n/a
AMP6	2018/2019	5.54	-0.05	-0.9 %
	2019/2020	6.28	0.74	13.4 %
	2020/2021	7.73	1.45	23.0 %
AMP7	2021/2022	6.11	-1.62	-20.9 %
	2022/2023	5.33	-0.79	-12.9 %
	2023/2024	9.95	4.62	86.8 %

5A.3: The volume of water abstracted from rivers decreased by 12.6% in 2023/2024 to **458.38 MI/d**. The decrease is due to the higher river abstraction in 2022/2023 because of the drought.

		Table 5A Line 3		
		Water from River Abstractions	Difference Since Last Year	Difference Since Last Year
		MI/d	MI/d	(%)
	2017/2018	480.03	n/a	n/a
AMP6	2018/2019	538.57	58.54	12.2 %
	2019/2020	454.59	-83.97	-15.6 %
	2020/2021	453.01	-1.58	-0.3 %
AMP7	2021/2022	490.73	37.72	8.3 %
	2022/2023	524.76	34.03	6.9 %
	2023/2024	458.38	-66.38	-12.6 %

5A.4: The volume of water abstracted from groundwater works in 2023/2024 is 267.17 MI/d, this is very similar to previous years.

5A.5: No water is supplied from Artificial Recharge (AR) Water Supply Schemes.

5A.6: No water is supplied from Aquifer Storage and Recovery (ASR) Water Supply Schemes.

5A.7: No water is supplied from Saline Abstractions.

5A.8: No water is supplied from Water Reuse Schemes.

5A.9: In 2022/2023 we reported 42 impounding reservoir sources, there have been no changes to these assets this year, so we are reporting the same 42 impounding reservoir sources in 2023/2024.

5A.10: In 2022/2023 we reported 4 pumped storage reservoirs, there have been no changes to these assets this year, so we are reporting the same 4 pumped storage reservoirs in 2023/2024.

5A.11: In 2022/2023 we reported 16 river abstraction sources there have been no changes to these assets this year, so we are reporting the same 16 River Abstraction Sources in 2023/2024.

5A.12: In 2022/2023 we reported 41 groundwater sources, there have been no changes to these assets this year, so we are reporting the same 41 groundwater sources in 2023/2024.

5A.13: We have no artificial recharge (AR) water supply schemes.

5A.14: We have no aquifer storage and recover (ASR) water supply schemes.

5A.15: We have no saline abstractions.

5A.16: We have no water reuse schemes.

5A.17: There have been to changes to the sources this year, so we are reporting a total of 103 sources.

	Line 9	Line 10	Line 11	Line 12	Line 13	Line 14	Line 15	Line 16	Line 17
	Impounding Reservoirs	Pumped Storage Reservoirs	River Abstractions	Ground-water works	Artificial Recharge (AR)	Aquifer storage and recovery (ASR)	Saline Abstractions	Reuse Scheme	Total Number of Sources
2020/2021	39	3	16	40	0	0	0	0	98
AMP7 2021/2022	39	4	16	40	0	0	0	0	99
2022/2023	42	4	16	41	0	0	0	0	103
2023/2024	42	4	16	41	0	0	0	0	103
Difference Since Last Year (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%

5A.18 & 5A.19: In 2022/2023, we are reporting 116 resource reservoirs, with a total capacity of 185,169 MI, and 11 balancing reservoirs with a total capacity of 2,153 MI.

	Table 5A Line 18	Table 5A Line 19	Table 6A Line 1	Table 6A Line 2
	Total number of water reservoirs (number)	Total volumetric capacity of water reservoirs (MI)	Total number of balancing reservoirs (number)	Total volumetric capacity of balancing reservoirs (MI)
AMP6 2018/2019	130	187,926	n/a	n/a
2019/2020	129	187,719	n/a	n/a
2020/2021	116	183,495	13	3,836
AMP7 2021/2022	118	185,178	11	2,153
2022/2023	116	185,169	11	2,153
2023/2024	116	185,169	11	2,153

In 2021/2022, Tophill Low No 1 & No 2 ESR changed from Balancing to Resource. Therefore, the total number of balancing reservoirs decreased by two, and the total number of water reservoirs increased by two. The same effect is seen on the capacity, Tophill Low No 1 ESR has a capacity of 910 MI and Tophill No 2 ESR capacity of 773 MI, so total capacity of balancing reservoirs decreased by 1,683 MI, and the total capacity of water reservoirs increased by the same amount.

In 2022/2023, Beaver Dyke IRE and Oakdale Upper IRE changed asset status from operational to decommissioned. Therefore, the total number of resource reservoirs decreased by two and the total capacity of resource reservoirs decreased by 9.5 MI (Beaver Dyke IRE has a capacity of 5 MI and Oakdale Upper has a capacity of 4.5 MI).

In 2023/2024 there has been no change to the number of reservoirs or their capacity.

In 2020/2021, it was a new requirement to report balancing reservoirs, previously they were included in the total number of reservoirs.

5A.20 & 5A.21: In 2023/2024 we have 80 source and intake raw water pumping stations. There has been no change to this number during AMP7.

In 2023/2024 we are reporting a source and intake pumping station capacity of 12,602 kW, this is an increase of 5 kW from 2022/2023. The change is due to the following pumping station:

5A.22: In 2023/2024 there has been no change to the value of this line.

5A.23: Raw water abstraction average pumping head has decreased slightly by 0.9% from 12.39 in 2022/2023 to 11.28 in 2023/2024.

5A.25 & 5A.26: There is one raw water abstraction import. Small volumes of water can be imported from the Canal & River Trust (CRT) as part of the Scammonden Agreement. This is a historic agreement dating back to 1965 and covers the water contained within CRT's March Haigh, Redbrook, Swellands and Tunnel End reservoirs near Marsden. These reservoirs can directly discharge water via overland watercourses into our catchwaters and into Butterley reservoir, when requested. The import is only requested very occasionally in dry weather conditions. The import was used in the dry summers of 2018 and 2022. The import was not used in 2023/2024.

5A.29: The raw water sources capacity for the Yorkshire Water Region is 1651.30 MI/d. This is the sum of the Grid water resource zone and the East water resource zone. There is a 2.81 MI/d or 0.17% reduction from last year's value of 1654.11 MI/d.

This decrease is a result of the assumed yearly reduction due to the impact of climate change (2.81 MI/d). This affects the Grid water resource zone only.

The water resources yield from the base year is assumed to reduce at the same annual rate as deployable output in the WRMP19 due to the impact of climate change.

5A.30: We have completed 32 of our WINEP clean water investigations from April 2020 – March 2024. Within 2023/2024 we completed one scheme, West Beck Scheme (Reg Ref: 7YW200076), so the cumulative total has increased from 31 last year to 32 this year.

Table 5B

Water resources operating cost analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Impounding Reservoir	Pumped Storage	River Abstractions	Ground-water, excluding MAR water supply schemes	Artificial Recharge (AR) water supply schemes	Aquifer Storage and Recovery (ASR) water supply schemes	Other	Total	RAG 4 reference
Power	£m	3	0.098	0.022	1.633	3.677	0.000	0.000	0.000	5.430	5B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.2
Abstraction charges/discharge consents	£m	3	4.672	0.000	3.868	1.794	0.000	0.000	0.000	10.334	5B.3
Bulk supply	£m	3	4.241	0.000	0.000	0.000	0.000	0.000	0.000	4.241	5B.4
Other operating expenditure											
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.6
Other operating expenditure excluding renewals	£m	3	5.836	0.100	4.621	2.693	0.000	0.000	0.000	13.250	5B.7
Local authority and Cumulo rates	£m	3	5.863	0.000	0.008	0.252	0.000	0.000	0.000	6.123	5B.8
Total operating expenditure (excluding 3rd party)	£m	3	20.710	0.122	10.130	8.416	0.000	0.000	0.000	39.378	5B.9

This table is a further disaggregation of water resources data contained within [Table 4D](#) and reconciles to line 4.

To allocate these costs, all relevant assets were classified according to the tables in line with RAG 4.11.

Total operating costs for water resources price control have slightly increased in 2023/2024. For more information on year on year variances refer to the commentary for [Tables 2B](#) or [4D](#).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6: Additional regulatory information – water Network Plus

Introduction

The information in this section details 'Additional regulatory information – water Network Plus' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

[**Pro forma 6A**](#) Raw water transport, raw water storage and water treatment data

[**Pro forma 6B**](#) Treated water distribution – assets and operations

[**Pro forma 6C**](#) Water Network Plus – Mains, communication pipes and other data

[**Pro forma 6D**](#) Demand management – Metering and leakage activities

[**Pro forma 6F**](#) WRMP annual reporting on delivery – non-leakage activities

Table 6A

Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference	
Raw water transport and storage					
Total number of balancing reservoirs	nr	0	11	6A.1	
Total volumetric capacity of balancing reservoirs	MI	0	2153	6A.2	
Total number of raw water transport stations	nr	0	38	6A.3	
Total installed power capacity of raw water transport pumping stations	kW	0	27960	6A.4	
Total length of raw water transport mains and other conveyors	km	2	1409.79	6A.5	
Average pumping head ~ raw water transport	m.hd	2	19.61	6A.6	
Energy consumption – raw water transport (MWh)	MWh	3	34104.956	6A.7	
Total number of raw water transport imports	nr	0	1	6A.8	
Water imported from 3rd parties to raw water transport systems	MI/d	2	56.93	6A.9	
Total number of raw water transport exports	nr	0	1	6A.10	
Water exported to 3rd parties from raw water transport systems	MI/d	2	3.10	6A.11	
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	0.00	6A.12	
Water treatment – treatment type analysis					
		Surface water		Ground water	
		Water treated	Number of works	Water treated	Number of works
Units DPs	MI/d 2	nr 0	MI/d 2	nr 0	RAG 4 reference
All simple disinfection works	0.00	0	3.32	1	6A.13
W1 works	0.00	0	0.00	0	6A.14
W2 works	0.00	0	50.79	13	6A.15
W3 works	423.46	12	0.36	1	6A.16
W4 works	220.02	8	120.76	7	6A.17
W5 works	376.58	7	69.21	1	6A.18
W6 works	0.00	0	0.00	0	6A.19
Water treatment – works size					
	% of total	Number of works			
Units DPs	DI 1	nr 0			
WTWs in size band 1	0.2	6			6A.20
WTWs in size band 2	0.3	2			6A.21
WTWs in size band 3	1.3	4			6A.22
WTWs in size band 4	6.3	10			6A.23
WTWs in size band 5	17.6	12			6A.24
WTWs in size band 6	31.0	10			6A.25
WTWs in size band 7	20.2	4			6A.26
WTWs in size band 8	23.1	2			6A.27

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6A – continued

Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Water treatment – other information				
Peak week production capacity (PWPC)	MI/d	2	1655.50	6A.28
Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	MI/d	2	0.00	6A.29
Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	MI/d	2	0.00	6A.30
Total water treated at more than one type of works	MI/d	2	0.00	6A.31
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	3	6A.32
Zonal population receiving water treated with orthophosphate	000's	3	5463.046	6A.33
Average pumping head – water treatment	m.hd	2	14.00	6A.34
Energy consumption – water treatment (MWh)	MWh	3	79312.831	6A.35
Total number of water treatment imports	nr	0	0	6A.36
Water imported from 3rd parties to water treatment works	MI/d	2	0.00	6A.37
Total number of water treatment exports	nr	0	0	6A.38
Water exported to 3rd parties from water treatment works	MI/d	2	0.00	6A.39

6A.1 – 6A.5: The reported values against these Data Items have all remained consistent with 2022/2023 reported values.

6A.6: We have seen a decrease of 19% from 2022/2023 when numbers were effected by the drought, returning to 2021/2022 values as expected.

6A.7: The annual reportable energy consumption for clean water has reduced by 7.9% in 2023/2024 compared to the previous year. 2023/2024 was a particularly wet year, this resulted in good reservoir levels reducing the need for energy intensive grid pumping.

6A.8 & 6A.9: There is one raw water transport import, this is the bulk supply import from Severn Trent's Ladybower reservoir to our Rivelin Lower reservoir. The volume reported is estimated from meter reading data.

6A.10 & 6A.11: There is one raw water transport export which is part of our Scammonden Agreement. Under this agreement, small volumes of water are sent to Huddersfield Narrow Canal in Marsden, mainly for topping up the canal during boating season. The supply to the canal is metered and the daily registered volumes are used to report here. The volumes reported are in line with expectations.

6A.12: This is zero inputs for 2023/2024.

6A.13 – 6A.19: In 2023-2024 there have been no changes to the WTW Types

We have two non-operational, unused WTW, however, as they have not been decommissioned, there is potential for them to come back into service so in accordance with the guidance (RAG 4.11 6.3 Companies should include water treatment works that have not been used in the year but have not been decommissioned and state in their commentary any instances where this is the case) they have been included:

- Littleworth WTW, is not operational, but still included in the WTW count.
- North Newbald WTW, is not operational, but is still included in the WTW count.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

6A.20 – 6A.27: WTW band is based on the distribution input at each WTW in comparison to the size band ranges. We operate a Grid system so fluctuations in outputs are normal. It is not unusual for fluctuations greater than 10% to occur and these could arise for a number of reasons e.g. ,water quality, customer demand, energy or chemical optimisation, capital schemes, planned and unplanned outages etc. Following the audit we revised how we assess Water Treatment Works bands. Previously we allocated the WTW bands the bands based on the average daily WTW output each year. Since the audit we are using the maximum production capacity as this better aligns with OFWAT’s definition for these data lines. This adjustment to the calculation has led to several of the WTW’s WTW changing band.

6A.28: This is a duplication of [Table 3I](#) Line 1. See commentary for [Table 3I](#) Line 1.

6A.29 – 6A.31: These items are zero inputs for 2023/2024.

6A.32: The planned scheme for water treatment works upgrades at Emsay WTW and Chellow Heights WTW were completed in 2023/2024. Emsay WTW was delivered on 29th September 2023 against a target date of 30th September 2023, while Chellow Heights WTW was completed on the due date of 31st March 2024. On-site activity at Ingbirchworth WTW had been completed earlier, but the post installation final review of procedures after site activity was completed to the expected reporting date of 31st March 2024.

6A.33: 100% of the zonal population supplied by the company received water dosed with orthophosphate. The variation in total population from year to is due to changes in population supplied as noted in [Table 4R](#) Line 30. The dose of orthophosphate may vary regionally but the dose received is closely monitored and optimised where required.

6A.34 & 6A.35: The figures reported here are in line with expected volumes.

6A.36 – 6A.39: There are no known water treatment imports or exports, Data Items entered as zero.



Table 6B

Treated water distribution – assets and operations for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Assets and operations				
Total installed power capacity of potable water pumping stations	kW	0	73152	6B.1
Total volumetric capacity of service reservoirs	MI	1	2864.7	6B.2
Total volumetric capacity of water towers	MI	1	28.9	6B.3
Water delivered (non-potable)	MI/d	2	0.00	6B.4
Water delivered (potable)	MI/d	2	1066.38	6B.5
Water delivered (billed measured residential properties)	MI/d	2	357.36	6B.6
Water delivered (billed measured businesses)	MI/d	2	278.02	6B.7
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.519	6B.8
Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	3	0.265	6B.9
Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.023	6B.10
Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	3	0.193	6B.11
Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000	6B.12
Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	3	0.000	6B.13
Proportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000	6B.14
Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000	6B.15
Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	0	502	6B.16
Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	0	22	6B.17
Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	0	58	6B.18
Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	0	422	6B.19
Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	0	0	6B.20
Total number of service reservoirs	nr	0	396	6B.21
Number of water towers	nr	0	27	6B.22
Energy consumption – treated water distribution (MWh)	MWh	3	119960.216	6B.23
Average pumping head – treated water distribution	m.hd	2	60.31	6B.24
Total number of treated water distribution imports	nr	0	0	6B.25
Water imported from 3rd parties to treated water distribution systems	MI/d	2	0.00	6B.26
Total number of treated water distribution exports	nr	0	5	6B.27
Water exported to 3rd parties from treated water distribution systems	MI/d	2	1.82	6B.28
Peak 7 day rolling average distribution input	MI/d	2	1419.45	6B.29
Peak 7 day rolling average distribution input/annual average distribution input	%	2	112.42%	6B.30

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6B – continued

Treated water distribution – assets and operations for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Water balance – company level				
Measured household consumption (excluding supply pipe leakage)	MI/d	2	329.80	6B.31
Unmeasured household consumption (excluding supply pipe leakage)	MI/d	2	354.93	6B.32
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2	275.84	6B.33
Unmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2	11.29	6B.34
Total annual leakage	MI/d	2	260.03	6B.35
Distribution system operational use	MI/d	2	1.85	6B.36
Water taken unbilled	MI/d	2	26.12	6B.37
Distribution input	MI/d	2	1259.85	6B.38
Distribution input (pre-MLE)	MI/d	2	1262.68	6B.39
Components of total leakage (post MLE) – company level				
Leakage upstream of DMA	MI/day	2	31.37	6B.58
87 Distribution main losses	MI/day	2	160.26	6B.59
Customer supply pipe losses – measured households excluding void properties	MI/day	2	27.56	6B.60
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2	33.75	6B.61
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2	2.18	6B.62
Customer supply pipe losses – unmeasured non-households excluding void properties	MI/day	2	0.60	6B.63
Customer supply pipe losses – void measured households	MI/day	2	1.76	6B.64
Customer supply pipe losses – void unmeasured households	MI/day	2	1.60	6B.65
Customer supply pipe losses – void measured non-households	MI/day	2	0.69	6B.66
Customer supply pipe losses – void unmeasured non-households	MI/day	2	0.27	6B.67

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

6B.1, 6B.16 – 6B.20: The below table shows how Data Items 6B.1 and 6B.16-20 have progressed so far this AMP period (2020/2021–2023/2024):

Line	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
Line 1	71304 kW	75749 kw	74058 kw	73822 kw	73152 Kw
Line 16	531	527	501	502	502
Line 17	23	23	23	23	22
Line 18	62	62	58	58	58
Line 19	446	442	420	421	422
Line 20	0	0	0	0	0

During 2023/2024, 2 new Water Pumping Stations (WPS) have been installed.

- Boston Park/2022 WPS (Line 19) Capacity 22.5Kw.
- Bolton RD Silsden/WPS (**Line 19**) Capacity 2.2Kw.

During 2023/2024, 1 pumping station was removed.

- Removal of Boston Park/WPS capacity 66Kw.

6B.2, 6B.3, 6B.21 & 6B.22: The below table shows how Data Items 6B.1 and 6B.16–20 have progressed so far this AMP period:

Line	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
6B.2	2848.8	2855.5	2845.8	2864.7
6B.3	28.9	28.9	28.9	28.9
6B.21	398	399	395	396
6B.22	27	27	27	27

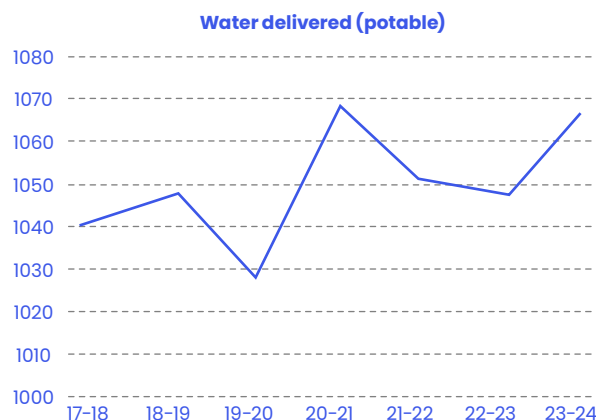
The number of Service Reservoirs has increased by 1, as Boston Park/No 4 SRE (Capacity 18.9 MI).

Blackmoorfoot/BPT storage capacity has changed from 0.094 to 0.019. This is an improvement in the data as we are no longer using the average capacity of the four operational Break Pressure Tanks.

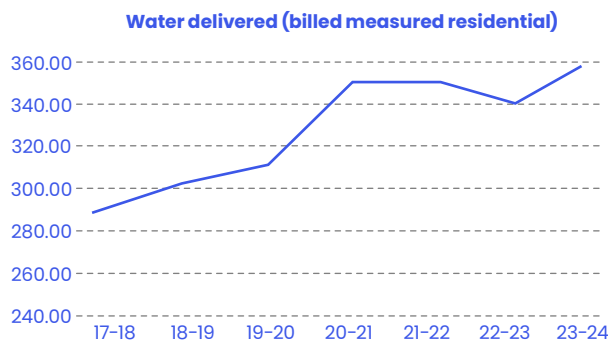
6B.4: This line is reported as zero. As in previous years, we do not provide any non-potable supplies to either household or non-household customers.

6B.5: This line reports all potable water supplied. This includes the estimated water delivered to billed measured households (**6B.6**), billed measured non-households (**6B.7**), unbilled households unbilled non-households and water taken unbilled (**6B.37**). It therefore includes estimates of water lost through supply pipe leakage and meter under-registration. This volume does not include estimates of distribution leakage or water used by company for operational activity.

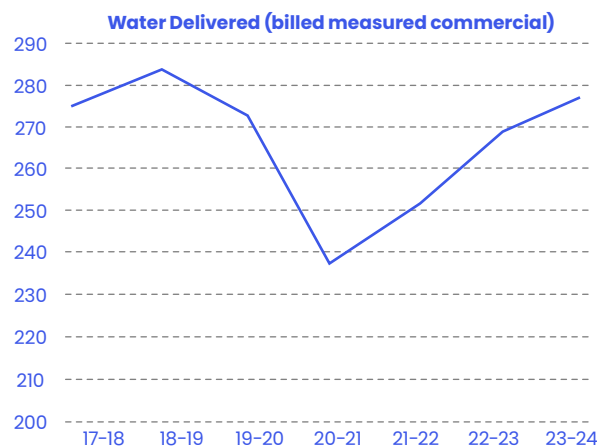
This is up c17Ml/d from 2022/2023 because of increased consumption.



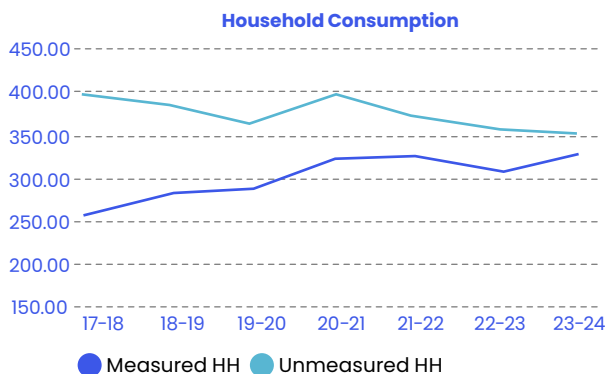
6B.6: This is the average volume of water delivered to measured residential properties and includes estimates of water lost to supply pipe leakage and meter under-registration. It is up 17Ml/d from 2022/2023, which is in line with the increase in measured properties and the revised MUR rates.



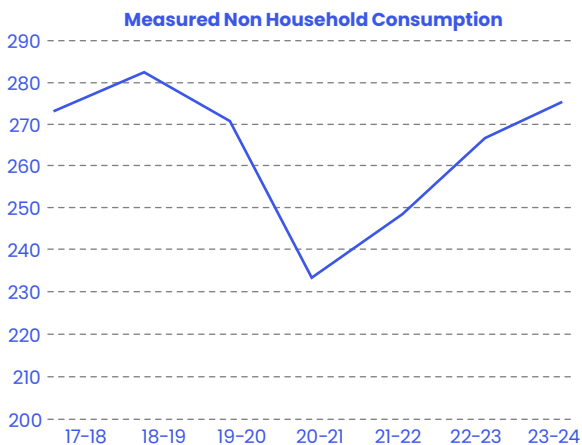
6B.7: This is the average volume of water delivered to measured business properties and includes estimates of water lost to supply pipe leakage and meter under-registration. It does not include water taken unbilled (e.g., free supplies).



6B.31 & 6B.32: Measured Household Consumption has increased and Unmeasured Household Consumption continues to decrease, this is inline with our expectations as the unmeasured property count reduces and measured increases.



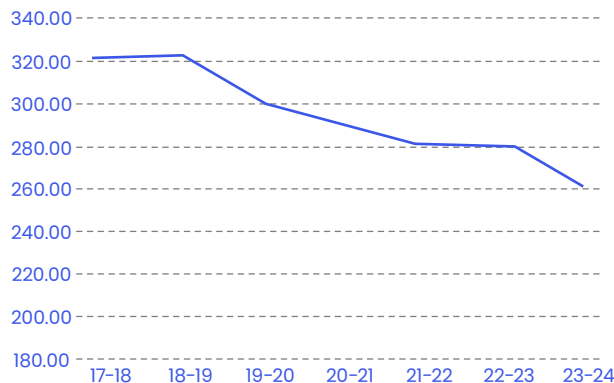
6B.33: As explained for 6B.7, this follows the same trend and profile, just excludes the small volume of water associated with supply pipe losses at measured commercial properties.



6B.34: There was an instruction at APR22 to refresh the daily volumes associated with UM N HH properties. Crowders Consulting completed the analysis using YW metered non household data, which resulted in a shift from 125.7l/p/d to 679.7l/p/d. This volume now accounts for 4.09% of total Non-Household Consumption data and must be refreshed every 2 years. This will be re-visited for APR25 in line with the guidance.

6B.35: This is the sum of distribution losses (including leakage from trunk mains and service reservoirs) plus supply pipe leakage. Total reported leakage was 260.0Ml/d, decreasing in the report year by 22.8Ml/d. Please refer to the separate assurance statement document for this line, as it is also a Performance Commitment.

Total Annual Leakage

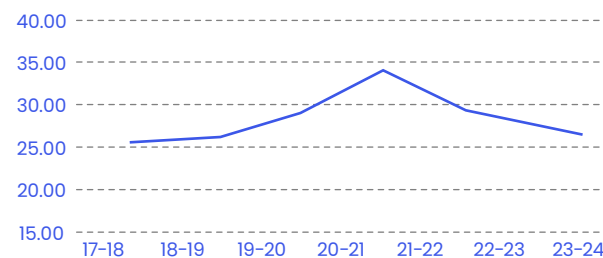


6B.36 Distribution System Operational Use:

This is the volume of water used by the company for operational activity and required to meet statutory obligations relating to water quality such as flushing, or water lost during Service Reservoir cleaning. It has decreased from last year to 1.85Ml/d and is just 0.14% of DI against an allowed threshold of 0.6%.

6B.37 Water taken unbilled: This is the volume of water taken either legally (e.g., free supplies, fire service usage) or illegally (e.g., void usage, hydrant theft).

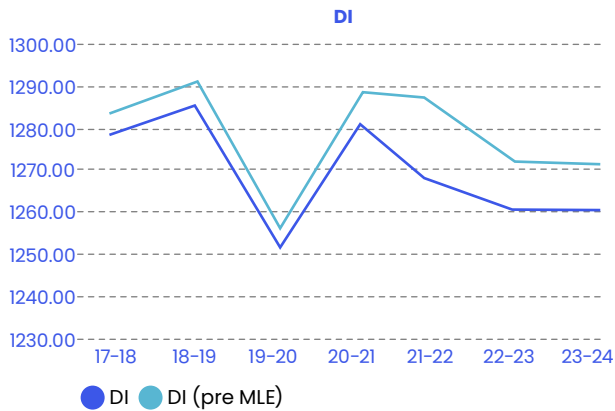
Water Taken Unbilled



Total water taken unbilled (legally and illegally) was 26.12M/d, this is a slight decrease from 2022/2023. Many elements of this are based on assumptions which have been updated where possible depending on the availability of suitable data and / or change in YW resources. For this year’s submission we have reviewed the allowances given to HH and NHH Void Properties and use at YW Self Supplied Sites. This volume is 2.07% of DI which is slightly over the 1.8% allowance. We continue to improve and validate this and are working to bring this in line to the 1.8% allowance.

We are 3.4Ml/d over the reporting threshold on Water Taken Unbilled, but 5.8Ml/d under on DSOU. We could technically account for a further 2.4Ml/ across these metrics without breaching the guidance.

6B.38 and 6B.39: Distribution input is the average volume of potable water entering the distribution system. The data has been obtained from the company's 'Water into Supply' database, which is produced monthly, giving details of water treatment works outputs and demands within the regional forecasting zones.



DI has remained consistent with report year 2022/2023 and although leakage has decreased by c23MI/d, HH and NHH consumption has increased by c23MI/d.

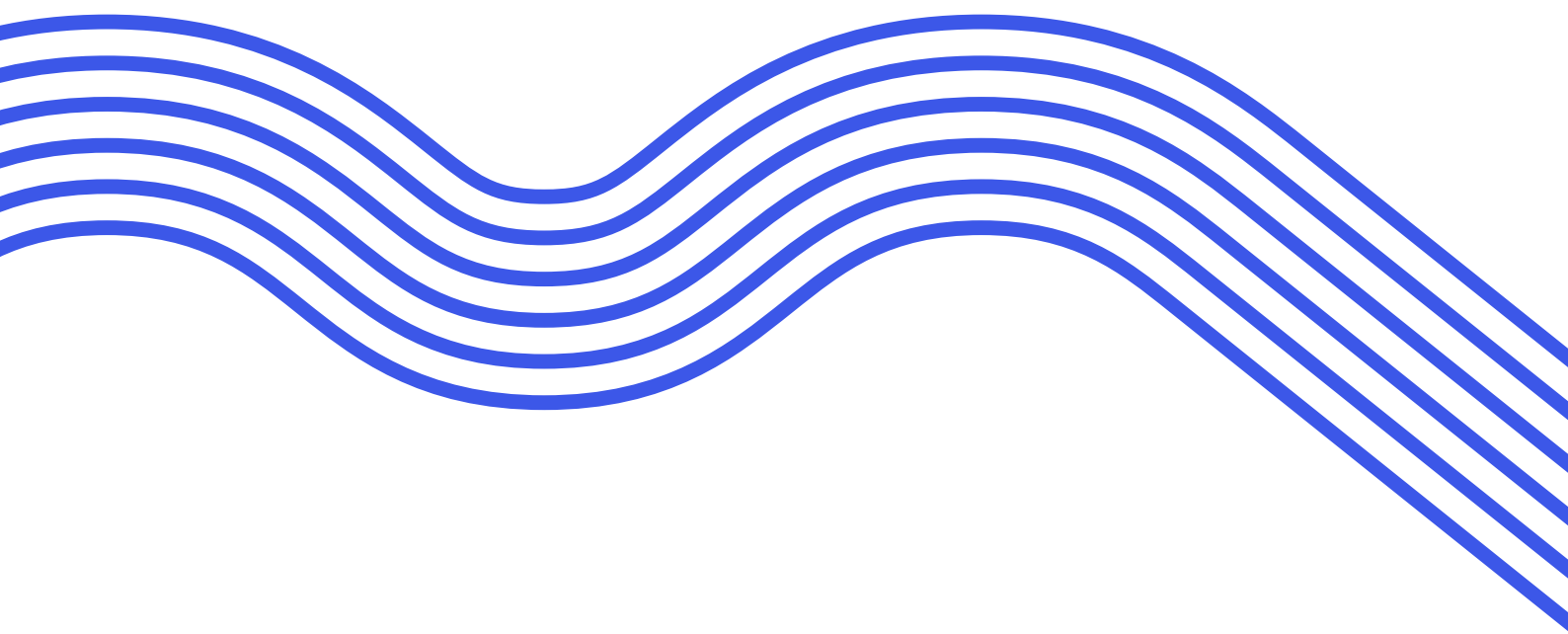


Table 6C

Water Network Plus – Mains, communication pipes and other data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Treated water distribution – mains analysis				
Total length of potable mains as at 31 March	km	1	32375.6	6C.1
Total length of potable mains relined	km	1	0.5	6C.2
Total length of potable mains renewed	km	1	12.2	6C.3
Total length of new potable mains	km	1	102.0	6C.4
Total length of potable water mains ($\leq 320\text{mm}$)	km	1	29998.0	6C.5
Total length of potable water mains ($> 320\text{mm}$ and $\leq 450\text{mm}$)	km	1	1015.0	6C.6
Total length of potable water mains ($> 450\text{mm}$ and $\leq 610\text{mm}$)	km	1	845.7	6C.7
Total length of potable water mains ($> 610\text{mm}$)	km	1	516.9	6C.8
Treated water distribution – mains age profile				
Total length of potable mains laid or structurally refurbished pre-1880	km	1	343.2	6C.9
Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	1	1869.3	6C.10
Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	1	840.4	6C.11
Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	1	4640.2	6C.12
Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	1	8858.8	6C.13
Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	1	5096.3	6C.14
Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	1	6438.8	6C.15
Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	1	3899.5	6C.16
Total length of potable mains laid or structurally refurbished post during and after 2021	km	1	389.1	6C.17
Communication pipes				
Number of lead communication pipes	nr	0	456188	6C.18
Number of galvanised iron communication pipes	nr	0	380615	6C.19
Number of other communication pipes	nr	0	998253	6C.20
Number of lead communication pipes replaced or relined for water quality	nr	0	497	6C.21
Other				
Company area	km ²	0	14294	6C.22
Compliance Risk Index	nr	2	9.27	6C.23
Event Risk Index	nr	0	2747	6C.24
Properties below reference level at end of year	nr	0	10	6C.25

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

6C.1 & 6C.4: During 2023/202, our network grew by 108.2km to 32375.6km. This continues the trend of our network growing year on year.

6C.2: 2023/2024 In 2023/2024 our relining programme completed 0.5km in the year. This was a reduction of 6.2km on the previous year.

6C.5 – 6C.8: This shows the length/percentage makeup of the diameter of Yorkshire water’s live mains carrying treated water. The vast majority (92.7%) of Yorkshire Water’s owned mains are less than 320mm in diameter. The size of the existing network compared to what we add each year means that there is very little year on year change across the size categories.

6C.9 – 6C.17: The data shows the vast majority (76%) of Yorkshire Water’s live pipes carrying treated water were laid after 1940. There are very small changes year on year across the age categories and we would expect this to continue at a steady pace.

6C.18: There is a decrease in the number of lead communication pipes replaced compared to last year, however the number is in line with years 4/5 of AMP7. Our AMP7 lead replacement programmes include, targeting hotspot DMA’s, education establishments and vulnerable customers.

6C.19: The number of galvanised iron communication pipes has reduced year on year due to our continued drive on active leakage reduction and targeted communication with customers.

6C.20: The number of other communication pipes is made up of Alkathene, copper, MDPE, LDPE, HDPE and cast iron.

The number of other communication pipes has increased as expected based on the fact all new and replacement communication pipes are replaced with MDPE. Alkathene, copper, LDPE, HDPE and cast iron will be reducing year on year.

Growth resulting in new properties connected as well as replacement of communication pipes is taken into account in this measure.

6C.21: We are continuously working on replacing or relining any lead communication pipe to improve water quality. Throughout 2023/2024, we replaced 497.

6C.22: The Company area based on the Clean Water boundaries returned an area of 14,294 km² which is in line with previously reported years. There has been no maintenance of the external extent of the company boundaries this year.

6C.23: Please read our Water Quality Compliance (CRI) performance commitment update here

6C.24: Event Risk Index (ERI) is a measure created by the Drinking Water Inspectorate (DWI). The ERI value is based upon a number of factors related to Events which are notified to the DWI under the Information Direction 2022. Importantly, it is the duration, severity, and size (zone population/ works throughput/service reservoir capacity) of the impacted area/assets that influences ERI score not simply the number of events reported. The ERI score also incorporates a subjective assessment of the Event by the DWI.

In 2023 the Company’s provisional ERI score was 2747.025 compared to 131.113 for year 2022. The assessments of one notified water quality Events remain incomplete and the confirmed full year score could increase. The value of Event Risk Index has significantly deteriorated in 2023 in comparison to 2022. The cause of this deterioration was related to detection of bacteria at a key water production site supplying Bradford, West Yorkshire. Although assessment did not indicate a health risk to consumers the detections and the nature of site impacted caused a large impact on ERI. As part of the investigation into these detections the Company agreed to enter into a new legal instrument to formalise a series of on-going improvements at the impacted site. The nature of the ERI measure is that it is particularly prone to substantially variation in assessments. The Event at the water treatment works site in Bradford was assessed as having an ERI score of 2735.136. The remaining events had a cumulative score of 11.884.

6C.25: Please read our Low Pressure performance commitment update here.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6D**Demand management – Metering and leakage activities for the 12 months ended 31 March 2024**

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	RAG 4 reference
Metering activities – Totex expenditure						
New optant meter installation for existing customers	£m	3	0.000	6.062	0.000	6D.1
New selective meter installation for existing customers	£m	3	0.000	0.000	0.007	6D.2
New business meter installation for existing customers	£m	3	0.003	0.016	0.009	6D.3
Residential meters renewed	£m	3	0.002	1.337	0.065	6D.4
Business meters renewed	£m	3	0.000	0.356	0.007	6D.5
Metering activities – Explanatory variables						
New optant meters installed for existing customers	000s	3	0.000	12.404	6.019	6D.6
New selective meters installed for existing customers	000s	3	0.000	0.000	0.199	6D.7
New business meters installed for existing customers	000s	3	0.004	0.022	0.013	6D.8
Residential meters renewed	000s	3	0.004	3.548	1.927	6D.9
Business meters renewed	000s	3	0.000	0.963	0.209	6D.10
Replacement of basic meters with smart meters for residential customers	000s	3		0.183	0.207	6D.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			27.222	6D.12
Replacement of basic meters with smart meters for business customers	000s	3		0.274	0.065	6D.13
Replacement of AMR meter with AMI meters for business customers	000s	3			3.291	6D.14
New residential meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.08	0.04	6D.15
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.00	0.00	6D.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	MI/d	2		0.00	0.00	6D.17
Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	MI/d	2			0.00	6D.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	MI/d	2		0.00	0.00	6D.19
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	MI/d	2			0.00	6D.20
Residential properties – meter penetration	%	1	7.7%	51.2%	2.2%	6D.21
Leakage activities						
	Units	DPs	Maintaining leakage	Reducing leakage	Total leakage	
Total leakage activity	£m	3	31.056	37.417	68.473	6D.22
Leakage improvements delivering benefits in 2020-2025	MI/d	2			22.75	6D.23
Per capita consumption (excluding supply pipe leakage)						
Per capita consumption (measured)	l/h/d	2	105.40			6D.24
Per capita consumption (unmeasured)	l/h/d	2	152.10			6D.25

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

CAPEX commentary

In total we have reported £7.9m of capital expenditure for meter installation.

Please note we have a mismatch between 4L.44 and 6D.2, the expenditure for this meter installation is coming from a leakage funded scheme which maps to 4L.28.

We have reported £26.5m of capital expenditure on leakage, this is split between £15.5m for maintaining leakage and £10.9m for reducing leakage.

6D.6 & 6D.7: Prior to the Covid pandemic demand for domestic meter installs was much higher. The increase in the number of domestic meter installs in the 2 years following the Covid pandemic can be explained by YW catching up with postponed installs, however the overall numbers have remained lower.

In AMP6, we had a billing initiative, which sent out bills and highlighted potential cost savings that could be had by choosing a meter over a rateable value. This was very successful in previous years and so could explain the higher numbers.

The 'cost of living crisis' hasn't increased the demand for a domestic meter install.

There have been 199 selective meters in 2023/2024. The selective meters are from the Longwood project where 199 Smart meters were deployed to measure 'per capita consumption'. We do not foresee YW implementing a policy that drives selective metering.

6D.8: This is a very small subset of the Non-household business premises and meters, therefore there are only minor changes year on year.

In 2022/2023 we reported only 30 new meters installed for existing customers, for the financial year 2023/2024 we are reporting 39. The split of these across the meter types has changed from primarily AMR meters in the previous FY, to being primarily AMI meters for 2023/2024 which is in line with our smart meter roll out.

6D.9 – 6D.14: 12% Increase in overall meter exchanges.16% increase in residential meters and a 2% decrease in business meters. Meter exchange promotion is demand based so there are no concerning factors in the variance to the previous year.

6D.15: There has been a 16% decrease for Automatic Meter Reading (AMR) metering benefit compared to last year, this is driven by 18,423 AMR meter optants in 2023/2024 compared to 22,278 optants in 2022/2023. There have been no changes in basic and Automated Meter Infrastructure (AMI) optants.

6D.16 & 6D.17: No change compared to last year.

6D.18: The benefit for this line is assigned as 0 MI/d because the full functionality of AMI metering has not been rolled out to customers yet. This means customers have no visibility of their usage and so no behaviour change or decrease in usage will occur. There have been a large numbers of AMI meter replacements of 27,222 in 2023/2024 compared to 82 in 2022/2023.

6D.19: No change in AMR meter replacement benefit driven by 963 meter replacements this year compared to 722 meters in 2022/2023.

6D.20: Benefit assigned as 0 MI/d as full functionality of AMI metering not rolled out to customers yet. This means customers have no visibility of their usage and so no behaviour change or decrease in usage will occur. 3,291 meter replacements compared to 25 in 2022/2023.

6D.21: AMR meter penetration has remained steady at 51.2%, basic has decreased from 8.7% to 2.2%, and AMI has increased from 0.1% to 7.7%. This would be expected to happen as more customers have AMI meters installed to replace aging basic meters.

6D.22 & 6D.23: For much more information on our Leakage performance, please click [here](#).

6D.24 & 6D.25: For much more information on our Per Capita Consumption performance, please click [here](#).

Smart Metering Programme (AMI Meters):

We are rolling out a smart metering programme to align with the company strategic objective to have 85% of all properties metered by 2032. Moving from 1.518m meters (62%) to 2.21m (85%) by 2032. The target for the end of AMP7 is to have around 105,000 smart meters installed which will allow time to embed systems, people and process before scaling up into AMP8 exchanging 1.4m meters between 2025 and 2030.

In 2023/2024 we completed a smart meter upgrade project to retrofit* c.27,000 new Advanced Meter Infrastructure devices to replace the old Advance Meter Readers, replacing the old technology with the new technology. These are shown in lines 6D.12 and 6D.14

In 2023/2024 we introduced smart metering as standard on some of the repair and maintenance jobs (i.e. faulty and damaged meter exchanges). These will show in lines 6D.9 and 6D.10.

In 2023/24 we smart metered a full DMA in Huddersfield which involved c.1,500 meter exchanges and 1000 retrofit's, which will show in 6D.9-10 and 6D.11-14 respectively.

At the end of 2023/2024 we had 54,764 smart meters installed, of which 20,820 are active (communicating). Note, the terms of the contract we have in place for New Development & DMO it can take up to 6-months for the network to be built



Table 6F

WRMP annual reporting on delivery – non-leakage activities

Line description	Classification	Delivery year (in use)	Capital expenditure						Opex costs						RAG 4 reference	
			2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	After 2024-2025	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	After 2024-2025		
Units	Text	Year	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
DPs	0	0	3	3	3	3	3	3	3	3	3	3	3	3	3	
Catterick Borehole	Supply-side improvements delivering benefits in 2020-2025	n/a	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6F.1
Brayton Borehole	Supply-demand balance improvements delivering benefits starting from 2026	n/a	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6F.2
Total			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6F.51

Line description	Classification	Delivery year (in use)	Benefits						Complete for internal interconnectors only					RAG 4 reference	
			2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	After 2024-2025	Length	Diameter	Pipe material	Pumping capacity installed	Storage capacity installed		
Units	Year		Ml/d	Ml/d	Ml/d	Ml/d	Ml/d	Ml/d	km	mm	Text	kW	m3		
DPs	0		2	2	2	2	2	2	1	1	0	0	3		
Catterick Borehole	Supply-side improvements delivering benefits in 2020-2025	n/a	0.00	0.00	0.00	0.00	0.00	0.00	n/a	n/a	n/a	n/a	n/a	n/a	6F.1
Brayton Borehole	Supply-demand balance improvements delivering benefits starting from 2026	n/a	0.00	0.00	0.00	0.00	0.00	0.00	n/a	n/a	n/a	n/a	n/a	n/a	6F.2
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.0			0	0.000		6F.51

CAPEX commentary

We have reported no capital expenditure in year and are currently not forecasting any capital expenditure over the rest of the AMP.

OPEX

As per last year operating expenditure is £nil. This reconciles back to [Table 4L](#). The operating expenditure for future years is a best estimate at this point in time.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7: Additional regulatory information – wastewater Network Plus

Introduction

The information in this section details 'Additional regulatory information – wastewater Network Plus' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

<u>Pro forma 7A</u>	Wastewater Network Plus Functional expenditure
<u>Pro forma 7B</u>	Wastewater Network Plus Large sewage treatment works
<u>Pro forma 7C</u>	Wastewater Network Plus Sewer and volume data
<u>Pro forma 7D</u>	Wastewater Network Plus Sewage treatment works data
<u>Pro forma 7E</u>	Wastewater Network Plus Energy consumption and other data
<u>Pro forma 7F</u>	Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Table 7A

Wastewater Network Plus – Functional expenditure for the 12 months ended 31 March 2024

Line description	Units	DPs	£'000	RAG 4 reference
Costs of STWs in size bands 1 to 5				
Direct costs of STWs in size band 1	000s	3	2,536.803	7A.1
Direct costs of STWs in size band 2	000s	3	1,363.200	7A.2
Direct costs of STWs in size band 3	000s	3	4,139.325	7A.3
Direct costs of STWs in size band 4	000s	3	7,047.671	7A.4
Direct costs of STWs in size band 5	000s	3	11,946.604	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	1,095.321	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	28,128.923	7A.7
Costs of large STWs (size band 6)				
Service charges for STWs in size band 6	000s	3	2,808.912	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	1,620.073	7A.9
Other direct costs of STWs in size band 6	000s	3	75,289.558	7A.10
Direct costs of STWs in size band 6	000s	3	79,718.543	7A.11
General & support costs of STWs in size band 6	000s	3	3,792.894	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	83,511.437	7A.13
Costs of STWs – all sizes				
Total operating functional expenditure (excluding 3rd party services)	000s	3	111,640.360	7A.14

This table analyses the costs of different size sewage treatment works. All direct costs have been allocated to sites where possible, with nearly all large works separately costed. For minor works, which are grouped into areas for materiality reasons, the costs were sub-divided into the following categories for optimum allocation.

- Site specific
- Area site costs
- Employee direct costs
- Maintenance
- Facilities costs
- General and support

The requirement for the table is to have all above costs directly/indirectly allocated in bands 1–6 which are defined in RAG 4.11. The information to split the sites into bands and STW loads has been reviewed again this year from the asset inventory system, and any changes in loads and band categories have been adjusted accordingly.

The allocation of the Principal Use continues to be included within General & Support costs.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7B

Wastewater Network Plus – Large sewage treatment works for the 12 months ended 31 March 2024

Due to the size of the data table, we have published Table 7B separately on our website here: yorkshirewater.com/about-us/reports/

This table follows on from [Table 7A](#), lines 8–14. All the sites above are separately costed within Yorkshire Water's accounting systems.

Section B of the table looks at functional expenditure for the large sewage treatment works which fall within band 6 category as shown in [Table 7A](#).

The number of works in this category has remained static, with just two offsetting changes, one works moving into band 6 and one works moving to a band 5 due to loads in 2023/2024.

Overall, we saw an increase in costs for Band 6 works, due to a continuation of high energy prices, and inflationary pressures within contracted services.

Consumption has increased in 2023/2024 due to the significantly different weather conditions experienced. 2022/2023 was extremely dry due to the drought, and during 2023/2024 we have experienced 10 named storms.

Hired & Contracted costs increased in 2023/2024 due to contractual inflationary increases.

7B.1: Compared with 2023/2024, the sites being reported has remained at 35; but within this figure there has been one site dropping off and one new works being added.

The works moving from Band 6 to Band 5 is Malton STW, with the main driver behind the change being a large drop in Trade Effluent load which has reduced by 2185 PE between the two reporting years and brings site under the 25,000PE threshold. The main Trade Effluent contributor to Malton STW is Karro Foods Ltd (YW2394340) which has reduced COD load by ~94,000kg/COD (~28%) between the two reporting years; this equates to Trade PE reduction of ~2150PE. The Trade Effluent advisor for this area has confirmed that Karro Foods installed a new DAF plant which has improved treatment (COD/solids removal), hence the reduction in loads.

The works moving from Band 5 to Band 6 is Bolton on Dearne STW; between the two reporting years overall PE has increased by 810PE. This has mainly been driven by Resident PE increases of 768PE, but there is also an uplift Trade Load contributing which can be attributed to Cbr Container Services (YW3390443) production increase moving from 4126 to 6670 kg/COD which equates to an additional ~35PE.

7B.2: There has been one change in treatment type compared to last year, at the large works which is at Harrogate North STW; which has moved from TB2 to TBI

7B.3: There has been some slight variations in the Population equivalent of total load received, with the vast majority within a 10% variation. Load can vary due to changes in resident population & trade loads received to the works, both of which fluctuate year on year so these changes are within expected tolerances. The Band 6 works have increased by an average of 0.78% across the two reporting years.

Salterhebble STW is the only site with a change of greater than 10%, with a 21.44% increase.

In terms of PE the increase between the two reporting years has been 34,000PE. Resident PE has remained fairly static with a 1.93% reduction but there has been a big step change with Trade Effluent loads.

There are two large Traders that discharge into Salterhebble STW that have had big uplifts in Trade production compared to the previous reporting year that account for most the increase.

YW4394520 Sonoco Board Mill – Increase of 428,445 kg/COD = 9,736PE.

YW1390003 Nestle Uk Ltd – 903,712 kg/COD = 20,576 PE

7B.4 – 7B.8: There have been no consent changes for the information reported in Lines 4 to 8.

7B.9: Load received by STW Kg BOD5/Day. The data in this line is calculated from the figure in 7B.3 (population). Converting population (1000s) to load of KG BOD5/Day is done using industry standard 60g BOD/head/day, i.e. Aldwarke Population is 111077 (111.077 in 1000s) so 111.077 x 60 = 6665 kgBOD5/day.

7B.10: The total average daily flow for the reporting period is summed for each of the large treatment works and then divided by 366 to provide an average daily treated flow.

Compared to last year, the overall volume of treated flow recorded at the Large STWs has increased by an average of 25.45% which compares with the overall decrease in flow seen in the reporting period as shown in [Table 7C.13](#) (26.57% increase). These variations are generally in response to rainfall.

Table 7C

Wastewater Network Plus – Sewer and volume data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Wastewater network				
Connectable properties served by s101A schemes completed in the report year	nr	0	0	7C.1
Number of s101A schemes delivered in the report year	nr	0	0	7C.2
Total pumping station capacity	kW	0	90,423	7C.3
Number of network pumping stations	nr	0	2,608	7C.4
Total number of sewer blockages	nr	0	23,909	7C.5
Total number of gravity sewer collapses	nr	0	579	7C.6
Total number of sewer rising main bursts	nr	0	72	7C.7
Number of combined sewer overflows	nr	0	2,013	7C.8
Number of emergency overflows – sewage pumping stations	nr	0	598	7C.9
Number of settled storm overflows	nr	0	180	7C.10
Sewer age profile (constructed post 2001)	km	0	2,578	7C.11
Volume of trade effluent	MI/yr	2	17,872.36	7C.12
Volume of wastewater receiving treatment at sewage treatment works	MI/yr	2	801,461.47	7C.13
Length of gravity sewers rehabilitated	km	0	22	7C.14
Length of rising mains replaced or structurally refurbished	km	0	4	7C.15
Length of foul (only) public sewers	km	0	5,466	7C.16
Length of surface water (only) public sewers	km	0	7,660	7C.17
Length of combined public sewers	km	0	16,271	7C.18
Length of rising mains	km	0	1,292	7C.19
Length of other wastewater network pipework	km	0	358	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	31,047	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	21,560	7C.22
Storm overflows – additional reporting (as at 1 January)				
Number of combined sewer overflows (as at 1 January)	nr	0	2,017	7C.23
Number of settled storm overflows (as at 1 January)	nr	0	180	7C.24
Number of storm overflows – other (as at 1 January)	nr	0	0	7C.25
Number of storm overflows – pending investigation (as at 1 January)	nr	0	8	7C.26
Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	0	18	7C.27
Number of storm overflows – consistent with PR24 performance commitment definition	nr	0	2,223	7C.28
Number of storm overflows closed in the previous reporting year – (as at 1 January)	nr	0	0	7C.29
Number of storm overflows with event duration monitors installed (as at 1 January)	nr	0	2,167	7C.30
Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	2	92.81%	7C.31
Number of spills from storm overflows (from 1 January to 31 December)	nr	0	77,761	7C.32

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7C – continued

Wastewater Network Plus – Sewer and volume data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Emergency overflows – additional reporting (as at 1 January)				
Number of emergency overflows – sewage pumping stations (as at 1 January)	nr	0	600	7C.33
Number of emergency overflows – network (as at 1 January)	nr	0	0	7C.34
Number of emergency overflows – other (as at 1 January)	nr	0	0	7C.35
Number of emergency overflows – all (as at 1 January)	nr	0	600	7C.36
Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	0	0	7C.37
Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0	0	7C.38
Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	2	N/A	7C.39
Number of spills from emergency overflows (from 1 January to 31 December)	nr	0	N/A	7C.40

7C.1 & 7C.2: We have reported zero against these two data items, which is consistent with previous years reporting.

7C.3: We have seen a 2% increase when compared to last year, moving from 88,611 to 90,423.

7C.4: Compared the 2022/2023, we have seen an increase of 6 pumping stations, 2 being removed (demolished), and 8 new ones in operation.

7C.5: Our total number of sewer blockages has decreased by 9.8% during 2023/2024, which we are extremely happy to see. Various campaigns have taken place through the year, such as our 'Bin it, don't block it' advertising, aiming to raise awareness and encourage our region to help in this area. The below table shows the types of blockages we have seen over the years:

Fiscal Year	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
Wipes/Paper	40%	44%	49%	46%	43%	44%	46%	46%	43%
Not Determ.	24%	21%	17%	19%	21%	20%	20%	21%	25%
Silt-Brick	11%	11%	10%	11%	10%	12%	12%	12%	13%
FOG	10%	10%	10%	9%	9%	8%	6%	4%	4%
Object	7%	7%	7%	8%	8%	7%	7%	8%	7%
Roots	7%	6%	7%	6%	8%	8%	8%	8%	8%
Gully	1%	1%	1%	1%	1%	1%	1%	1%	n/a
Textiles	1%	1%	0%	0%	0%	0%	0%	0%	0%
c/o Device	0%	0%	0%	0%	0%	0%	0%	0%	0%

7C.6 & 7C.7: This data item is linked to our Sewer Collapses Performance Commitment, which you can read much more about here.

7C.8: This measure is reduced from 2022/2023 by 10 to 2,013, this is due to investigations finding that overflows do not meet the requirements for a storm sewage permit.

There is a discrepancy in the definitions for lines 8 and 10, settled storm overflows not at STWs are excluded from both definitions. This affects 21 overflows, to ensure no overflows are missed from the total they have been included in line 8.

7C.9: This measure has reduced in 2022/2023 to 598 from 603 in 2021/2022 a change of 0.8%, seven new additions were identified from last year with five removed.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

7C.10: This measure is unchanged from 2022/2023 at 180.

7C.11: This is an increase of 27.7km from the previous years reported figure of 2,550.3km. In year 21.3km of sewer was replaced, 4.3km of sewers refurbished and an additional 2.0km of new sewer constructed. In terms of in year change, there has been an increase of 8.1km to replacements, a decrease of 0.02km on renovation and a reduction of 2.3km to new installs.

7C.12: When compared to last year, there has been a 0.42% increase in total trade volumes received. Historically a typical tolerance of change for this measure has been +/- 1%, however during the Covid-19 pandemic a circa 12% decrease was recorded in our 2020/2021 APR. The large change was expected due to the significant impact of closures enforced by multiple lockdowns during the pandemic, with many trade customers ceasing production for a number of months. Both 2021/2022 and 2022/2023 saw steady increases of circa 3.75% year on year as trade effluent activity recovered from the pandemic. In this reporting year there has been a levelling out with a marginal increase from the previous year, suggesting the recovery may have slowed into the new normal position.

7C.13: In total, we are reporting 605 Sewage Treatment Works (STW).

There are 319 Monitoring Certification Scheme (MCERT) flow monitoring points which is derived from 321 works, as Northallerton and Huddersfield account for two works each (Northallerton & Romanby, Brighouse & Deighton). The remaining 284 works do not have flow monitoring, so use a theoretical flow calculation based on Population Equivalent data is used instead. As it is generally only the smaller STWs that have no flow measurement the 'estimated' volumes are very small when compared to the overall total measured flow. i.e. these sites account for 0.33% of the total calculated flow.

Where there are missing days flow data for a measured MCERT point an extrapolation of available data is made to create a total flow for the year. Tadcaster Trade is an exception to this rule.

- Tadcaster Trade STW – zero flows at this works are legitimately zero due to the nature of the works receiving Trade Waste which on some days will not operate.

The reported Value for APR24 is 801461.47ML/year.

7C.14: This is an increase of 7.4km from the previous reported figure of 14.8km.

7C.15: This is an increase of 0.7km from the previous reported figure of 2.8km. There are two projects that have contributed to this increase, one at Eastington (2,137m) and the other at Great Ouseburn (899m).

7C.16 – 7C.22: All of these measures have remained very consistent with last year's reporting.

7C.23 – 7C.40: All of these data items are new reporting requirements introduced by our Regulator, Ofwat for 2023/2024. All of our reported values are in line with the guidance set by Ofwat.

Whilst some permits contain a condition within the operating technique for the emergency discharge to have an alarm for when the overflow operates, these are not set up in the same manner of Event Duration Monitors (EDM). For example, the alarm level may be set before the spill level to give warning that a spill may occur and time to prevent it.

Four permits for emergency discharges from the wastewater network include the requirement for EDM. One of the exclusions (HULL WEST/SPS) has been excluded as the emergency type is flooding of Hull, the other three have been excluded as the overflow is in common with a permitted storm discharge.

Currently no emergency overflow EDM meet the reporting definition set by our Regulator, Ofwat. Monitoring Certification Scheme (MCERT) requirements for emergency overflow EDM monitors will start within AMP8 under the U_MON6 driver. Because of this, we have reported 'N/A' against Data Items 7C.39 and 7C.40.

As part of a continuous improvement in performance, we are reviewing assets and their impact. We have a mis-consented process that has at its core an investigation to confirm the asset status, its performance and permit status. Through this process we have identified 36 to investigate and confirm before submitting an application for the permit for the discharge.

An outcome of the mis-consented investigation as well as the spill performance investigations can be that we identify that an asset is no longer operational or that it is not required on the network, and this will result in formal abandonment of the asset on the network and an application to revoke the permit for storm discharge conditions from the Environment Agency.

We experienced a very wet 2023, with the highest level of rainfall since 2013 and the second half of the year was one of the wettest on record. We had 11 named storms in the region as well as a very wet summer and prolonged heavy rainfall towards the end of the year which meant groundwater levels were elevated, and there was infiltration into our sewer network. All this rainfall ultimately means that our storm overflows discharged more this year than we would have liked. Overflows operate during prolonged or heavy rainfall and the multiple storms in close succession led to an increase in discharges as excess flows held in storm tanks can't be treated before the next rainfall event.



Table 7D

Wastewater Network Plus – Sewage treatment works data for the 12 months ended 31 March 2024

Line description	Units	DPs	Primary	Treatment categories						Total	RAG 4 reference
				Secondary		Tertiary					
				Activated Sludge	Biological	A1	A2	B1	B2		
Load received at sewage treatment works											
Load received by STWs in size band 1	kg BOD ₅ /day	0	69	405	1,142	29	18	65	0	1,728	7D.1
Load received by STWs in size band 2	kg BOD ₅ /day	0	55	242	989	24	17	173	80	1,580	7D.2
Load received by STWs in size band 3	kg BOD ₅ /day	0	123	861	2,179	196	475	734	1,040	5,608	7D.3
Load received by STWs in size band 4	kg BOD ₅ /day	0	0	3,864	8,631	895	2,360	1,327	4,869	21,946	7D.4
Load received by STWs in size band 5	kg BOD ₅ /day	0	0	10,871	12,088	3,414	6,848	2,813	7,578	43,612	7D.5
Load received by STWs above size band 5	kg BOD ₅ /day	0	0	202,070	14,479	6,032	61,933	2,684	1,537	288,735	7D.6
Total load received	kg BOD ₅ /day	0	247	218,313	39,508	10,590	71,651	7,796	15,104	363,209	7D.7
Load received from trade effluent customers at treatment works	kg BOD ₅ /day	0								49,089	7D.8
Number of sewage treatment works											
STWs in size band 1	nr	0	30	69	200	3	1	8	0	311	7D.9
STWs in size band 2	nr	0	2	11	41	1	1	7	4	67	7D.10
STWs in size band 3	nr	0	2	13	33	2	5	13	11	79	7D.11
STWs in size band 4	nr	0	0	12	27	2	7	6	18	72	7D.12
STWs in size band 5	nr	0	0	9	13	3	6	3	7	41	7D.13
STWs above size band 5	nr	0	0	20	4	3	6	1	1	35	7D.14
Total number of works	nr	0	34	134	318	14	26	38	41	605	7D.15

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7D – continued

Wastewater Network Plus – Sewage treatment works data for the 12 months ended 31 March 2024

Line description	Units	Treatment works consents																		RAG 4 reference
		Phosphorus						BOD ₅						Ammonia						
		DPs	<=0.5 mg/l	>0.5 to <=1mg/l	>1mg/l	No permit	Total	<=7 mg/l	>7 to <=10mg/l	>10 to <=20mg/l	>20 mg/l	No permit	Total	<=1 mg/l	>1 to <=3mg/l	>3 to <=10mg/l	>10 mg/l	No permit	Total	
Load received at sewage treatment works																				
Load received by STWs in size band 1	kg BOD ₅ /day	0	0	0	0	1,728	1,728	0	0	30	97	1,601	1,728	0	0	30	146	1,552	1,728	7D.1
Load received by STWs in size band 2	kg BOD ₅ /day	0	0	19	0	1,561	1,580	0	0	227	854	499	1,580	0	24	283	815	458	1,580	7D.2
Load received by STWs in size band 3	kg BOD ₅ /day	0	258	160	464	4,726	5,608	0	161	1,700	3,458	289	5,608	0	0	2,029	2,753	826	5,608	7D.3
Load received by STWs in size band 4	kg BOD ₅ /day	0	1,765	1,067	372	18,743	21,947	0	1,518	5,978	10,318	4,131	21,945	0	2,720	7,262	6,465	5,500	21,947	7D.4
Load received by STWs in size band 5	kg BOD ₅ /day	0	4,099	4,606	3,860	31,048	43,613	0	4,550	14,249	22,647	2,167	43,613	0	5,897	21,646	8,654	7,416	43,613	7D.5
Load received by STWs above size band 5	kg BOD ₅ /day	0	0	0	0	288,735	288,735	0	26,810	135,280	86,768	39,877	288,735	5,268	142,338	94,280	6,972	39,877	288,735	7D.6
Total load received	kg BOD ₅ /day	0	6,122	5,852	4,696	346,541	363,211	0	33,039	157,464	124,142	48,564	363,209	5,268	150,979	125,530	25,805	55,629	363,211	7D.7
Load received from trade effluent customers at treatment works	kg BOD ₅ /day	0																		7D.8
Number of sewage treatment works																				
STWs in size band 1	nr	0	0	0	0	311	311	0	0	2	10	299	311	0	0	2	13	296	311	7D.9
STWs in size band 2	nr	0	0	1	0	66	67	0	0	10	34	23	67	0	1	12	33	21	67	7D.10
STWs in size band 3	nr	0	4	2	6	67	79	0	2	22	49	6	79	0	0	26	42	11	79	7D.11
STWs in size band 4	nr	0	6	3	2	61	72	0	5	18	38	11	72	0	7	26	23	16	72	7D.12
STWs in size band 5	nr	0	4	4	4	29	41	0	4	14	21	2	41	0	5	22	8	6	41	7D.13
STWs above size band 5	nr	0	0	0	0	35	35	0	1	14	17	3	35	1	11	17	3	3	35	7D.14
Total number of works	nr	0	14	10	12	569	605	0	12	80	169	344	605	1	24	105	122	353	605	7D.15

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7D – continued

Wastewater Network Plus – Sewage treatment works data for the 12 months ended 31 March 2024

Line description	Units	DPs	Primary	RAG 4 reference
Population equivalent				
Current population equivalent served by STWs	000s	3	5,966.853	7D.16
Current population equivalent served by STWs with tightened/new P consents	000s	3	0.000	7D.17
Current population equivalent served by STWs with tightened/new N consents	000s	3	0.000	7D.18
Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	3	0.000	7D.19
Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	3	0.000	7D.20
Population equivalent treatment capacity enhancement	000s	3	0.000	7D.21
Current population equivalent served by STWs with tightened/new consents for chemicals or other hazardous substances.	000s	3	0.000	7D.22

7D.1 – 7D.7: Overall there has been an increase of 0.62% in the total load (kg BOD5/day) as reported in Line 7. The loads within Bands 1-5 have shown an increase, whilst Bands 6 has decreased; all the band changes were within a 8% tolerance.

There is a slight discrepancy noted between the summary values in the tables whereby the ‘totals’ for each section varied by a maximum of 2. This was investigated and found to be a rounding error.

7D.8: Has shown a 9.81% increase in trade load. The increase follows the trend of Trade Effluent sector recovery from the pandemic, with loads having increased in consecutive years since 2020/2021, and for the first time since the pandemic exceeds the 2019/2020 figure. There is a separate assurance statement (7C.12) for this line which also discusses Trade Volumes.

7D.9 – 7D.15: The overall number of STWs being reported for 2023/2024 is 605, which is the same as our reported value in last years.

There are two sites which have gone since last year:

- Eccup/WTW STW – AI2 updated to status of Not connected to the public sewer network, deemed private.
- Elvington/WTW STW – AI2 updated to status of Not connected to the public sewer network, deemed private.

There are two new works added to the count this year:

- Back Lane DNI4/STW – New Adoption
- Baldersby St James/STW – Removed in 2021/2022 as decommissioned, found to be incorrect.

The two new works and two removed works all sat within Band 1, resulting in a zero net change.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

There have been a number of additional Band changes due have occurred since last year. The table below summarises the changes; all the sites have moved up or down by a single band as PE changes have moved sites into the next threshold.

Common Name	2022/ 2023	2023/ 2024
Bolton on Dearne/STW	5	6
Carthorpe/STW	3	2
Cherry Burton/STW	3	4
Crow Edge/STW	1	2
Grosmont/STW	1	2
Hinderwell/STW	4	3
Hunsingore/STW	1	2
Leeming Bar/STW	5	4
Malton/STW	6	5
Masham/STW	3	4
Micklefield/STW	3	4
Newsham/STW	1	2
North Stainley/STW	2	3

There have been two changes to the treatment types between last year and this year. A Tertiary Solids Removal unit (TSR) has been installed at Oxenhope AI2 has been updated to reflect the Sand Filter asset at Harrogate North.

Common Name	2022/ 2023	2023/ 2024
Harrogate North/STW	TB2	TB1
Oxenhope/No 2 STW	SAS	TB2

There have been no consent changes in the past 12 months.

7D.16: There has been 0.42% increase in population equivalent from 2022/2023 (5941.62thousands) to 2023/2024 (5966.85thousands).

7D.17 – 7D.22: There have been zero output achieved against this measure in the reporting year so the Population Equivalent reported is as zero in the APR table.

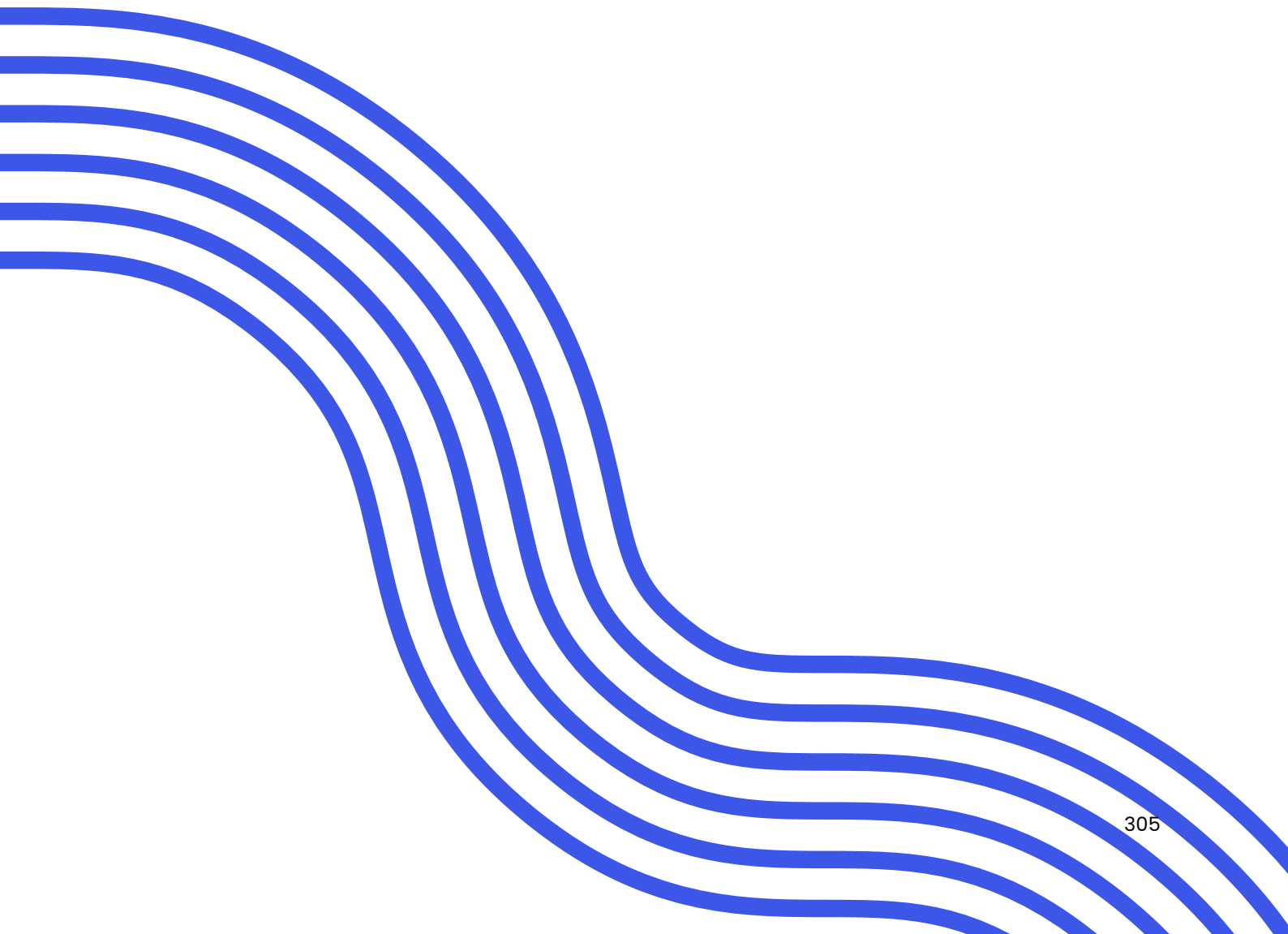


Table 7E

Wastewater Network Plus – Energy consumption and other data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total sewerage catchment area	km ²	0	1,753	7E.1
Designated bathing waters (inland and coastal)	nr	0	19	7E.2
Number of intermittent discharge event duration monitoring	nr	0	32	7E.3
Number of monitors for flow monitoring at STWs	nr	0	36	7E.4
Number of odour related complaints	nr	0	250	7E.5
Energy consumption				
Energy consumption – sewage collection	MWh	3	60,851.441	7E.6
Energy consumption – sewage treatment	MWh	3	269,497.572	7E.7
Energy consumption – wastewater Network Plus	MWh	3	330,349.013	7E.8
Scheme delivery				
Cumulative shortfall in FFT addressed by WINEP/NEP schemes to increase STW capacity	l/s	3	0.000	7E.9
Number of sites with an increase in sewage treatment works capacity delivered to address a shortfall in FFT	nr	0	0	7E.10
Additional storm tank capacity provided at sewage treatment works (grey infrastructure)	m ³	3	2,047.000	7E.11
Additional effective storm storage capacity at sewage treatment works (green infrastructure)	m ³	3	0.000	7E.12
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m ³	3	0.000	7E.13
Additional effective storage in the network delivered through green infrastructure	m ³	3	0.000	7E.14
Total number of sewage treatment works sites where additional storage has been delivered (grey infrastructure)	nr	0	15	7E.15
Number of sewage treatment works sites where additional storage has been delivered with pumping (grey infrastructure)	nr	0	0	7E.16
Number of sewage treatment works benefitting from green infrastructure replacing the need for storm tank storage	nr	0	0	7E.17
Number of sites delivering additional network storage (grey infrastructure)	nr	0	0	7E.18
Number of sites delivering additional network storage including pumping (grey infrastructure)	nr	0	0	7E.19
Number of sites delivering additional network storage through green infrastructure	nr	0	0	7E.20
Surface water separation drainage area removed	m ²	0	0	7E.21
Number of schemes delivered to meet tightened or new sanitary consents	nr	0	0	7E.22
Number of installations requiring civils for flow monitoring at sewage treatment works	nr	0	15	7E.23
Number of installations requiring civils for event duration monitoring at intermittent discharges	nr	0	0	7E.24
Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies	nr	0	4	7E.25

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

7E.1: This is an increase of 2.99% which is increase from 1702km² in 2022/2023.

7E.2: For more information on our Bathing water performance, please click here.

7E.3: This figure has been crossed checked with the UMON Project Asset Planning Sponsor as in line with the expected WINEP output for the reporting year. All 32 sites contain Water Company sign off.

7E.4: These figures have been checked with the UMON Project Asset Planning Sponsor and confirmed to align with the expected output in the WINEP for the reporting year. All of these outputs have Water Company sign off in the WINEP Spreadsheet but are still awaiting EA Sign Off.

7E.5: Our performance here has improved by 49% which is pleasing to see. However, all complaints are still taken seriously and investigated, with learnings taken from all to improve moving forward.

7E.15: 15 of the 19 U_IMP6 outputs were delivered by utilising grey infrastructure. Note the remaining 4 sites were classed as 'Do Nothing'.

7E.23: From the 36 U_MON4 and U_MON5 installations, 15 of them have required Civils works to complete the MCERT certification requirement. A number of sites had minor works to install sensors or replace sections of pipework, but these are not considered to be full civils. The reportable number is 15.

7E.25: Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies: 4.

5 projects of the £180m storm overflow programme have been beneficially complete. 4 of these are improvements to CSOs which will reduce spill frequency. The 4 projects are: Kexby, Ruswarp, Fishergate and Salem Cricket Ground.

The one that doesn't is Storm Harvester where we have installed an AI monitoring system. This system enables us to see if the problem is infiltration or storage.



Table 7F

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Capital expenditure							Operating expenditure							RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	
Leeming Bar	£m	3	0.000	0.311	0.000	0.040	0.000	0.000		0.000	0.028	0.057	0.057	0.057	0.057	0.057	7F.1
Ackworth WwTW	£m	3	0.003	0.043	0.211	0.259	2.088	0.588		0.000	0.000	0.000	0.000	0.000	0.097	0.166	7F.2
Adwick No 2 STW	£m	3	0.003	0.060	0.272	6.142	3.604	0.351		0.000	0.000	0.000	0.000	0.000	0.155	0.265	7F.3
Aldwarke WwTW	£m	3	0.001	0.098	0.528	0.729	2.088	0.616		0.000	0.000	0.000	0.000	0.000	0.258	0.442	7F.4
Balby STW	£m	3	0.000	0.215	0.120	0.025	0.222	0.014		0.000	0.000	0.000	0.000	0.000	0.026	0.044	7F.5
Bentley STW	£m	3	0.001	0.159	0.134	0.490	0.877	1.119		0.000	0.000	0.000	0.000	0.000	0.164	0.281	7F.6
Bishop Wilton WwTW	£m	3	0.002	0.089	0.136	0.812	0.826	0.046		0.000	0.000	0.000	0.000	0.000	0.049	0.085	7F.7
Blackburn Meadows	£m	3	0.014	0.392	2.228	6.716	20.806	10.990		0.000	0.000	0.000	0.000	0.000	2.264	3.882	7F.8
Bolsover STW	£m	3	0.003	0.160	0.315	0.786	2.472	0.453		0.000	0.000	0.000	0.000	0.000	0.101	0.173	7F.9
Bolton On Dearne	£m	3	0.001	0.083	0.208	0.400	0.392	1.340		0.000	0.000	0.000	0.000	0.000	0.074	0.126	7F.10
Bradford Esholt WwTW	£m	3	0.006	0.267	3.248	1.765	8.021	4.145		0.000	0.000	0.000	0.000	0.000	1.060	1.816	7F.11
Caldervale	£m	3	0.002	0.244	2.355	1.454	0.421	1.294		0.000	0.000	0.000	0.000	0.000	0.193	0.332	7F.12
Carleton STW	£m	3	0.006	0.094	0.149	0.544	3.802	0.827		0.000	0.000	0.000	0.000	0.000	0.084	0.143	7F.13
Carthorpe WwTW	£m	3	0.003	0.003	0.119	0.217	0.771	1.995		0.000	0.000	0.000	0.000	0.000	0.050	0.086	7F.14
Castleford WwTW	£m	3	0.001	0.059	0.565	0.129	0.755	0.448		0.000	0.000	0.000	0.000	0.000	0.142	0.243	7F.15
Cheesebottom WwTW	£m	3	0.006	0.007	0.706	0.195	1.238	4.131		0.000	0.000	0.000	0.000	0.000	0.161	0.276	7F.16
Clayton West WwTW	£m	3	0.009	0.010	0.702	0.897	2.447	11.135		0.000	0.000	0.000	0.000	0.000	0.169	0.289	7F.17
Clifton STW	£m	3	0.001	0.253	1.398	0.067	0.002	0.004		0.000	0.000	0.000	0.000	0.000	0.010	0.018	7F.18
Crofton STW	£m	3	0.002	0.091	0.222	0.539	1.144	0.848		0.000	0.000	0.000	0.000	0.000	0.070	0.119	7F.19
Danesmoor STW	£m	3	0.005	0.169	0.375	0.608	2.843	1.174		0.000	0.000	0.000	0.000	0.000	0.059	0.101	7F.20
Darton WwTW	£m	3	0.000	0.173	0.308	0.645	0.072	0.018		0.000	0.000	0.000	0.000	0.000	0.090	0.154	7F.21
Denaby WwTW	£m	3	0.000	0.000	0.473	0.421	0.539	0.005		0.000	0.000	0.000	0.000	0.000	0.129	0.221	7F.22
Dewsbury WwTW	£m	3	0.020	0.108	1.003	1.369	11.345	9.842		0.000	0.000	0.000	0.000	0.000	0.766	1.313	7F.23

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Capital expenditure							Operating expenditure							RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	
Dishforth WwTW	£m	3	0.005	0.005	0.059	0.226	0.839	2.935		0.000	0.000	0.000	0.000	0.000	0.032	0.055	7F.24
Dowley Gap WwTW	£m	3	0.003	0.003	0.867	0.267	0.431	1.614		0.000	0.000	0.000	0.000	0.000	0.222	0.381	7F.25
Draughton WwTW	£m	3	0.002	0.002	0.110	0.248	0.914	1.056		0.000	0.000	0.000	0.000	0.000	0.037	0.064	7F.26
Dronfield WwTW	£m	3	0.003	0.078	0.741	1.731	4.577	3.794		0.000	0.000	0.000	0.000	0.000	0.235	0.403	7F.27
East Marton WwTW	£m	3	0.000	0.001	0.001	0.257	0.240	0.036		0.000	0.000	0.000	0.000	0.000	0.000	0.016	7F.28
Eastwood WwTW	£m	3	0.005	0.006	0.584	0.483	0.590	3.000		0.000	0.000	0.000	0.000	0.000	0.083	0.143	7F.29
Elmsall STW	£m	3	0.015	0.176	0.454	0.244	3.683	10.669		0.000	0.000	0.000	0.000	0.000	0.299	0.513	7F.30
Embsay STW	£m	3	0.000	0.196	0.013	0.046	0.143	0.039		0.000	0.000	0.000	0.000	0.000	0.001	0.002	7F.31
Ewden (stocksbridge) WwTW	£m	3	0.001	0.087	0.582	1.381	0.190	0.006		0.000	0.000	0.000	0.000	0.000	0.091	0.156	7F.32
Garforth STW	£m	3	0.008	0.018	0.204	0.554	3.154	4.661		0.000	0.000	0.000	0.000	0.000	0.261	0.447	7F.33
Grimethorpe STW	£m	3	0.001	0.164	0.369	1.782	0.371	0.785		0.000	0.000	0.000	0.000	0.000	0.108	0.185	7F.34
Halifax Copley WwTW	£m	3	0.001	0.175	0.652	0.619	0.055	0.006		0.000	0.000	0.000	0.000	0.000	0.107	0.184	7F.35
Harome WwTW	£m	3	0.002	0.003	0.891	0.203	0.802	0.877		0.000	0.000	0.000	0.000	0.000	0.025	0.043	7F.36
Harrogate South WwTW	£m	3	0.001	0.002	0.319	0.823	1.393	2.479		0.000	0.000	0.000	0.000	0.000	0.094	0.162	7F.37
Hatfield Woodhouse STW	£m	3	0.001	0.170	0.147	0.116	0.283	0.777		0.000	0.000	0.000	0.000	0.000	0.010	0.018	7F.38
High Royd STW	£m	3	0.003	0.386	1.845	1.047	0.224	0.518		0.000	0.000	0.000	0.000	0.000	0.061	0.105	7F.39
Horbury WwTW	£m	3	0.002	0.002	0.464	0.098	0.405	0.924		0.000	0.000	0.000	0.000	0.000	0.069	0.119	7F.40
Hoylandswaine WwTW	£m	3	0.002	0.002	0.137	0.301	0.871	3.951		0.000	0.000	0.000	0.000	0.000	0.054	0.092	7F.41
Huddersfield Complex	£m	3	0.011	0.539	2.208	2.766	18.845	10.803		0.000	0.000	0.000	0.000	0.000	1.485	2.546	7F.42
Ingbirchworth No2 WwTW	£m	3	0.002	0.002	0.121	0.368	0.376	1.422		0.000	0.000	0.000	0.000	0.000	0.030	0.052	7F.43

Key

○ Input cell ● Calculation cell ● Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Capital expenditure							Operating expenditure							RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	
Keighley Marley STW	£m	3	0.013	0.263	0.880	1.313	6.350	9.695		0.000	0.000	0.000	0.000	0.000	0.613	1.052	7F.44
Killinghall STW	£m	3	0.011	0.087	0.078	0.552	3.603	7.751		0.000	0.000	0.000	0.000	0.000	0.113	0.193	7F.45
Kirk Smeaton WwTW Transfer to Norton	£m	3	0.001	0.114	0.173	0.224	0.188	2.512		0.000	0.000	0.000	0.000	0.000	0.018	0.030	7F.46
Kirkby Malzeard WwTW	£m	3	0.000	0.001	0.055	0.163	0.696	0.697		0.000	0.000	0.000	0.000	0.000	0.012	0.020	7F.47
Knostrop WwTW	£m	3	0.019	0.327	6.992	25.348	21.699	5.175		0.000	0.000	0.000	0.000	0.000	3.117	5.344	7F.48
Lemonroyd WwTW	£m	3	0.001	0.001	0.535	0.335	0.996	0.302		0.000	0.000	0.000	0.000	0.000	0.141	0.241	7F.49
Long Lane WwTW	£m	3	0.005	0.006	0.450	0.254	0.665	3.662		0.000	0.000	0.000	0.000	0.000	0.104	0.178	7F.50
Lundwood WwTW	£m	3	0.001	0.061	0.501	0.234	1.575	0.562		0.000	0.000	0.000	0.000	0.000	0.395	0.677	7F.51
Meltham WwTW	£m	3	0.005	0.006	0.725	1.033	0.566	2.853		0.000	0.000	0.000	0.000	0.000	0.096	0.164	7F.52
Mexborough Swinton WwTW	£m	3	0.000	0.000	0.079	0.179	0.151	0.928		0.000	0.000	0.000	0.000	0.000	0.025	0.042	7F.53
Neiley	£m	3	0.001	0.001	0.058	0.159	0.225	0.379		0.000	0.000	0.000	0.000	0.000	0.062	0.107	7F.54
Normanton WwTW	£m	3	0.001	0.001	0.481	0.194	0.665	0.050		0.000	0.000	0.000	0.000	0.000	0.169	0.289	7F.55
Norton STW	£m	3	0.001	0.129	0.300	0.238	1.807	2.354		0.000	0.000	0.000	0.000	0.000	0.095	0.163	7F.56
Old Whittington WwTW	£m	3	0.005	0.210	1.203	2.192	6.292	3.243		0.000	0.000	0.000	0.000	0.000	0.939	1.610	7F.57
Oxenhope WwTW	£m	3	0.005	2.081	2.745	0.678	0.086	0.013		0.000	0.000	0.000	0.000	0.000	0.093	0.159	7F.58
Pocklington STW P	£m	3	0.005	0.201	0.458	0.271	0.985	3.396		0.000	0.000	0.000	0.000	0.000	-0.003	-0.006	7F.59
Rainton WwTW	£m	3	0.003	0.005	0.063	0.326	0.569	2.454		0.000	0.000	0.000	0.000	0.000	0.022	0.038	7F.60
Redacre STW	£m	3	0.006	0.139	0.592	1.059	1.112	2.558		0.000	0.000	0.000	0.000	0.000	0.149	0.255	7F.61
Ripponden Wood WwTW	£m	3	0.002	0.046	0.298	0.367	1.850	3.557		0.000	0.000	0.000	0.000	0.000	0.262	0.449	7F.62
Sandall WwTW	£m	3	0.003	0.085	0.524	2.622	3.935	1.419		0.000	0.000	0.000	0.000	0.000	0.308	0.528	7F.63

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Capital expenditure							Operating expenditure							RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	
Shaw Mills WwTW	£m	3	0.003	0.063	0.142	0.162	0.595	2.075		0.000	0.000	0.000	0.000	0.000	0.049	0.084	7F.64
Sherburn In Elmet	£m	3	0.001	0.180	0.233	0.540	0.130	0.138		0.000	0.000	0.000	0.000	0.000	0.159	0.272	7F.65
Sheriff Hutton STW	£m	3	0.009	1.914	0.240	0.005	0.001	0.005		0.000	0.000	0.000	0.000	0.000	0.027	0.046	7F.66
Skipton UWWTD	£m	3	0.000	0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000	0.000	0.000	0.000	0.000	7F.67
Snaith WwTW	£m	3	0.000	0.000	0.339	0.180	0.772	0.036		0.000	0.000	0.000	0.000	0.000	0.032	0.056	7F.68
STANLEY STW	£m	3	0.001	0.037	0.139	0.191	0.399	2.642		0.000	0.000	0.000	0.000	0.000	0.069	0.118	7F.69
Staveley WwTW	£m	3	0.002	0.002	0.018	0.496	0.811	0.941		0.000	0.000	0.000	0.000	0.000	0.151	0.259	7F.70
Stillington WwTW	£m	3	0.003	1.235	0.280	0.077	0.006	0.004		0.000	0.000	0.000	0.000	0.000	0.024	0.041	7F.71
Stockley STW	£m	3	0.002	0.078	0.314	0.196	0.340	1.708		0.000	0.000	0.000	0.000	0.000	0.078	0.134	7F.72
Sutton on the Forest	£m	3	0.010	1.918	0.709	0.084	0.001	0.006		0.000	0.000	0.000	0.000	0.000	0.083	0.141	7F.73
Sutton STW	£m	3	0.001	0.135	0.266	0.445	0.894	0.069		0.000	0.000	0.000	0.000	0.000	0.117	0.200	7F.74
Thorne STW	£m	3	0.001	0.148	0.298	0.346	1.187	0.116		0.000	0.000	0.000	0.000	0.000	0.103	0.176	7F.75
Thornton le Beans WwTW	£m	3	0.003	0.168	0.447	0.154	0.271	2.994		0.000	0.000	0.000	0.000	0.000	0.037	0.063	7F.76
Tupton WwTW			0.006	0.007	0.625	0.635	1.964	3.865		0.000	0.000	0.000	0.000	0.000	0.090	0.155	7F.77
Upton Wrangbrook WFD			0.007	0.136	0.191	0.245	1.432	4.491		0.000	0.000	0.000	0.000	0.000	0.084	0.145	7F.78
Wath on Dearne STW			0.001	0.089	0.115	0.357	0.899	2.139		0.000	0.000	0.000	0.000	0.000	0.048	0.083	7F.79
Wombwell STW			0.001	0.167	0.247	0.650	0.512	0.270		0.000	0.000	0.000	0.000	0.000	0.099	0.170	7F.80
Woodhouse Mill WwTW			0.003	0.255	1.109	0.878	1.438	0.317		0.000	0.000	0.000	0.000	0.000	0.281	0.481	7F.81
Worsbrough			0.001	0.067	0.299	0.676	1.517	1.742		0.000	0.000	0.000	0.000	0.000	0.157	0.270	7F.82
Total	£m	3	0.300	15.468	49.744	82.867	172.345	178.853	0.000	0.000	0.028	0.057	0.057	0.057	17.948	30.742	7F.201

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Population equivalent served						RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	
Leeming Bar	£m	3	15,718.256	12,122.365	11,445.887	10,267.189	6,991.993		7F.1
Ackworth WwTW	£m	3	8,872.775	8,658.101	9,525.578	9,420.690	9,588.573		7F.2
Adwick No 2 STW	£m	3	21,445.718	20,921.357	20,903.541	20,570.793	20,027.532		7F.3
Aldwarke WwTW	£m	3	114,051.469	111,040.803	115,076.634	113,618.012	111,076.645		7F.4
Balby STW	£m	3	19,200.196	18,749.700	19,968.310	19,732.928	18,867.999		7F.5
Bentley STW	£m	3	24,816.776	22,417.201	22,467.591	22,132.330	21,955.558		7F.6
Bishop Wilton WwTW	£m	3	216.222	211.222	464.000	463.000	447.000		7F.7
Blackburn Meadows	£m	3	545,317.501	529,154.536	553,898.820	556,360.142	514,399.640		7F.8
Bolsover STW	£m	3	10,698.335	10,430.777	10,466.101	10,284.968	10,199.272		7F.9
Bolton On Dearne	£m	3	24,484.810	23,761.361	24,672.471	24,809.300	25,618.919		7F.10
Bradford Esholt WwTW	£m	3	427,210.614	400,703.531	428,523.755	424,264.008	446,836.274		7F.11
Caldervale	£m	3	124,757.804	120,691.638	136,568.628	131,346.873	130,583.947		7F.12
Carleton STW	£m	3	6,264.889	6,112.889	6,332.000	6,258.000	6,484.000		7F.13
Carthorpe WwTW	£m	3	577.889	563.889	1,033.000	1,017.000	496.000		7F.14
Castleford WwTW	£m	3	33,132.061	32,062.659	35,881.990	35,455.721	36,446.828		7F.15
Cheesebottom WwTW	£m	3	13,992.674	13,380.655	14,698.115	14,601.322	14,415.096		7F.16
Clayton West WwTW	£m	3	21,048.428	22,153.659	20,256.119	20,153.842	21,123.222		7F.17
Clifton STW	£m	3	168.000	164.000	170.000	167.000	145.000		7F.18
Crofton STW	£m	3	9,320.889	9,095.889	9,654.000	9,535.000	9,698.000		7F.19
Danesmoor STW	£m	3	6,693.969	6,510.601	6,557.646	6,445.915	6,819.239		7F.20
Darton WwTW	£m	3	24,046.469	23,476.065	24,092.027	23,777.353	23,743.031		7F.21
Denaby WwTW	£m	3	33,001.210	32,072.354	32,735.162	32,281.032	32,245.039		7F.22
Dewsbury WwTW	£m	3	370,173.723	368,523.773	373,454.715	372,511.364	357,062.977		7F.23

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Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Population equivalent served						RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	
Dishforth WwTW	£m	3	705.000	688.000	606.000	610.000	642.000		7F.24
Dowley Gap WwTW	£m	3	40,536.619	39,672.694	40,396.646	39,848.206	39,767.233		7F.25
Draughton WwTW	£m	3	344.000	336.000	345.000	353.000	336.000		7F.26
Dronfield WwTW	£m	3	23,337.810	23,029.937	22,603.714	22,502.853	23,438.953		7F.27
East Marton WwTW	£m	3	182.000	178.000	169.000	177.000	196.000		7F.28
Eastwood WwTW	£m	3	15,425.466	15,047.038	15,518.165	15,370.494	15,068.833		7F.29
Elmsall STW	£m	3	35,137.559	34,106.377	37,017.372	37,307.759	36,059.718		7F.30
Embsay STW	£m	3	1,908.444	1,862.444	2,063.000	2,126.000	2,002.000		7F.31
Ewden (stocksbridge) WwTW	£m	3	13,815.701	13,467.050	13,595.717	13,532.071	13,335.759		7F.32
Garforth STW	£m	3	42,495.505	41,665.686	41,779.636	39,543.787	41,200.757		7F.33
Grimethorpe STW	£m	3	13,256.896	12,937.488	13,323.042	13,138.093	12,942.850		7F.34
Halifax Copley WwTW	£m	3	173,401.995	160,764.198	158,953.088	153,655.370	186,602.933		7F.35
Harome WwTW	£m	3	1,585.667	1,549.667	1,640.000	1,772.051	1,802.000		7F.36
Harrogate South WwTW	£m	3	39,848.374	39,053.740	40,150.486	40,891.839	41,535.926		7F.37
Hatfield Woodhouse STW	£m	3	452.000	441.000	501.000	494.000	439.000		7F.38
High Royd STW	£m	3	11,595.138	11,426.821	14,361.110	12,701.127	11,293.110		7F.39
Horbury WwTW	£m	3	16,630.656	16,215.200	15,899.238	15,697.253	15,264.865		7F.40
Hoylandswaine WwTW	£m	3	1,024.000	999.000	976.000	962.000	965.000		7F.41
Huddersfield Complex	£m	3	275,399.615	262,132.600	268,877.157	267,939.670	260,025.000		7F.42
Ingbirchworth No2 WwTW	£m	3	453.444	442.444	633.000	627.000	663.000		7F.43

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Population equivalent served						RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	
Keighley Marley STW	£m	3	92,340.309	89,192.395	91,211.127	91,244.872	90,382.365		7F.44
Killinghall STW	£m	3	3,389.000	3,307.000	3,735.000	3,806.000	4,132.000		7F.45
Kirk Smeaton WwTW	£m	3	697.000	680.000	693.000	690.000	687.000		7F.46
Kirkby Malzeard WwTW	£m	3	1,815.214	1,773.904	1,825.050	1,765.848	1,780.468		7F.47
Knostrop WwTW	£m	3	737,670.865	724,675.721	745,564.857	758,667.292	765,011.766		7F.48
Lemonroyd WwTW	£m	3	32,927.933	32,128.851	31,911.898	31,699.733	32,146.551		7F.49
Long Lane WwTW	£m	3	24,095.987	23,508.683	23,985.306	23,668.413	23,756.139		7F.50
Lundwood WwTW	£m	3	87,039.065	85,358.888	91,412.350	90,091.219	87,802.486		7F.51
Meltham WwTW	£m	3	8,642.444	8,433.444	8,802.233	8,687.104	8,675.497		7F.52
Mexborough Swinton WwTW	£m	3	18,045.605	18,270.416	18,549.010	17,886.682	18,010.729		7F.53
Neiley	£m	3	29,680.769	31,638.001	35,789.278	31,905.690	34,387.026		7F.54
Normanton WwTW	£m	3	46,164.232	43,725.768	47,598.021	48,327.556	49,207.115		7F.55
Norton STW	£m	3	10,501.891	10,244.709	10,045.273	9,913.903	10,027.020		7F.56
Old Whittington WwTW	£m	3	119,365.745	111,995.983	114,430.160	117,207.696	121,159.694		7F.57
Oxenhope WwTW	£m	3	2,276.855	2,221.855	2,145.077	2,118.077	2,106.077		7F.58
Pocklington STW P	£m	3	11,090.714	10,812.803	11,591.334	10,949.884	11,967.034		7F.59
Rainton WwTW	£m	3	367.000	358.000	377.000	389.000	390.000		7F.60
Redacre STW	£m	3	8,560.821	8,352.067	8,050.248	8,002.395	7,691.012		7F.61
Ripponden Wood WwTW	£m	3	5,407.111	5,276.111	5,383.000	5,322.000	5,126.000		7F.62
Sandall WwTW	£m	3	99,650.385	97,753.209	105,051.701	102,486.921	98,217.329		7F.63

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Population equivalent served							RAG 4 reference
			2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	After 2024–2025	
Shaw Mills WwTW	£m	3	664.000	648.000	687.000	709.000	710.000			7F.64
Sherburn In Elmet	£m	3	12,015.965	13,884.137	14,919.366	14,639.015	16,452.630			7F.65
Sheriff Hutton STW	£m	3	976.000	954.000	966.000	999.000	965.000			7F.66
Skipton UWWTD	£m	3	19,290.561	19,007.950	19,611.084	20,564.817	20,518.310			7F.67
Snaith WwTW	£m	3	9,282.805	8,652.164	8,859.093	8,952.300	8,939.153			7F.68
Stanley STW	£m	3	19,700.973	19,217.952	20,547.739	20,287.753	20,865.823			7F.69
Staveley WwTW	£m	3	31,493.783	30,194.941	30,390.988	30,140.685	30,461.965			7F.70
Stillington WwTW	£m	3	758.333	740.333	776.000	791.000	717.000			7F.71
Stockley STW	£m	3	2,580.101	2,518.161	3,020.360	2,946.783	2,932.769			7F.72
Sutton on the Forest	£m	3	1,653.438	1,613.889	1,737.609	1,759.659	1,693.517			7F.73
Sutton STW	£m	3	64,979.572	60,558.960	64,074.386	60,196.673	61,957.544			7F.74
Thorne STW	£m	3	40,159.674	39,051.404	40,281.100	39,870.835	39,809.411			7F.75
Thornton le Beans WwTW	£m	3	184.000	180.000	183.000	187.000	191.000			7F.76
Tupton WwTW	£m	3	10,986.111	10,720.111	10,914.000	10,728.000	10,403.000			7F.77
Upton Wrangbrook WFD	£m	3	6,340.000	6,186.000	6,777.000	6,682.000	6,595.000			7F.78
Wath on Dearne STW	£m	3	19,498.662	19,287.921	22,302.135	22,791.615	22,856.517			7F.79
Wombwell STW	£m	3	59,340.132	55,077.449	57,782.510	49,444.048	50,104.204			7F.80
Woodhouse Mill WwTW	£m	3	143,024.488	132,218.277	133,760.445	132,164.599	131,587.205			7F.81
Worsbrough	£m	3	20,991.227	20,479.158	20,674.105	20,403.989	20,220.013			7F.82
Total	£m	3	4,366,395.336	4,219,893.024	4,384,669.304	4,353,812.411	4,349,496.090	0.000	0.000	7F.201

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Cost driver 1	Cost driver 2	Cost driver 3	Cost driver 4	Cost driver 5	Cost driver 6	Cost driver 7	Cost driver 8	Cost driver 9	RAG 4 reference
			Scheme design population equivalent	Historical permit level for phosphorus (mg/L)	Enhanced permit level for phosphorus (mg/L)	Permit change only (Y/N)	Catchment-based solution (Y/N)	Length of transfer pipeline (km)	Annual Average Daily Transferred flow (cu.m/d)	Company specific	Company specific	
Leeming Bar	£m	3	11,146.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.1
Ackworth WwTW	£m	3	9,856.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.2
Adwick No 2 STW	£m	3	26,913.000	n/a	0.300	N	N	0.000	0.000	n/a	n/a	7F.3
Aldwarke WwTW	£m	3	127,978.000	n/a	0.700	N	N	0.000	0.000	n/a	n/a	7F.4
Balby STW	£m	3	22,605.000	2.000	0.250	N	N	0.000	0.000	n/a	n/a	7F.5
Bentley STW	£m	3	26,146.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.6
Bishop Wilton WwTW	£m	3	484.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.7
Blackburn Meadows	£m	3	622,737.000	n/a	0.300	N	N	0.000	0.000	n/a	n/a	7F.8
Bolsover STW	£m	3	11,848.000	n/a	0.300	N	Y	0.000	0.000	n/a	n/a	7F.9
Bolton On Dearne	£m	3	32,774.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.10
Bradford Esholt WwTW	£m	3	539,336.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.11
Caldervale	£m	3	131,330.000	n/a	0.600	N	N	0.000	0.000	n/a	n/a	7F.12
Carleton STW	£m	3	7,447.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.13
Carthorpe WwTW	£m	3	1,109.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.14
Castleford WwTW	£m	3	42,668.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.15
Cheesebottom WwTW	£m	3	18,938.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.16
Clayton West WwTW	£m	3	23,872.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.17
Clifton STW	£m	3	180.000	n/a	4.000	N	N	0.000	0.000	n/a	n/a	7F.18
Crofton STW	£m	3	10,664.000	n/a	0.700	N	N	0.000	0.000	n/a	n/a	7F.19
Danesmoor STW	£m	3	7,501.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.20
Darton WwTW	£m	3	30,478.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.21
Denaby WwTW	£m	3	35,311.000	n/a	0.600	N	N	0.000	0.000	n/a	n/a	7F.22
Dewsbury WwTW	£m	3	383,823.000	n/a	0.480	N	N	0.000	0.000	n/a	n/a	7F.23

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Cost driver 1	Cost driver 2	Cost driver 3	Cost driver 4	Cost driver 5	Cost driver 6	Cost driver 7	Cost driver 8	Cost driver 9	RAG 4 reference
			Scheme design population equivalent	Historical permit level for phosphorus (mg/L)	Enhanced permit level for phosphorus (mg/L)	Permit change only (Y/N)	Catchment-based solution (Y/N)	Length of transfer pipeline (km)	Annual Average Daily Transferred flow (cu.m/d)	Company specific	Company specific	
Dishforth WwTW	£m	3	714.000	n/a	2.500	N	N	0.000	0.000	n/a	n/a	7F.24
Dowley Gap WwTW	£m	3	46,076.000	n/a	0.600	N	Y	0.000	0.000	n/a	n/a	7F.25
Draughton WwTW	£m	3	402.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.26
Dronfield WwTW	£m	3	24,518.000	n/a	0.300	N	N	0.000	0.000	n/a	n/a	7F.27
East Marton WwTW	£m	3	207.000	n/a	4.000	Y	Y	0.000	0.000	n/a	n/a	7F.28
Eastwood WwTW	£m	3	17,415.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.29
Elmsall STW	£m	3	41,954.000	n/a	0.300	N	N	0.000	0.000	n/a	n/a	7F.30
Embsay STW	£m	3	2,123.000	2.000	0.250	N	Y	0.000	0.000	n/a	n/a	7F.31
Ewden (stocksbridge) WwTW	£m	3	13,950.000	n/a	0.900	N	N	0.000	0.000	n/a	n/a	7F.32
Garforth STW	£m	3	49,314.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.33
Grimethorpe STW	£m	3	17,097.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.34
Halifax Copley WwTW	£m	3	167,989.000	n/a	0.300	Y	N	0.000	0.000	n/a	n/a	7F.35
Harome WwTW	£m	3	1,627.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.36
Harrogate South WwTW	£m	3	43,698.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.37
Hatfield Woodhouse STW	£m	3	0 (transfer)	n/a	n/a	N	N	1.900	103 (max 475)	n/a	n/a	7F.38
High Royd STW	£m	3	13,559.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.39
Horbury WwTW	£m	3	19,102.000	n/a	0.700	N	N	0.000	0.000	n/a	n/a	7F.40
Hoylandswaine WwTW	£m	3	1,159.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.41
Huddersfield Complex	£m	3	312,683.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.42
Ingbirchworth No2 WwTW	£m	3	662.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.43

Key

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Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Cost driver 1	Cost driver 2	Cost driver 3	Cost driver 4	Cost driver 5	Cost driver 6	Cost driver 7	Cost driver 8	Cost driver 9	RAG 4 reference
			Scheme design population equivalent	Historical permit level for phosphorus (mg/L)	Enhanced permit level for phosphorus (mg/L)	Permit change only (Y/N)	Catchment-based solution (Y/N)	Length of transfer pipeline (km)	Annual Average Daily Transferred flow (cu.m/d)	Company specific	Company specific	
Keighley Marley STW	£m	3	104,720.000	n/a	0.400	N	Y	0.000	0.000	n/a	n/a	7F.44
Killinghall STW	£m	3	3,748.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.45
Kirk Smeaton WwTW	£m	3	0 (transfer)	n/a	n/a	N	N	2.400	171 (max 501)	n/a	n/a	7F.46
Kirkby Malzeard WwTW	£m	3	1,795.000	n/a	1.500	N	N	0.000	0.000	n/a	n/a	7F.47
Knostrop WwTW	£m	3	870,076.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.48
Lemonroyd WwTW	£m	3	39,823.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.49
Long Lane WwTW	£m	3	26,809.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.50
Lundwood WwTW	£m	3	112,732.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.51
Meltham WwTW	£m	3	9,707.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.52
Mexborough Swinton WwTW	£m	3	19,027.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.53
Neiley	£m	3	32,985.000	n/a	0.400	N	N	0.000	0.000	n/a	n/a	7F.54
Normanton WwTW	£m	3	53,425.000	n/a	0.800	N	N	0.000	0.000	n/a	n/a	7F.55
Norton STW	£m	3	12,059.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.56
Old Whittington WwTW	£m	3	132,236.000	n/a	0.300	N	N	0.000	0.000	n/a	n/a	7F.57
Oxenhope WwTW	£m	3	2,604.000	n/a	0.300	N	Y	0.000	0.000	n/a	n/a	7F.58
Pocklington STW P	£m	3	11,336.000	1.000	0.250	N	N	0.000	0.000	n/a	n/a	7F.59
Rainton WwTW	£m	3	436.000	n/a	3.000	N	N	0.000	0.000	n/a	n/a	7F.60
Redacre STW	£m	3	9,579.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.61
Ripponden Wood WwTW	£m	3	6,069.000	n/a	0.500	N	N	0.000	0.000	n/a	n/a	7F.62
Sandall WwTW	£m	3	107,604.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.63

Key

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Table 7F – continued

Wastewater Network Plus – WINEP phosphorus removal scheme costs and cost drivers

Scheme name and WINEPID reference	Units	DPs	Cost driver 1	Cost driver 2	Cost driver 3	Cost driver 4	Cost driver 5	Cost driver 6	Cost driver 7	Cost driver 8	Cost driver 9	RAG 4 reference
			Scheme design population equivalent	Historical permit level for phosphorus (mg/L)	Enhanced permit level for phosphorus (mg/L)	Permit change only (Y/N)	Catchment-based solution (Y/N)	Length of transfer pipeline (km)	Annual Average Daily Transferred flow (cu.m/d)	Company specific	Company specific	
Shaw Mills WwTW	£m	3	716.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.64
Sherburn In Elmet	£m	3	16,896.000	5.000	0.500	N	N	0.000	0.000	n/a	n/a	7F.65
Sheriff Hutton STW	£m	3	1,433.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.66
Skipton UWWTD	£m	3	19,750.000	0.500	0.300	Y	Y	0.000	0.000	n/a	n/a	7F.67
Snaith WwTW	£m	3	10,708.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.68
Stanley STW	£m	3	24,110.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.69
Staveley WwTW	£m	3	39,714.000	n/a	0.250	N	Y	0.000	0.000	n/a	n/a	7F.70
Stillington WwTW	£m	3	877.000	n/a	1.500	N	N	0.000	0.000	n/a	n/a	7F.71
Stockley STW	£m	3	3,215.000	n/a	0.500	N	Y	0.000	0.000	n/a	n/a	7F.72
Sutton on the Forest	£m	3	1,778.000	n/a	0.700	N	N	0.000	0.000	n/a	n/a	7F.73
Sutton STW	£m	3	73,525.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.74
Thorne STW	£m	3	51,857.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.75
Thornton le Beans WwTW	£m	3	208.000	n/a	1.500	N	N	0.000	0.000	n/a	n/a	7F.76
Tupton WwTW	£m	3	12,093.000	n/a	0.250	N	N	0.000	0.000	n/a	n/a	7F.77
Upton Wrangbrook WFD	£m	3	7,357.000	n/a	1.000	N	N	0.000	0.000	n/a	n/a	7F.78
Wath on Dearne STW	£m	3	24,667.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.79
Wombwell STW	£m	3	71,921.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.80
Woodhouse Mill WwTW	£m	3	157,589.000	n/a	0.900	N	N	0.000	0.000	n/a	n/a	7F.81
Worsbrough	£m	3	26,960.000	n/a	2.000	N	N	0.000	0.000	n/a	n/a	7F.82
Total	£m	3										7F.201

Key

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CAPEX commentary

We have included the actual spend to date and the internal forecast of expenditure for the rest of the AMP.

The reported in year capital expenditure is aligned with [Table 4M](#) line 35 however as per RAG 4.12 the expenditure in [Table 7F](#) is in 2022/2023 price base whereas the data in 4M is in 2023/2024 price base.

Our expenditure in this table last year was not adjusted to 2022/2023 price base, we have corrected this oversight this year.

OPEX

Operating expenditure for the current year is £0.057m. This reconciles back to [Table 4M](#).

The operating expenditure for future years is the best estimate at this point in time.

Cost Drivers:

Prior to the start of AMP7 regulatory outputs are agreed between the Environment Agency and Yorkshire Water. Dates for the outputs are agreed, with a maximum delivery date as the end of AMP7 (31st March 2025).

This line relates to the Driver Code WFD_IMP (Phosphorus) and U_IMP2.

WFD_IMP – measures to reduce ammonia, phosphorus, BOD or nitrogen at STWs in order to meet WFD standards in rivers, transitional or coastal waters that are to be introduced within the AMP period. (Specifically, this reporting line is looking at the Phosphorus element.)

U_IMP2 – Schemes to reduce phosphorus levels in qualifying discharges (from agglomerations >10,000pe) associated with the 2016 review of freshwater Sensitive Areas (Eutrophic).

The WINEP Master Spreadsheet has been used to confirm driver sign off for each reporting year. The WINEP scheme ID and Delivery date are included in the Ofwat table.

** Note Leeming Bar STW is an AMP6 scheme that was carried over to AMP7 and is subsequently included.*

There have been no Phosphorus schemes claimed as completed within the reporting year, however the table data still includes forecasting for all schemes due completion before the end of AMP7.

For each of the sites referenced within the table Ofwat requests the following Cost Driver and Population measures are reported.

Population equivalent served

This is reported as the PE updated in each reporting year and is directly linked to the datasets produced for [Table 7D](#) (PE & Loads). The table has been updated with the 2023/2024 datasets.

Scheme Design Population Equivalent

This is presented as a fixed value in the table for each STW, based off the Design PE calculated by delivery partners at the start of the scheme.

Note where the output solution is to Transfer the STW flow to another existing asset the Design PE is shown as '0 (Transfer)' within the Ofwat table.

Historic consent for Phosphorus (mg/l)

These are the limits contained within the permit at the start of the AMP; where there was no existing Phosphorus limit then these are presented as 'n/a' in the table rather than zero.

Enhanced consent for Phosphorus (mg/l)

This is the agreed limit that will be implemented into the permit upon scheme completion. These values are present in the EA/YWS WINEP spreadsheet for reference.

Table 8: Additional regulatory information – bioresources

Introduction

The information in this section details 'Additional regulatory information – bioresources' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

Pro forma 8A	Bioresources sludge data
Pro forma 8B	Bioresources operating expenditure analysis
Pro forma 8C	Bioresources energy and liquors analysis
Pro forma 8D	Bioresources sludge treatment and disposal data

Table 8A

Bioresources sludge data for the 12 months ended 31 March 2024

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/ year	1	139.7	8A.1
Total sewage sludge produced, treated by 3rd party sludge service provider	ttds/ year	1	0.1	8A.2
Total sewage sludge produced	ttds/ year	1	139.8	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	1	5.3	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	69.48	8A.5
Total sewage sludge disposed by incumbents	ttds/ year	1	73.6	8A.6
Total sewage sludge disposed by 3rd party sludge service provider	ttds/ year	1	0.1	8A.7
Total sewage sludge disposed	ttds/ year	1	73.7	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	2	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	940	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	1,203	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	2,145	8A.12
Total measure of intersiting 'work' done by tanker (by volume transported)	m ³ *km/yr	0	33,477,248	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	4,094	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	4,094	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m ³ *km/yr	0	0	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	5.07	8A.19

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

8A.1 – 8A.3: We measure the sludge produced (8A.3) and the sludge treated by third party sludge treatment providers (8A.2) and calculate 8A.1 as the difference between these two numbers. Sludge production of 139.8tTDS is a reduction of about 3% on the previous year's production. The reduced production is due to a wetter year than average.

8A.4: We have seen a reduction in volume reported against this item, when compared to 2022/2023, moving from 6.0 to 5.3.

8A.5: This volume is where we expected it to be and is about 1% lower than 2022/2023.

8A.6 – 8A.8: During 2023/2024, we stopped a historic activity of disposing of legacy materials recycled, thus resulting in a reduction from last year's reported value of 80.1tTDS.

8A.9: This volume is where we expected it to be and remains consistent with previous years.

8A.10: We have seen an 3% increase on the previous year's data. This is largely due to the closure of our Naburn York site to imports as part of a phased plan to rationalise digester sites to comply with the IED.

8A.11: Truck work done has seen an increase of 30tTDS*Km/year (2.5%) over the previous year. The amount of cake moved in this area significantly increased over the previous year. More cake has been moved, increasing to 22,571TDS (previous year 20,078TDS) – 12.4% more TDS moved. The volume of cake increased from 85405m³ to 95584 m³ – 11.9% increase. There was a slight improvement in the average %DS of raw cake from 23.5% to 23.6%. This led to a 19.1% increase in the number of "journeys" undertaken. More efficient routing and improved cake import availability has enabled us to minimise the impact of this on the work done figure.

8A.13: The average distance per journey has increased from 30.88 km to 31.52km (2.1% increase).

8A.16 & 8A.17: During 2023/2024, we have seen an increase in the 'work done by truck' due to greater distances having been travelled for agricultural work. This was caused by both the exceptionally wet weather over winter, and by the adoption of additional measures designed to support farmers with their compliance with farming rules for water.

8A.19: 5.08% of our total sludge produced came from wastewater treatment works which use chemical dosing for phosphate removal. These sites are all chemically dosed to remove phosphorus. This is an increase from the previous year's 4.49% of 0.59%. This increase is due to the introduction of new P consents at smaller works. This number will increase significantly in the next year due to numerous schemes commissioning in 2024/2025.

Table 8B**Bioresources operating expenditure analysis for the 12 months ended 31 March 2024**

Line description	Units	DPs	Pipeline	Tanker	Truck	Total	RAG 4 reference
Sludge transport method							
Power	£m	3	0.000	0.007	0.000	0.007	8B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	8B.2
Discharge consents	£m	3	0.000	0.000	0.000	0.000	8B.3
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	8B.4
Other operating expenditure							
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	8B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	8B.6
Other operating expenditure excluding renewals	£m	3	0.000	11.311	0.000	11.311	8B.7
Total functional expenditure	£m	3	0.000	11.318	0.000	11.318	8B.8
Local authority and Cumulo rates	£m	3	0.000	0.006	0.000	0.006	8B.9
Total operating expenditure (excluding 3rd party)	£m	3	0.000	11.323	0.000	11.323	8B.10

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8B – continued

Bioreources operating expenditure analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Untreated Sludge	Raw Sludge liming	Conventional AD	Incineration of raw sludge	Photo-conditioning/composting	Advanced Anaerobic Digestion	Other	Total	RAG 4 reference
Sludge treatment type											
Power	£m	3	0.000	0.000	-11.100	0.000	0.000	-2.573	0.000	-13.673	8B.11
Income treated as negative expenditure	£m	3	0.000	0.000	-1.506	0.000	0.000	-0.625	0.000	-2.131	8B.12
Discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.13
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.14
Other operating expenditure											
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.15
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.16
Other operating expenditure excluding renewals	£m	3	0.004	0.000	17.752	0.000	0.000	4.575	0.000	22.331	8B.17
Total functional expenditure	£m	3	0.004	0.000	5.146	0.000	0.000	1.377	0.000	6.527	8B.18
Local authority and Cumulo rates	£m	3	0.004	0.000	1.760	0.000	0.000	0.403	0.000	2.167	8B.19
Total operating expenditure (excluding 3rd party)	£m	3	0.008	0.000	6.906	0.000	0.000	1.780	0.000	8.694	8B.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8B – continued

Bioresources operating expenditure analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Landfill, raw	Landfill, partly treated	Land restoration/reclamation	Sludge recycled to farmland	Incineration of digested Sludge	Other	Total	RAG 4 reference
Sludge treatment type										
Power	£m	3	0.000	0.000	0.000	-0.005	0.000	0.000	-0.005	8B.21
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.22
Discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.23
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.24
Other operating expenditure										
Renewals expensed in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.25
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.26
Other operating expenditure excluding renewals	£m	3	0.013	0.000	0.091	8.340	0.000	0.000	8.444	8B.27
Total functional expenditure	£m	3	0.013	0.000	0.091	8.335	0.000	0.000	8.439	8B.28
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	0.002	0.000	0.000	0.002	8B.29
Total operating expenditure (excluding 3rd party)	£m	3	0.013	0.000	0.091	8.337	0.000	0.000	8.441	8B.30

This table is a disaggregation of [Table 4E](#) bioresources costs into sludge treatment, transport, and disposal, and reconciles to line 11.

To allocate the sludge treatment costs, all relevant assets were classified according to the tables in line with RAG 4.11, with sludge treatment costs directly allocated by site where possible into the relevant treatment categories (Untreated Sludge, Conventional & Advanced).

Total operating cost for bioresources price control has decreased in 2023/2024. For more information on year on year variances refer to the commentary for [Tables 2B](#) and [4E](#).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8C

Bioresources energy and liquors analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference	
			MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)		
Energy												
Energy consumption – bioresources	SE Column Headings	SE Column Headings	17,628	141,465	0	178,219	4.510	10.888	0.000	15.398	8C.1	
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	13,152	112,318	0	125,470	3.235	8.312	0.000	11.547	8C.2	
Energy generated by bioresources and used in Network Plus control	SE Column Headings	SE Column Headings	60,577	0	0	60,577	14.900	0.000	0.000	14.900	8C.3	
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	4,701	0	0	4,701	0.353	0.000	0.000	0.353	8C.4	
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	131,121	0	131,121					8C.5	
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	4,476	29,147	0	33,623	1.101	1.955	0.000	3.056	8C.6	
Income from renewable energy subsidies	Unit	DPs	Value									
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	2.131									8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	0.000									8C.8
Income claimed from (other renewable energy subsidy (1))	£m	3	0.000									8C.9
Income claimed from (other renewable energy subsidy (2))	£m	3	0.000									8C.10
Income claimed from (other renewable energy subsidy (3))	£m	3	0.000									8C.11
Total income claimed from renewable energy subsidies	£m	3	2.131									8C.12
% of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	0%									8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	0.000									8C.14

Note: Companies to input specific subsidy which is being referenced in lines 8C.8 – 8C.10.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8C – continued

Bioresources energy and liquors analysis for the 12 months ended 31 March 2024

Bioresources liquors treated by Network Plus (shadow reported)				Unit	DPs	Value						
BOD load of liquor or partially treated liquor returned from bioresources to Network Plus				kg/d	0	17,360						8C.15
Ammonia load of liquor or partially treated liquor returned from bioresources to Network Plus				kg Amm-N/d	0	4,297						8C.16
Recharge to Bioresources by Network Plus for costs of handling and treating bioresources liquors				£m	3	7.648						8C.17

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference
			MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	
Energy (AMP 7 shadow reported values)											
Energy consumption – bioresources	SE Column Headings	SE Column Headings	17,628	141,465	0	178,219	4.510	10.888	0.000	15.398	8C.18
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	13,152	112,318	0	125,470	3.235	8.312	0.000	11.547	8C.19
Energy generated by bioresources and used in Network Plus control	SE Column Headings	SE Column Headings	60,577	0	0	60,577	14.900	0.000	0.000	14.900	8C.20
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	4,701	0	0	4,701	0.353	0.000	0.000	0.353	8C.21
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	131,121	0	131,121					8C.22
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	4,476	29,147	0	33,623	1.101	1.955	0.000	3.056	8C.23
%											
Percentage of bioresources energy consumption that is metered			0.000%								8C.24

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

This table helps the industry ensure there is consistency for energy and liquor treatment in bioresources.

8C.1: We have used total costs for energy consumption within bioresources, and an allowance has been added for overheads and fleet costs.

8C.2-6: We have used the volumetric data within this table and applied a market unit price for calculating the electricity and heat financials.

A different unit rate has been used for electricity generated by bioresources and exported to the grid or third party (line 8C.4).

We have assumed any heat generated in bioresources was from biogas. As a result, we have applied the same unit price of natural gas that we purchase this at, where it is required in the business.

8C.7: This line is the same as 4K.2 for income treated a negative expenditure for bioresources only.

8C.17: We have worked closely with Jacobs in order to quantify the cost of sludge liquor treatment.

Following consultation with the operational business we have used Biochemical Oxygen Demand (BOD) and ammonia as our determinants.

$$C = W \frac{(BOD_i + 4.75A_i)V}{(BOD_n + 4.75A_n)I}$$

Operating costs associated with 2023/202421/22 and capital expenditure has been annualised from the Modern Equivalent Asset Value (MEAV) only for assets which are impacting liquors within the wastewater Network Plus price control. There has been a decrease in costs from 2021/2022 due to lower flows in 2022/23.

8C.18-23: The AMP7 shadow reported values are the same as 8C.1-6.

Table 8D**Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2024**

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
Sludge treatment process					
% Sludge – untreated	%	1	0.2%	0.0%	8D.1
% Sludge treatment process – raw sludge liming	%	1	0.0%	0.0%	8D.2
% Sludge treatment process – conventional AD	%	1	81.2%	0.0%	8D.3
% Sludge treatment process – advanced AD	%	1	18.5%	0.1%	8D.4
% Sludge treatment process – incineration of raw sludge	%	1	0.0%	0.0%	8D.5
% Sludge treatment process – other (specify)	%	1	0.0%	0.0%	8D.6
% Sludge treatment process – Total	%	1	99.9%	0.1%	8D.7
(Un-incinerated) sludge disposal and recycling route					
% Sludge disposal route – landfill, raw	%	1	0.2%	0.0%	8D.8
% Sludge disposal route – landfill, partly treated	%	1	0.0%	0.0%	8D.9
% Sludge disposal route – land restoration/reclamation	%	1	1.1%	0.0%	8D.10
% Sludge disposal route – sludge recycled to farmland	%	1	98.6%	0.1%	8D.11
% Sludge disposal route – other (specify)	%	1	0.0%	0.0%	8D.12
% Sludge disposal route – Total	%	1	99.9%	0.1%	8D.13

8D.1 – 8D.7: 99.9% of Yorkshire Water’s sludges was treated via digestion (both advanced and conventional). This is up 0.6% from the previous year. Untreated sludge is down from 0.7% to 0.2%.

Please note, that our untreated sludge is a combination of sludge which has been produced but is awaiting treatment, as well as sludge sent to a third party untreated.

8D.8: Similar to the previous year where we continued to export material from Deighton storm tank clean project as part of a capital scheme to improve the storm tank performance. The sludge was sent to landfill as it was found to contain metal concentrations above the limits that we can recycle to land restoration.

8D.9: No partly treated sludge sent to Landfill. Reduction from the previous year’s one-off disposal of Legacy Material. Legacy Material is sludge that was produced in previous years, but was unable to be recycled at that time – increasing our stocks of material to be recycled in future years. Some of the Legacy Material became contaminated with Giant Hogweed, an invasive species, and therefore had to be managed appropriately to comply with invasive species legislation.

8D.10: A reduction in the disposal route to Land Reclamation. This is due to no Legacy Material recycled this year.

8D.11: An increase in percentage of the annual total disposed of to farmland due to a decrease of Legacy Material disposal and land restoration disposal. However, there was a decrease in the overall volume of sludge disposed to agriculture from last year (2412DT less).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 9: Additional regulatory information – innovation competition

Introduction

The information in this section details 'Additional regulatory information – innovation competition' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

[Pro forma 9A](#) Innovation competition

Table 9A
Innovation competition

Line description	Units	DPs	Current year	RAG 4 reference
Allowed				
Allocated innovation competition fund price control revenue	£m	3	4.385	9A.1
Revenue collected for the purposes of the innovation competition				
Innovation fund income from customers	£m	3	4.385	9A.2
Income from customers to fund innovation projects the company is leading on	£m	3	0.286	9A.3
Income from customers as part of the inflation top-up mechanism	£m	3	0.000	9A.4
Income from other water companies to fund innovation projects the company is leading on	£m	3	2.965	9A.5
Income from customers that is transferred to other companies as part of the innovation fund	£m	3	3.646	9A.6
Non-price control revenue (e.g. royalties)	£m	3	0.000	9A.7
Administration				
Administration charge for innovation partner	£m	3	0.242	9A.8

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 9A – continued
Innovation competition

Line description	Total amount of funding awarded to the lead company through the innovation fund	Total amount of inflation top-up funding received	Forecast expenditure on innovation fund projects in year (excl 10% partnership contribution)	Actual expenditure on innovation fund projects in year (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Forecast project lifecycle expenditure on innovation fund projects (excl 10% partnership contribution)	Cumulative actual expenditure on innovation fund projects (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Allowed future expenditure on innovation fund projects (excl 10% partnership contribution)	In year expenditure on innovation projects funded by shareholders of the lead water company	In year expenditure on innovation projects funded by project partner contributions	Cumulative expenditure on innovation projects funded by shareholders of the lead water company	Cumulative expenditure on innovation projects funded by project partner contributions	RAG 4 reference
Units DPs	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	£m 3	
Designer Liner Phase 1	0.174	0.000	0.016	0.016	0.000	0.174	0.174	0.000	0.000	0.004	0.015	0.004	0.015	9A.9
Designer Liner Phase 2	3.251	0.000	0.017	0.017	0.000	3.251	0.017	-3.234	3.234	0.000	0.000	0.000	0.000	9A.10
Total	3.425	0.000	0.033	0.033	0.000	3.425	0.191	-3.234	3.234	0.004	0.015	0.004	0.015	9A.24

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Statement on innovation competition

Ofwat established the £200m Innovation Fund to stimulate more rapid adoption of transformational innovation within the water sector and encourage greater collaboration between companies.

The Fund was launched as a pilot in November 2020 and utilises money collected directly from customers by water companies who hold and distribute to winning bids in competitions held by Ofwat and their partners Challenge Works (formerly known as Nesta Challenges) and supported by Arup and Isle Utilities. The first three competitions were held during 2021/2022: Innovation in Water Challenge, Water Breakthrough Challenge and the Water Breakthrough Challenge 2 (WBC2). For WBC2 the funding was split into two Streams – a Catalyst Stream for entries up to £1m and a Transform Stream for entries between £1m and £10m. This model was adopted following the end of the pilot period with WBC3 running in 2022/2023 and WBC4 opening in September 2023 with winning entries to be announced in May 2024. An additional Stream, the Water Discovery Challenge, was piloted during WBC3 as an open access fund targeted at non water companies. To date £114m has been awarded to 77 projects and Ofwat are currently running a consultation on the future of the fund in AMP8.

Yorkshire Water has so far won two bids as lead applicant (Designer Liner and Designer Liner Phase 2) and supported a further twelve. Designer Liner was awarded £177,380 from Ofwat and has now completed and Designer Liner Phase 2 secured £3,251,282 to continue the work and is currently in the delivery phase. The total value of all projects supported as formal partners is in excess of £55m. For the current round we have submitted one bid as lead applicant and supported a further 14. All bids require an additional minimum 10% match funding contribution which cannot be funded from customer bills. Contributions are collected from partners, added to the project budget and used solely for that purpose as mandated in the terms of the fund.

Table 10: Additional regulatory information – green economic recovery and accelerated programme additional impacts reporting, performance reporting and scheme delivery

Introduction

The information in this section details 'Additional regulatory information – green economic recovery and accelerated programme additional impacts reporting, performance reporting and scheme delivery' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

[Pro forma 10F](#) Additional reporting to account for impacts of the accelerated infrastructure delivery projects

[Pro forma 10G](#) Additional reporting to account for impacts of transition expenditure

[Pro forma 10H](#) Accelerated schemes data capture reconciliation model input

Table 10F

Additional reporting to account for impacts of the accelerated infrastructure delivery projects for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total length of new potable mains	km	1	0.0	10F.1
Number of lead communication pipes replaced for water quality	nr	0	0	10F.2

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	RAG 4 reference
Metering activities – Totex expenditure						
New selective meter installation for existing customers	£m	3			0.000	10F.3
New business meter installation for existing customers	£m	3			0.000	10F.4
Residential meters renewed	£m	3			0.000	10F.5
Business meters renewed	£m	3			0.000	10F.6
Metering activities – Explanatory variables						
New selective meters installed for existing customers	000s	3			0.000	10F.7
New business meters installed for existing customers	000s	3			0.000	10F.8
Residential meters renewed	000s	3			0.000	10F.9
Business meters renewed	000s	3			0.000	10F.10
Replacement of basic meters with smart meters for residential customers	000s	3		0.000	0.000	10F.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			0.000	10F.12
Replacement of basic meters with smart meters for business customers	000s	3		0.000	0.000	10F.13
Replacement of AMR meter with AMI meters for business customers	000s	3			0.000	10F.14
New residential meters installed for existing customers – supply-demand balance benefit	Ml/d	2			0.00	10F.15
New business meters installed for existing customers – supply-demand balance benefit	Ml/d	2			0.00	10F.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	2		0.000	0.00	10F.17
Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	2			0.00	10F.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	2		0.000	0.00	10F.19
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	2			0.000	10F.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 10F – continued

Additional reporting to account for impacts of the accelerated infrastructure delivery projects for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Metering activities – Impact on PCC and leakage performance				
Per capita consumption reduction	l/h/d	3	0	10F.21
Leakage reduction	MI/d	3	0	10F.22
Leakage activities				
Leakage improvements delivering benefits in 2020-2025	MI/d	2	0.00	10F.23
Sewage treatment works – Explanatory variables				
Works name	text	0	0	10F.24
Classification of treatment works	text	0	0	10F.25
Population equivalent of total load received	000s	0	0	10F.26
Phosphorus consent	mg/l	0	0	10F.27
Load received by STW	kgBOD ₅ /d	2	0.00	10F.28
Flow passed to full treatment	m ³ /d	0	0	10F.29
Population equivalent				
Current population equivalent served by STWs	000s	3	0.000	10F.30
Current population equivalent served by STWs with tightened/ new P consents	000s	3	0.000	10F.31
Current population equivalent served by STWs with tightened/ new N consents	000s	3	0.000	10F.32
Number of monitors for flow monitoring at STWs	nr	0	0.000	10F.33
Additional storm tank capacity provided at STWs (grey infrastructure)	m ³	3	0.000	10F.34
Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m ³	3	0.00	10F.35
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m ³	3	0.00	10F.36
Additional effective storage in the network delivered through green infrastructure	m ³	3	0.000	10F.37

CAPEX commentary

We have not installed any meters as part of our transition expenditure within the report year.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 10F – continued

Additional reporting to account for impacts of transition expenditure for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total length of new potable mains	km	1	0.0	10G.1
Number of lead communication pipes replaced or relined for water quality	nr	0	0	10G.2

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	RAG 4 reference
Metering activities – Totex expenditure						
New selective meter installation for existing customers	£m	3			0.000	10G.3
New business meter installation for existing customers	£m	3			0.000	10G.4
Residential meters renewed	£m	3			0.000	10G.5
Business meters renewed	£m	3			0.000	10G.6
Metering activities – Explanatory variables						
New selective meters installed for existing customers	000s	3			0.000	10G.7
New business meters installed for existing customers	000s	3			0.000	10G.8
Residential meters renewed	000s	3			0.000	10G.9
Business meters renewed	000s	3			0.000	10G.10
Replacement of basic meters with smart meters for residential customers	000s	3		0.000	0.000	10G.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			0.000	10G.12
Replacement of basic meters with smart meters for business customers	000s	3		0.000	0.000	10G.13
Replacement of AMR meter with AMI meters for business customers	000s	3			0.000	10G.14
New residential meters installed for existing customers – supply-demand balance benefit	Ml/d	2			0.00	10G.15
New business meters installed for existing customers – supply-demand balance benefit	Ml/d	2			0.00	10G.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	2		0.000	0.00	10G.17
Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	2			0.00	10G.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	2		0.000	0.00	10G.19
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	2			0.000	10G.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 10G

Additional reporting to account for impacts of transition expenditure for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
Metering activities – Impact on PCC and leakage performance				
Per capita consumption reduction	l/h/d	3	0	10G.21
Leakage reduction	MI/d	3	0	10G.22
Leakage activities				
Leakage improvements delivering benefits in 2020-2025	MI/d	2	0.00	10G.23
Sewage treatment works – Explanatory variables				
Works name	text	0	0	10G.24
Classification of treatment works	text	0	0	10G.25
Population equivalent of total load received	000s	0	0	10G.26
Phosphorus consent	mg/l	0	0	10G.27
Load received by STW	kgBOD ₅ /d	2	0.00	10G.28
Flow passed to full treatment	m ³ /d	0	0	10G.29
Population equivalent				
Current population equivalent served by STWs	000s	3	0.000	10G.30
Current population equivalent served by STWs with tightened/ new P consents	000s	3	0.000	10G.31
Current population equivalent served by STWs with tightened/ new N consents	000s	3	0.000	10G.32
Number of monitors for flow monitoring at STWs	nr	0	0.000	10G.33
Additional storm tank capacity provided at STWs (grey infrastructure)	m ³	3	0.000	10G.34
Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m ³	3	0.00	10G.35
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m ³	3	0.00	10G.36
Additional effective storage in the network delivered through green infrastructure	m ³	3	0.000	10G.37

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 10H

Accelerated schemes data capture reconciliation model input for the 12 months ended 31 March 2024

Scheme 6, Inland bathing water improvement scheme – Wharfe Ilkley, cost 2022–2025, £53.24m

Name	Unit	Decimal places	Component level at completion	AMI meter	2023/2024		2024/2025		RAG 4 reference	
					Component level to date	Percentage complete	Component level to date	Percentage complete		
Component 1	No. of improvement schemes at sewage treatment works	Nr	0	4	0.000	0	0.0%	0	0%	10G.84
Component 2	Total storm overflows improved	Nr	0	8	0.000	0	0.0%	0	0%	10G.85
Component 3	Total spill reduction per annum	Nr	0	279	0.000	0	0.0%	0	0%	10G.86

Scheme 9, Coastal bathing water improvement, cost 2022–2025, £3.78m

Name	Unit	Decimal places	Component level at completion	AMI meter	2023/2024		2024/2025		RAG 4 reference	
					Component level to date	Percentage complete	Component level to date	Percentage complete		
Component 1	Total storm overflows improved	Nr	Nr	0	1	0	0.0%	0	0%	10G.87
Component 2	Total spill reduction per annum	Nr	Nr	0	44	0	0.0%	0	0%	10G.88

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11: Additional regulatory information – Greenhouse gas emissions

Introduction

The information in this section details 'Additional regulatory information – Greenhouse gas emissions' as required by Ofwat. The information in this section comprises the following tables:

[Pro forma 11A](#) Operational greenhouse gas emissions reporting

Table 11A

Operational greenhouse gas emissions reporting for the 12 months ended 31 March 2023

Line description	Operational emissions			RAG 4 reference	
	Unit	Water	Wastewater		Total
	DPs	tCO ₂ e	tCO ₂ e		tCO ₂ e
Scope one emissions					
Burning of fossil fuels (location-based)		601.384	8,095.346	8,696.730	11A.1
Burning of fossil fuels (market-based)		601.384	8,095.346	8,696.730	11A.2
Process and fugitive emissions		49.819	69,067.590	69,117.409	11A.3
Vehicle transport		3,601.326	3,601.326	7,202.652	11A.4
Emissions from land		-	-	-	11A.5
Total scope one emissions (location-based)		4,252.529	80,764.262	85,016.791	11A.6
Total scope one emissions (market-based)		4,252.529	80,764.262	85,016.791	11A.7
Scope one emissions; GHG type CO ₂		4,147.806	11,498.287	15,646.093	11A.8
Scope one emissions; GHG type CH ₄		1.414	39,679.366	39,680.780	11A.9
Scope one emissions; GHG type N ₂ O		103.329	29,586.683	29,690.012	11A.10
Scope one emissions: GHG other types		-	-	-	11A.11
Scope two emissions					
Purchased electricity (location-based)		54,391.636	53,456.324	107,847.960	11A.12
Purchased electricity (market-based)		89,957.664	88,410.762	178,368.426	11A.13
Purchased heat		-	-	-	11A.14
Electric vehicles		33.062	33.062	66.124	11A.15
Removal of electricity to charge electric vehicles at site		-	-	-	11A.16
Total scope two emissions (location-based)		54,424.698	53,489.386	107,914.084	11A.17
Total scope two emissions (market-based)		89,990.726	88,443.824	178,434.550	11A.18
Scope two emissions; GHG type CO ₂		53,868.484	52,942.730	106,811.214	11A.19
Scope two emissions; GHG type CH ₄		205.057	201.533	406.591	11A.20
Scope two emissions; GHG type N ₂ O		351.157	345.122	696.279	11A.21
Scope two emissions: GHG other types		-	-	-	11A.22

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11A – continued

Operational greenhouse gas emissions reporting for the 12 months ended 31 March 2023

Line description	Operational emissions			RAG 4 reference	
	Unit	Water	Wastewater		Total
	DPs	tCO ₂ e	tCO ₂ e		tCO ₂ e
Scope three emissions					
Business travel		108.864	108.864	217.728	11A.23
Outsourced activities		3,375.906	5,206.296	8,582.202	11A.24
Purchased electricity; extraction, production, transmission and distribution (location-based)		20,254.259	19,881.584	40,135.843	11A.25
Purchased electricity; extraction, production, transmission and distribution (market-based)		20,254.259	19,881.584	40,135.843	11A.26
Purchased heat; extraction, production, transmission and distribution		-	-	-	11A.27
Purchased fuels; extraction, production, transmission and distribution		970.731	15,303.460	16,274.191	11A.28
Chemicals		20,864.995	5,377.599	26,242.594	11A.29
Disposal of waste		114.463	278.613	393.076	11A.30
Total scope three emissions (location-based)		45,689.218	46,156.415	91,845.633	11A.31
Total scope three emissions (market-based)		45,689.218	46,156.415	91,845.633	11A.32
Scope three emissions; GHG type CO ₂		45,116.998	28,669.711	73,786.709	11A.33
Scope three emissions; GHG type CH ₄		210.958	4,062.110	4,273.068	11A.34
Scope three emissions; GHG type N ₂ O		361.262	13,424.594	13,785.857	11A.35
Scope three emissions: GHG other types		-	-	-	11A.36
Gross operational emissions (Scopes 1,2 and 3)					
Gross operational emissions (location-based)		104,366.445	180,410.063	284,776.508	11A.37
Gross operational emissions (market-based)		139,932.473	215,364.501	355,296.974	11A.38
Emissions reductions					
Exported renewables		324.404	987.161	1,311.565	11A.39
Exported biomethane		-	-	-	11A.40
Insets		-	-	-	11A.41
Other emissions reductions		-	-	-	11A.42
Total emissions reductions		324.404	987.161	1,311.565	11A.43
Emissions reductions					
Green tariff electricity		-	-	-	11A.44
Net annual emissions					
Net annual emissions (location-based)		104,042.041	179,422.902	283,464.943	11A.45
Net annual emissions (market-based)		139,608.069	214,377.340	353,985.409	11A.46

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11A – continued

Operational greenhouse gas emissions reporting for the 12 months ended 31 March 2024

Line description	Unit	Water	Wastewater	RAG 4 reference
	DPs	kgCO ₂ e/MI	kgCO ₂ e/MI	
GHG intensity ratios				
Emissions per MI of treated water		225.131		11A.47
Emissions per MI of sewage treated			223.870	11A.48
Line description	Unit	Water	Wastewater	Total
	DPs	tCO ₂ e	tCO ₂ e	tCO ₂ e
Capital projects				
Capital projects (cradle-to-gate)		13,178.000	37,400.000	50,578.000
Capital projects (cradle-to-build)		31,375.000	74,800.000	106,175.000
Purchased goods and services				
Purchased goods and services		44,083.000	63,281.000	107,364.000

For more information on our Greenhouse gas emissions, please [click here](#).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

5. Meeting our licence conditions

Statement on sufficiency of financial resources and facilities 346

Statement on sufficiency of financial resources and facilities

Regulatory ring-fencing certificate

In line with the requirements in Condition P of the Yorkshire Water Services Instrument of Appointment, the Board of Directors (the Board) confirm that:

1. Yorkshire Water Services Limited (Yorkshire Water) shall at all times act in the manner best calculated to ensure that it has adequate: financial resources and facilities; management resources; and systems of planning and internal control, to enable it to secure the carrying out of the Regulated Activities including the investment programme necessary to fulfil its obligations under the Appointment(s) and that in accordance with Condition P:
2. in the opinion of the Board, Yorkshire Water has available to it sufficient financial resources and facilities to enable it to carry out, for at least the next 12 months, the Regulated Activities (including the investment programme necessary to fulfil Yorkshire Water's obligations under the Appointment(s)); and
3. in the opinion of the Board, Yorkshire Water will, for at least the next 12 months, have available to it:
 - (a) financial resources and facilities (Condition P section 12.1);
 - (b) management resources (P12.2);
 - (c) systems of planning and internal control (P12.3);
 - (D) and rights and resources other than financial resources (P14)

which are sufficient to enable it to carry out those functions as required by paragraph 1 above.

In coming to this conclusion, the Board have taken account of the ongoing investigations being carried out by Ofwat and the Environment Agency and specifically have received clarity and confirmation as to how compliance for those matters under investigation is achieved, monitored, and assured. Whilst we await the outcomes of these investigations, full consideration is being given in any event to this issue and compliance with condition P 12. The Board has considered the plans to ensure compliance with this Condition not only from a financial perspective but appropriate skills within the company to ensure the appropriate resource is in place (both in terms of numbers and skills) and risk management (with a new Compliance Team now in place to provide additional assurance on systems and controls).

The Board is clear that there are factors relating to current company performance in general and have been integral to understanding how the performance will be improved and ensuring there will be regular reviews as to how plans are performing. There is continued and appropriate challenge from the Board as necessary on these matters.

In making this declaration, the Directors have taken into account the following key areas:

Financial resources and facilities

This area is supported by a detailed going concern review, which has considered:

- The company's business activities, together with the factors likely to affect its future development and performance, as described in the Strategic Report within the Yorkshire Water Annual Report and Financial Statements (ARFS);
- The company's cash position including available cash and committed undrawn bank facilities, headroom, and details of refinancing activity;
- The company's available funds to cover operating and capital investment activities of the company for the twelve months from the date of signing the Financial Statements;
- Compliance with covenants associated with the company's securitised financing arrangements. Yorkshire Water's securitised financing arrangements include covenants with 'trigger' and 'default' thresholds, which are reported bi-annually and are explained further below. A baseline model, established from the company's business plan, shows sufficient liquidity and headroom for debt covenants, when considering 'trigger' as well as 'default' thresholds;
- The company's business plan for the remaining year of AMP7, along with draft plans for AMP8; and
- The impact of wider factors on operations and business performance, for example climate change and macroeconomic challenges such as the increased pressure on household income and any potential financial implications arising from the ongoing investigations being carried out by Ofwat and the Environment Agency.

Yorkshire Water's available combination of cash and committed undrawn facilities totalling £981.7m at 31 March 2024 (2023: £682.9m), comprising £932.0m (2023: £389.0m) undrawn committed facilities and £49.7m (2023: £293.9m) of cash and cash equivalents. Whilst Yorkshire Water reports a small net current liability as at 31 March 2024, this does not adversely impact on going concern considerations due to the strength of the overall net asset position.

Yorkshire Water's securitised financing arrangements include covenants with 'trigger' and 'default' thresholds, which are reported bi-annually and are explained further below. A baseline model, established from the company's business plan, shows sufficient liquidity and headroom for debt covenants, when considering 'trigger' as well as 'default' thresholds.

The going concern review has primarily been centred around financial modelling which depicts the best estimate forecast profit and loss, balance sheet and cash flow, as well as reviewing the impact on available liquidity and key interest cover ratios for 2025 and 2026.

The base case Board-approved budget cash flows show available headroom in the key metrics reviewed. A number of sensitivities were then overlaid to the base case to consider a number of possible adverse scenarios. Mitigating actions were also considered to ensure headroom remained on facilities available, key interest cover ratios and to ensure the company managed its business risks appropriately throughout the going concern period.

In addition, the directors have considered the group's business activities, including the group's financial and operational performance, accuracy of historical forecasting accuracy and strength of the year end net asset position.

As a result of this analysis, the directors believe that despite financial and operational challenges, the strength of the mitigations available are such that the group is well placed to manage its business risks successfully and have a reasonable expectation that the group has adequate resources to continue in operational existence over a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to consider it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements.

The going concern review is shown within note 1 of the Yorkshire Water ARFS for the year ended 31 March 2024. In addition, the company has completed a comprehensive long-term viability assessment for the six years to 31 March 2030, details of which are shown in the ARFS for the year ended 31 March 2024. The long-term viability statement has been prepared in line with Ofwat's Information Notice (IN) 19/07 – Expectations for companies in issuing long-term viability statements. We have also taken into account Ofwat's 'Monitoring Financial Resilience – Feedback' letter dated 21 December 2023 in relation to our 2023 long-term viability statement which noted that the prior year statement met requirements.

Further information detailing our credit ratings and financing arrangements is shown in the ARFS within the section in the Chief Financial Officer's Report. At 31 March 2024, Yorkshire Water had two ratings monitored by Ofwat, the Moody's and S&P Class A ratings. As at 31 March 2024, the Moody's Class A Issue Rating (Baa2) was the lowest of those monitored.

The banking arrangements of the company operate on a pooled basis with other members of the Yorkshire Water Financing Group, and the bank balances of each subsidiary can be offset against each other. The company had guaranteed bonds with Yorkshire Water Services Finance Limited and Yorkshire Water Finance plc at 31 March 2024 as detailed in note 24 to the ARFS.

Amounts owed to group and subsidiary companies are detailed in notes 14, 15 and 16 of the ARFS.

Management resources

We have applied good governance principles in the way in which the Board and its supporting committees operate. We have reported on how we have complied with the UK Corporate Governance Code, the Ofwat Board Leadership, Transparency and Governance Principles and the Wates Corporate Governance Principles for Large Private Companies. This information can be found in Section 6 of the APR and in the Governance Report of the ARFS.

The ARFS also includes reports from board committees reporting to the Board on management activities and resources in the following areas:

- Nomination Committee;
- Public Value Committee;
- Safety, Health and Environment Committee;
- Audit and Risk Committee;
- Remuneration Committee; and
- PR24 Committee

The 'People' section of the ARFS discusses our processes for:

- Health, safety and well-being of our colleagues;
- Attracting great people and maintaining the skills we need; and
- Equality, diversity and inclusion.

Attracting and maintaining the talent and culture required to achieve our objectives is considered a principal risk. Processes to mitigate this risk and assurance in this area are discussed within the section titled 'Managing risks and uncertainties' in the ARFS.

The company's employment policies and strategy are described in detail in the Directors' report – other disclosures section of the ARFS. This section also discusses our Colleague Engagement Forum at which nominated and selected colleagues represent their business areas at a company level on a wide range of topics. At least one Board member attends each Forum meeting and then provides first-hand feedback to the Board, along with the minutes from the Forum being provided in the Board papers each time. Regular colleague engagement surveys are undertaken, with the resulting score forming part of the measures of the Executive Incentive Plan for Executive Directors and senior management.

The balance of management skills and recruitment processes at Board level are considered by our Nomination Committee and are discussed in the Directors' Report and in the Nomination Committee Report, both contained within the ARFS. Succession planning for Yorkshire Water directors and other senior executives is within the remit of the Nomination Committee and the People and Remuneration Committee and is highlighted in the Nomination Committee Report and the Directors' Remuneration Report contained within the ARFS.

Independence of the independent non-executive directors is reviewed annually by the Board as noted in the Governance section of the ARFS. The Board believe that all the directors described as independent remain wholly independent as defined in the Corporate Governance Code at the date of approval of the ARFS.

Systems of planning and internal control

The Audit and Risk Committee monitors the design and operation of Yorkshire Water's system of internal control on behalf of the Board. Our controls are designed to manage the risk of failing to achieve the business objectives we have agreed with our customers and our regulators and to achieve compliance with our obligations. The operational policies and procedures which set out these controls are contained within the Integrated Management System, or similar repositories, and achieve international quality standards for Environmental Management, Quality Management, Occupational Health and Safety and Asset Management. The key financial policies, procedures and controls to ensure we meet all our statutory and regulatory obligations and remain resilient are set out in the ARFS.

Three lines of assurance work together to ensure that there is adequate and proportionate coverage across the whole control environment, including all principal risks and business processes, and provide confidence to senior leaders and other stakeholders over the adequacy of the design and operation of the controls. The outcome from this integrated assurance is reported to the risk owners to inform decision making and improve controls where needed. The achievement of actions to address identified control weaknesses is monitored by the Yorkshire Water Executive Team and the Audit and Risk Committee.

The company's risk management process reviews, monitors and reports on the company's risks and mitigating controls. The Executive and the Board agree the level of risk the company is willing to take to achieve its objectives, balancing risk, the cost of control and the long-term viability of the company. The achievement of this is monitored by Leadership Teams through a suite of Key Risk Indicators. The Board oversee the risk management and system of internal control through a programme of risk deep dives, which set out the risk, the key controls, risk appetite and investment plans.

The long-term viability statement at 31 March 2024, set out in the ARFS, covers a six-year period to the end of AMP8. Yorkshire Water's risks and mitigating controls are detailed within the section 'Managing risks and uncertainties' in the ARFS.

Other policies relating to this area are discussed in the ARFS as follows:

- Ethical behaviour, anti-corruption, and anti-bribery (see the section 'Putting people first' in the ARFS).
- 'Speak Up', including our whistleblowing policy is reviewed by the Audit and Risk Committee and approved by the Board annually (see the Audit and Risk Committee report within the ARFS).

Detail on how the Board sets ambitions, how we monitor performance and make decisions, how we involve our customers and stakeholders, and how we change and update our commitments is provided in the [Board Statement on Company Direction and Performance](#), as published within the APR.

Rights and resources other than financial resources

Our new strategy was set out in our Annual Report last year and this was launched at the start of the year. The Board contributed significantly to the strategy development process and gave approval to the final version prior to its launch. The strategy aligns directly to the needs of those we serve through the vision of ‘a thriving Yorkshire, right for our customers and right for the environment’. The strategy includes four values that we expect of all our colleagues:



More information on our strategy can be found within our ARFS.

We have a Yorkshire Water Code of Ethics, approved by the Board, which provides support to colleagues and partners on embedding the values and ensuring that they are always doing the right thing, including where to go for help and advice if they are faced with an ethical decision as part of their work. There is mandatory online learning for all of our colleagues to ensure that they understand the Code of Ethics and how it applies to them. We also operate a Speaking Up Policy which encourages colleagues and partners to speak up confidentially if they see behaviour that is outside of our expected values and culture. All speak ups are carefully investigated and are reported back to the Board through the Audit and Risk Committee.

The Governance section of the ARFS further describes the company’s purpose, vision, values, and desired behaviours.

The Asset Strategy and Planning team assures that the design and build of assets meets our future needs and quality standards. Our Environment section in the ARFS details how we will adapt our assets and services to the climate change we can reasonably expect in the future based on latest expert analysis to ensure our service remains resilient.

Our investment and operating strategies fully embrace totex decision making approaches through the use of our Six Capitals approach. This helps us recognise and protect the many sources of value on which we depend as a business. By improving how we use the six capitals within our business, we aim to ensure decisions taken to improve the efficiency of our services are not made at the expense of our long-term resilience or affordability for future generations. Our latest assessment of our impact as assessed by the Six Capitals is published in a report called “[Our Contribution to Yorkshire](#)”, the latest report reviews the 2023 reporting year. This is our fifth report of this type and builds on the previous version using new techniques and data. The report shows the strong net positive contribution Yorkshire Water delivers for society, and it highlights further areas where we have risk and opportunity needing further attention.

Our insurance team also works to ensure that we manage and mitigate our exposure to costs from public liabilities and physical damage to our assets.

Contracting

Our Business Investment Committee (BIC), governs the effective and efficient delivery of our investment programmes to deliver best value for customers and the business. The committee oversees all totex expenditure in line with the Board approved five-year plan. Our Executive Contract Approval Committee ensures that our supply chain engagements are commercially effective, in line with our vision and deliver on our sustainability goals.

Our sustainable procurement code sets out our objective to ensure the resilience of our supply chain and enables us to provide our services to customers in the long-term. The expectations of our supply chain in this regard are made clear.

Transactions with associated companies and checks that these contracts comply with licence requirements are detailed within Section 7 of this APR. Compliance with the licence provision on cross-subsidies between Yorkshire Water and associated companies is detailed within the Accounting Separation Methodology Statement, which is published on the Yorkshire Water reports webpage, and within the transfer pricing disclosures in the APR. [yorkshirewater.com/about-us/reports/](https://www.yorkshirewater.com/about-us/reports/)

All contracts entered into between the Appointee and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to the Appointee, to ensure that it is able to carry out the Regulated Activities.

Ensuring best value is achieved through the supply chain is a key focus at Yorkshire Water. The Commercial Team undertook a transformation programme of its procurement, contract management, commercial assurance and procure to pay functions. This work was delivered with an expert partner and focused on delivering significant savings, performance improvement and advancing our sustainability goals. High volume, lower value spend has seen a particular focus which has improved cost efficiency and support to internal colleagues to ensure an agile route to key goods and services. Optimisation of key commercial systems is focused on improving the user experience for both internal colleagues and our supply chain. System controls are significantly improved and we are now considered Best in Class for SAP Ariba deployment.

Cost assurance auditing has delivered an ever improving return on investment, ensuring that we pay in line with contracts and recover erroneous costs.

Procurement of the major construction frameworks for AMP8 is well underway. This includes an Alliance partnership for the delivery of the Storm Overflows programme. We also continue to assess the potential use of markets and Direct Procurement for Customers (DPC) against the established delivery routes. Significant efficiencies are being realised through strategic planning. We seek to remove the need to build solutions, through alternative approaches including operational changes.

Material issues or circumstances

In addition to the risk management processes in section 'Managing risks and uncertainties' of the ARFS, an extensive risk assessment was undertaken of the full range of principal and emerging risks faced by the company as part of our going concern and long-term viability assessment processes. The Audit and Risk Committee reviewed the principal risks facing the business in November 2023 and May 2024. A detailed paper on going concern was considered at the Audit and Risk Committee meeting on 21 May 2024, and updated information presented on 1 July 2024 prior to final Board approval of the ARFS. Detail of the going concern review is shown within the note 1 of the ARFS.

Cyber security remains our top recorded risk. A significant investment plan is strengthening our company-wide, automated controls to reduce both the likelihood and impact of an attack. The risk section in the ARFS sets out the mitigation in more detail.

Climate change remains a key risk. We face extreme weather events with increased frequency. In the course of this financial year we faced a series of winter storms, that impacted our operations, and severe, persistent dry weather through the summer which required us to invoke our drought plans. We continue to work in partnership with other agencies as well as investing through our capital programme to mitigate these risks.

We continue to monitor and respond to the combined impact of the macroeconomic position and the cost of living on customers' ability to pay, inflation, the supply chain and the availability of key skills and capabilities. However, taking into account the strength of the mitigations available, the directors consider that the company is well placed to successfully manage its business risks and meet the requirements of the regulatory ring-fencing certificate.

We also seek to continually improve the approach to achieving compliance. During 2023 we have established the Yorkshire Water Compliance Framework to improve the consistency of oversight and allow proactive work through early insight of risks materialising. We have identified seven obligations that present a high risk of compliance for the company. The Board has oversight of the level of compliance and the controls to improve. The Executive has agreed an action plan to improve compliance with our environmental permits, including significant investment through AMP8.

Statement approval

This statement, and supporting evidence, has been reviewed by the external financial auditors, Deloitte, as part of the annual audits of Yorkshire Water's statutory accounts and regulatory accounts. The audit opinion from Deloitte is published within the APR and a report from Deloitte has been provided to Ofwat on this matter.

In approving this statement, the Board has considered a wide range of factors to take a holistic view of the risks the business faces. The Board has considered feedback from the Audit and Risk Committee on the controls and processes in place for the development of this Ring-Fencing Certificate and the supporting evidence. The Board approved this Ring-Fencing Certificate on 1 July 2024.



Kathy Smith
Company Secretary

Signed for and on behalf of the Board of Directors of Yorkshire Water Services Ltd



6. Board, leadership, transparency and governance

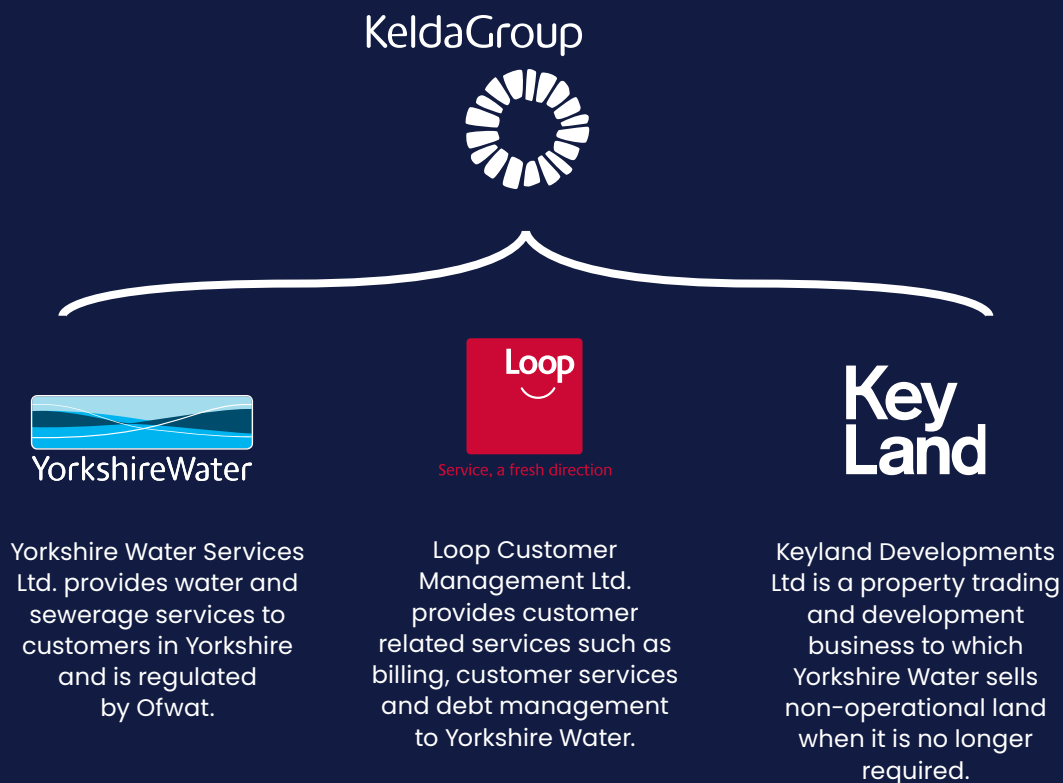
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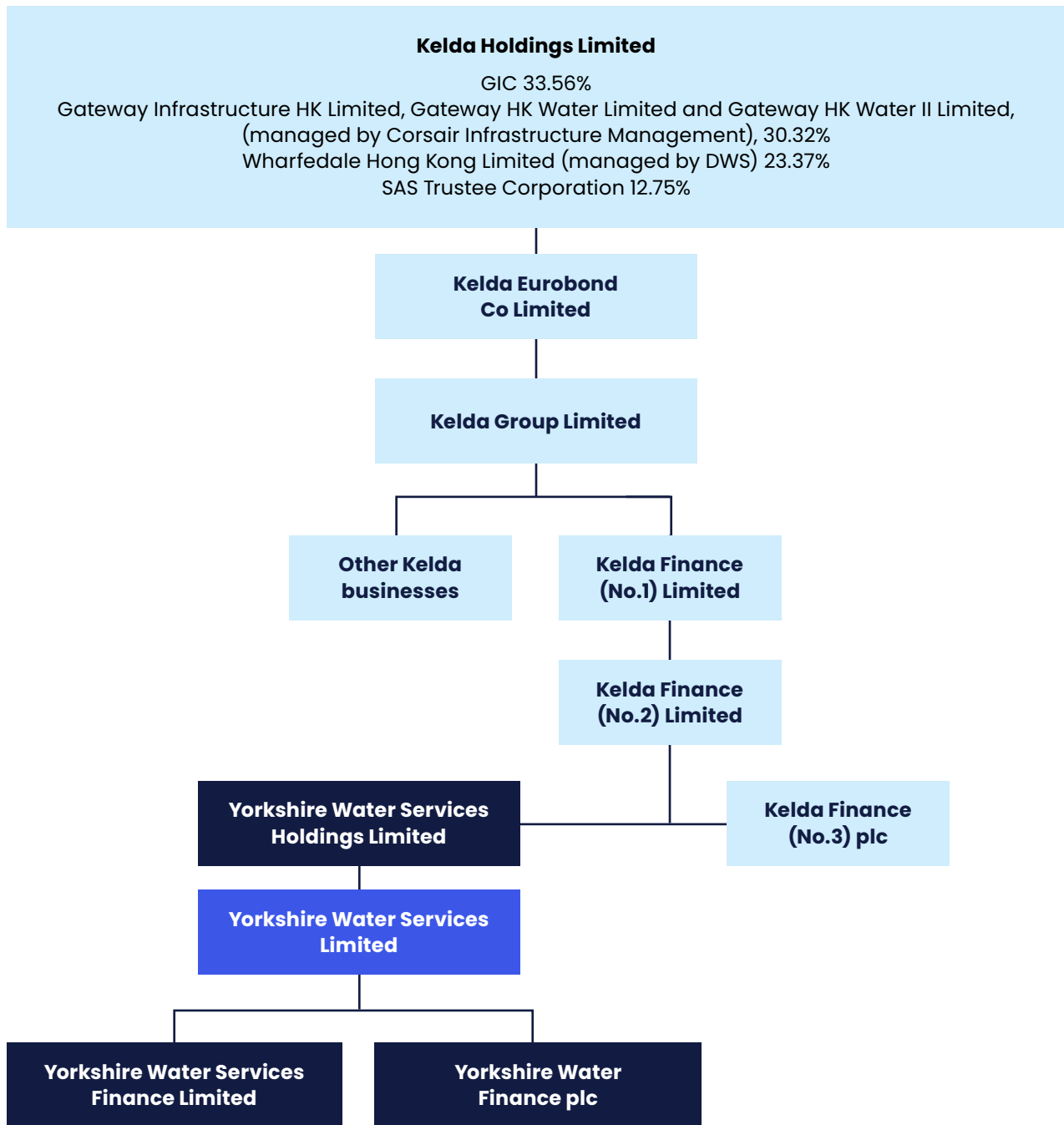
Our Group structure

Yorkshire Water sits within the Kelda group, which is privately owned. The Kelda group is made up of several businesses and Kelda Holdings Limited (the top holding company) is owned by a group of investment companies.

The diagram below shows a high-level structure of the group and the companies.



The diagram below shows the Kelda group corporate structure:



Yorkshire Water is the only company in this group that is regulated by Ofwat. It holds the licence to provide water and sewerage services to our customers and the governance for Yorkshire Water is described within this report.

Details of the group’s shareholders and capital structure, along with further information on the companies shown here are published on the group’s website, found at: keldagroup.com

Our Board of Directors

The primary focus for the Board is to lead the development and delivery of the company's purpose, strategy and values needed to meet the service and performance expectations of our customers and stakeholders.

An executive director is a member of the Board who also has management responsibilities within the company.

A non-executive director is a member of the Board who contributes their wider skills and experience to Board decision-making.

The non-executive directors do not engage in the day-to-day management of the organisation, but are involved in policy making, setting the company's strategy, values and standards, making sure that the necessary financial and people resources are in place, and reviewing management performance. We are required to have a number of independent non-executive directors on our Board, which means that they are free of any links with us or our shareholders. Our investor non-executive directors represent our larger shareholders.





Vanda Murray OBE DBA
Independent
Non-Executive Chair

Appointed: Vanda joined the Board as Independent Non-Executive Director in July 2021, stepping up to become the Chair of the Board in September 2021.

Skills and experience: Vanda is a Fellow of the Chartered Institute of Marketing and has extensive experience of corporate leadership in both executive and non-executive roles. From 2001 to 2004 she was Chief Executive of Blick plc, a FTSE quoted company, where she doubled the value of the business. She was also Managing Director of Ultraframe plc between 2004 and 2006. She was more recently a Non-Executive Director at Manchester Airports Group and the Senior Independent Director at Bunzl plc. Vanda was appointed OBE for Services to Industry and to Export in 2002.

Other roles: Vanda is Non-Executive Chair of Yorkshire-based Marshalls plc and a Non-Executive Director of Howden's plc. Vanda is also the Chair of Kelda Holdings Limited.

Committee Membership:



Wendy Barnes
Independent
Non-Executive Director

Appointed: Wendy joined the Board as an Independent Non-Executive Director in November 2022.

Skills and experience: Wendy has a significant breadth of knowledge from the utilities sector as well as in regulation, cyber security, customer service and change management. She is a Non-Executive Director of Scottish Power and has previously held non-executive roles at OCS Group, Ofwat and in several Government departments, including the Met Office. Wendy was formerly the Interim Director General at the Department of Energy and Climate Change, and she has held executive roles within the water sector with United Utilities.

Other roles: Wendy is a Non-Executive Director of Scottish Power Limited and undertakes a variety of consultancy roles.

Committee Membership:



Isabelle Caumette
Non-Executive Director

Appointed: Isabelle joined the Board as a Non-Executive Director in November 2023.

Skills and experience: Isabelle is a London-based Senior Principal in the European Infrastructure Private Equity division of DWS, and is responsible for leading asset management for a number of funds and leading the transaction team on key infrastructure investment transactions. She is a voting member of the Investment Committee for the four European infrastructure funds managed by DWS. Prior to joining DWS's infrastructure business in 2011, Isabelle worked as a consultant at the Boston Consulting Group.

Other roles: Isabelle is also a Non-Executive Director of Kelda Holdings Limited, and a Non-Executive Director of Stroom, a rail cars and tank containers leasing company.

Committee Membership:



A Audit and Risk Committee

PV Public Value Committee

N Nomination Committee

SHE Safety, Health and Environment Committee

R Remuneration Committee

PR 24 PR24 Committee

○ Chair



Andrew Dench
Non-Executive Director

Appointed: Andrew joined the Board as a Non-Executive Director in September 2017.

Skills and experience: Andrew is a Senior Vice President in GIC’s Infrastructure team, based in London. He is responsible for the ongoing management of GIC’s global infrastructure portfolio. Prior to joining GIC, Andrew was Deputy CEO/CFO of Veolia Water, UK, Ireland & Northern Europe, CFO of Electricity Northwest, and Head of Corporate Finance & Change at London Stock Exchange Group. Whilst at Veolia, he was a Non-Executive Director of Affinity Water (formerly Veolia Water). Andrew started his career in the investment banking division of Morgan Stanley where he was focused on project finance, mergers & acquisitions, utilities, and the natural resources sector.

Other roles: Andrew is a Non-Executive Director of Kelda Holdings Limited and several other boards, including Heathrow Airport Holdings Limited, Railpool GmbH, Raffles Infra Holdings Limited and AGEC Global Pte. Ltd.

Committee Membership:



Russ Houlden
Non-Executive Director

Appointed: Russ joined the Board as a Non-Executive Director in January 2022.

Skills and experience: Russ is an Operating Partner at Corsair Infrastructure, a business unit of Corsair Capital. Russ brings a wealth of financial expertise and water industry experience to the Board, having been the CFO of United Utilities Group PLC for ten years until July 2020. During his time at United Utilities, he was also Chair of the Financial Reporting Committee of the 100 Group from 2013 to 2020. Prior to his role at United Utilities, he was the CFO of Telecom New Zealand from 2008 to 2010, and Finance Director of Lovells from 2002 to 2008. Until 2002 he held a variety of divisional Finance Director positions in ICI and BT. Until July 2022 Russ was a Non-Executive Director of Babcock International Group plc.

Other roles: Russ is a Non-Executive Director of Kelda Holdings Limited. He is also an Independent Non-Executive Director and Chair of the Audit Committee at Orange Polska SA.

Committee Membership:



Paul Inman
CFO

Appointed: Paul joined the Board as the CFO in March 2023.

Skills and experience: Paul joined Yorkshire Water from BAE Systems where he was the Finance Director for the air sector, having previously held multiple roles with Rolls-Royce. Paul has extensive financial experience and also brings strong operational experience to the Board, having led a number of transformation programmes and undertaken general management roles in asset health monitoring and maintenance, repair and overhaul. Paul is a Member of the Institute of Chartered Accountants in England and Wales.

Other roles: Paul is the CFO for Kelda Holdings Limited.

Committee Membership: None



Andrew Merrick
Independent
Non- Executive Director

Appointed: Andrew joined the Board as an Independent Non-Executive Director in June 2019.

Skills and experience: Andrew brings considerable financial experience and expertise to the Board, as well as strong connections with the Yorkshire region. Prior to joining the Board, Andrew was the CFO of Irwin Mitchell solicitors, having previously worked as Group Finance Director for Dart Group plc and as Director of Finance for Bradford & Bingley plc. Andrew has also been a Board member of 'Incommunities', a Bradford-based social housing provider, where he chaired the Audit Committee.

Other roles: Andrew is a Non-Executive Director and Vice Chair of Market Harborough Building Society, a Trustee Director of The Nell Bank Charitable Trust and a Director of Ilkley Lawn Tennis & Squash Club Limited and its subsidiary, ILTSC Events Limited.

Committee Membership:



Nicola Shaw CBE
Chief Executive Officer

Appointed: Nicola joined the Board as CEO in May 2022.

Skills and experience: Nicola brings with her extensive experience in regulated infrastructure businesses and has an excellent track record in driving efficient delivery whilst also improving customer service and colleague engagement. Most recently Nicola was the UK Executive Director for National Grid and was previously the Chief Executive of High Speed 1 and a Director of First Group. Nicola was the author of the Shaw Report published in 2016 which made several recommendations for the future of British Transport. Nicola received a Commander of the British Empire (CBE) for services to transport in the Queen's New Year Honours in 2016.

Other roles: Nicola is the CEO for Kelda Holdings Limited and a Non-Executive Director of International Airlines Group.

Committee Membership:



Dame Julia Unwin
Independent Non-
Executive Director

Appointed: Julia joined the Board as an Independent Non-Executive Director in January 2017.

Skills and experience: Julia brings to the Board a wealth of experience from the voluntary, commercial, and public sectors as well as from regulatory environments. She was the Chief Executive of the Joseph Rowntree Foundation for a decade until 2016. She also served on the Boards of the Housing Corporation, the Charity Commission and was Deputy Chair of the Food Standards Agency. Julia brings a deep understanding of customers and communities to the Board as well as a specific knowledge of the demographics of the Yorkshire region and of poverty, vulnerability, and disadvantage. She has worked extensively on issues to do with developing social value. In May 2019 Julia received a Lifetime Achievement Award from the Chartered Management Institute and was appointed a Dame in 2020 for her contribution to civil society.

Other roles: Julia is a Non-Executive Director of Mears Group Plc and is the Chair of the Board of Governors of York St John University. She is the Inaugural Chair of the Smart Data Foundry, Edinburgh University.

Committee Membership:





Andrew Wyllie CBE
Senior Independent Director

Appointed: Andrew joined the Board as an Independent Non-Executive Director in September 2017 and became the Senior Independent Director in November 2022.

Skills and experience: Andrew was Chief Executive of Costain Group PLC for 14 years up until May 2019. He was also a Non-Executive Director of Scottish Water from April 2009 to April 2017. Andrew has an MBA from the London Business School, he is a Chartered Engineer, a fellow of the Royal Academy of Engineering and was President of the Institution of Civil Engineers in 2019. Prior to joining Costain Group PLC, Andrew worked for Taylor Woodrow where he was the Managing Director of the construction business and a member of the Group Executive Committee. Andrew was awarded a CBE for services to engineering and construction in the 2015 New Year Honours list.

Other roles: Andrew is a Non-Executive Director of Persimmon PLC, a Board member of the US-UK Advisory Board of the British American Project and the Chair of the Remuneration Committee of the Institution of Civil Engineers.

Committee Membership:



Other directors during the year

The following directors also served on the Board for the periods shown during the year. More information on their skills and experience can be found in our 2023 APR and ARFS:

Scott Auty

Non-Executive Director to November 2023.

Ray O’Toole

Non-Executive Director to July 2023.

Director	Appointment	Tenure as at 31 March 2023
Independent Non-Executive Chair		
Vanda Murray	July 2021	2 years 9 months
Executive Directors		
Nicola Shaw	May 2022	1 year 11 months
Paul Inman	March 2023	1 year 1 month
Independent Non-Executive Directors		
Wendy Barnes	November 2022	1 year 5 months
Andrew Merrick	June 2019	4 years 9 months
Julia Unwin	January 2017	7 years 2 months
Andrew Wyllie	September 2017	6 years 6 months
Investor Non-Executive Directors		
Isabelle Caumette	November 2023	5 months
Andrew Dench	September 2017	6 years 6 months
Russ Houlden	January 2022	2 years 3 months

Meeting the Board leadership and transparency objectives

The UK Corporate Governance Code

Yorkshire Water is a private limited company but has chosen to report its compliance with the UK Corporate Governance Code on an annual basis, to provide greater transparency.

The Board considers that it has complied with all the principles of the UK Corporate Governance Code 2018 which are applicable to private companies throughout the year ended 31 March 2024, except for the following provisions:

- **Provision 11** – this principle requires that at least half the Board, excluding the Chair, should be independent non-executive directors. Whilst our independent non-executive directors make up the largest group on the Board, they do not represent half the Board when the Chair is excluded.
- **Provision 18** – this provision relates to the annual re-election of directors. As a private limited company, we do not hold an Annual General Meeting and instead our directors are re-elected every two or three years when their appointment term ends.
- **Provision 24** – this provision requires the Audit Committee to consist entirely of independent non-executive directors. Our Audit and Risk Committee has a majority of independent non-executive directors but also has a non-executive investor director, who we believe provides useful challenge and insight to the Committee.
- **Provision 32** – this provision requires the Remuneration Committee to consist entirely of independent non-executive directors. Our Remuneration Committee has a majority of independent non-executive directors but also has three non-executive investor directors, which means we receive useful insight from investors when making remuneration decisions.

The UK Corporate Governance Code is available on the website of the Financial Reporting Council at: [frc.org.uk](https://www.frc.org.uk)

The Ofwat Board Leadership, Governance and Transparency Principles

In 2019 Ofwat published their Board Leadership, Governance and Transparency Principles which set the standard for Boards across the water sector. We have complied with these Principles since their publication and compliance is now a requirement of our Instrument of Appointment. We have set out how we have complied with each of the four key objectives contained within the Principles during the year and on an ongoing basis.

Principle 1:

The regulated company Board establishes the company's purpose, strategy, and values, and is satisfied that these and its culture reflect the needs of all those it serves.

Setting our purpose, strategy and values

Our new strategy was set out in our Annual Report last year and this was launched at the start of the year. The Board contributed significantly to the strategy development process and gave approval to the final version prior to its launch. The strategy aligns directly to the needs of those we serve through the vision of 'a thriving Yorkshire, right for our customers and right for the environment'. The strategy includes four values that we expect of all our colleagues:



**We
own it**



**We're better
together**



**We're always
learning**



**We have
heart**

More information on our strategy can be found in our ARFS.

Embedding our purpose, strategy and values

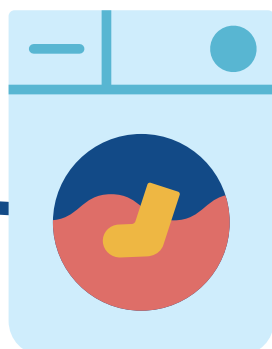
We have a Yorkshire Water Code of Ethics, approved by the Board, which provides support to colleagues and partners on embedding the values and ensuring that they are always doing the right thing, including where to go for help and advice if they are faced with an ethical decision as part of their work. There is mandatory online learning for all of our colleagues to ensure that they understand the Code of Ethics and how it applies to them.

We also operate a Speaking Up Policy which encourages colleagues and partners to speak up confidentially if they see behaviour that is outside of our expected values and culture. All speak ups are carefully investigated and are reported back to the Board through the Audit and Risk Committee.



The Board also receives updates on the culture of the business, and the extent to which the purpose, strategy and values are embedded in the business through a variety of ways:

- The Remuneration Committee has received updates during the year specifically on culture and the Board has been involved in defining and agreeing the target culture of the organisation.
- The Internal Audit team consider culture in all of their audits and report back on any findings or observations in this area to the Audit and Risk Committee.
- A colleague engagement survey, Yorkshire Voice, is sent out twice a year and the results from this are fed back to the Board, including examples of the comments and themes arising from the survey. During the year on average 67% colleagues responded to the survey and there were over 46,000 comments received. This gives the Board a very clear picture of the extent to which the purpose, strategy and values of the business have been embedded and of the culture of the organisation.
- The Board engages with colleagues regularly throughout each year, through different means. The Colleague Engagement Forum met three times during the year and Board members are invited to attend the meetings, in addition the minutes are always circulated to the Board and are considered as part of a standing agenda item at each meeting. The Board also met twice with Trade Union representatives during the year, and engaged with other colleagues at both operational site visits and office visits, both collectively as a whole Board and in smaller groups. This interaction enables the Board to keep well informed of the culture in the business and the extent to which the purpose, strategy and values are embedded in the business.
- The Board also engages with regulators, third party assurers and suppliers through various Committee meetings throughout the year and always encourages any feedback on the culture of Yorkshire Water to be shared openly.

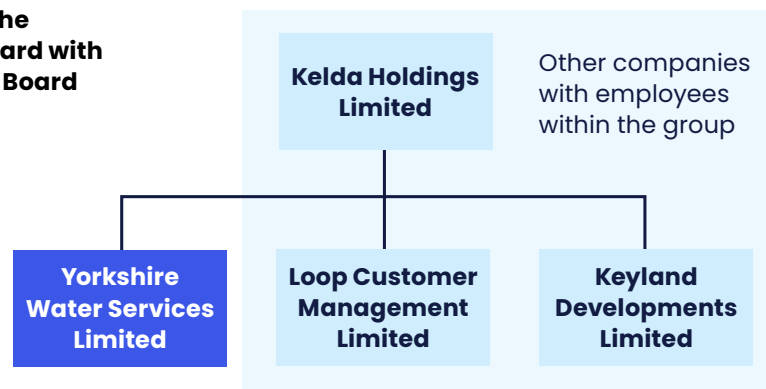


More information on Board engagement can be found in our ARFS, found here yorkshirewater.com/about-us/reports/

Principle 2:

The regulated company has an effective Board with full responsibility for all aspects of the regulated company's business for the long-term.

The interaction of the Yorkshire Water Board with the Kelda Holdings Board



Yorkshire Water is part of a group of a companies and has an ultimate parent company, Kelda Holdings Limited which is owned by our shareholders. Whilst it is part of a larger group, Yorkshire Water is by far the largest entity within the group and operates very much independently of the rest of the group.

The Yorkshire Water Board members are very aware of their duties to Yorkshire Water and all discussions in Yorkshire Water Board meetings focus on Yorkshire Water and what is for the good of Yorkshire Water alone. The focus on Yorkshire Water is achieved in a number of ways:

- Three of our four shareholders are represented on the Yorkshire Water Board, which vastly reduces the need for decisions to be referred to the ultimate parent company. All of the Yorkshire Water directors have legal and fiduciary duties to promote the success of the company for both current and future members, which is something our non-executive investor directors are acutely aware of so decisions are always made from the perspective of Yorkshire Water rather than the wider group. In addition we have five independent non-executive directors on the Yorkshire Water Board who have no connection with the ultimate parent company and therefore can ensure that decisions are made solely in the best interests of Yorkshire Water.
- From a practical perspective the Yorkshire Water Board has full responsibility for all aspects of the business. The matters reserved for the Board of Kelda Holdings Limited only require limited decisions to be referred to Kelda Holdings and in practice this is simply done for verification. Kelda Holdings Limited has never over-turned a decision made by the Yorkshire Water Board and it is highly unlikely that this would ever happen given the presence of the non-executive investor directors on the Yorkshire Water Board.
- The Kelda Holdings Board met only briefly on five occasions during the year. The meetings are typically only very short and rarely focus on Yorkshire Water-related matters as these have already been discussed at the Yorkshire Water Board.

Most of the decisions made by the Kelda Holdings Board relate to matters specific to Kelda Holdings Limited itself or other companies within the group, outside of Yorkshire Water. These are particularly those with employees, as shown in the simplified group structure above.

During the year there were 10 decisions made by the Kelda Holdings Board, only three of which were directly related to Yorkshire Water. These are highlighted in **bold** below:

- Approval of the tax strategy for the group companies outside of Yorkshire Water;
- Approval of the Proceeds of Crime assessment undertaken for Kelda Holdings Limited in accordance with Jersey law;
- **The reappointments of Andrew Merrick and Andrew Wyllie as non-executive directors of Yorkshire Water;**
- Approval of the Annual Report and Financial Statements for Kelda Holdings Limited;
- The reappointment of Deloitte as the external auditor for the group;
- Approval of the 2025 budget for the group companies outside of Yorkshire Water;
- **Approval of the new variable pay scheme for Yorkshire Water;**
- Approval of additional remuneration to be paid to Nicola Shaw and Paul Inman for their work as Chief Executive and Chief Financial Officer of Kelda Holdings; and
- Approval for the interest due on the Convertible Loan Notes issued by Kelda Holdings Limited to be paid in additional notes.

Why does the Board of Kelda Holdings verify some decisions that impact on Yorkshire Water?

We refer some matters to the Board of Kelda Holdings for verification as we believe this reflects best practice in relation to certain decisions. These are things such as the appointment of independent non-executive directors, changes to executive remuneration and the appointment of our external auditor. These decisions are always recommended by the Board of Yorkshire Water first, so nothing is referred to Kelda Holdings Limited that is not already approved by Yorkshire Water; this helps to ensure that referral to Kelda Holdings Limited does not give our shareholders undue influence. The verification by Kelda Holdings Limited provides a further layer of scrutiny from the five directors who are on the Kelda Holdings Board but not on the Board of Yorkshire Water, which helps to ensure that Yorkshire Water is not able to appoint unsuitable directors or an auditor which is not sufficiently independent from the business, for example. In a listed company this control comes from such decisions having to be put to shareholders in an Annual General Meeting.

Decisions in relation to dividends

As a privately owned company providing a public service it is essential that we have clear and transparent controls in place in relation to any dividends that we pay. All dividends paid by Yorkshire Water are solely decided by the Board of Yorkshire Water. The Board of Kelda Holdings Limited is only able to approve dividends being paid by Kelda Holdings Limited and makes no decisions in relation to dividends being paid by Yorkshire Water. The dividend policy for Yorkshire Water is set every five years as part of our Price Review and approved by Ofwat. Further information on our dividends for 2022 has been included within our ARFS.



Our Board Committees

We have a number of Board Committees, each of which has provided its own report on the role of the Committee and how it has operated during the year. Each Committee Chair reports back to the Board after each meeting to ensure that the whole Board is aware of the matters considered by the Committees and, where appropriate, Committee papers and minutes are made available to all Board members for information.

We have gone beyond the governance requirements of having an Audit, Remuneration and Nomination Committee to also have Public Value, PR24, and Safety, Health and Environment Committees to enable Board members to spend additional time in these areas, focusing on specific matters in detail and providing assurance in these areas to the Board.

The Committees do not make decisions, other than in relation to executive remuneration where it would not be appropriate for the executive directors to be involved in the decision, but instead the Committees make recommendations to the Board for decision.

We continue to keep the Terms of Reference of each Committee under review to seek to optimise its effectiveness.

Handling conflicts of interest

Each of our directors is subject to the obligations in relation to conflicts of interest that are set out in company law. Our Board members are all experienced directors and receive regular reminders of their statutory obligations. Our Board has non-executive investor directors, as well as executive and independent non-executive directors, and we place great importance on ensuring we maintain the right balance in the boardroom, so that the effectiveness of the Board is not undermined by conflicted interests. We have a standing agenda item at each meeting for conflicts of interest. If any of our directors believe that they are conflicted in any way, then this is declared and appropriate action taken, such as excluding them from decisions where they may be conflicted. No conflict situations have arisen during the year under review.

Ensuring long-term focus

Our long-term strategy looks 25 years ahead and takes into consideration the long-term forecasts for Yorkshire in many areas such as population growth, water consumption and climate change. The Board has also spent much time considering the longer-term this year through the consideration of our PR24 Business Plan, which has considered water resources over the longer-term, our Long-Term Delivery Strategy and our Drainage and Wastewater Management Plan for the future. The Board also continues to monitor financial resilience over the longer-term through a 30-year business model for the group as a whole.

Each year the Board also receives horizon scans which set out external matters to be aware of over the longer-term. The Board also considers the long-term viability of the business each year and makes a statement on this, considering various scenarios across the current and next AMP. There has also been much work during the year on the long-term risks arising from climate change. Further information on long-term viability and the risks arising from climate change can be found in our Strategic Report.

Principle 3:

The Board's leadership and approach to transparency and governance engenders trust in the regulated company and ensures accountability for their actions.

Our approach to transparency and governance

We recognise our position as a regional monopoly and we know that this makes it essential that our customers can trust us, as our household customers do not have the option to move to another supplier if we do not meet their expectations. We seek to be transparent and ethical in all that we do and have a Code of Ethics, which sets out the ethical standards we expect from all those that work with us. The Code provides a framework to help when someone faces a difficult ethical decision, and was developed with the help of our Board prior to launch in 2021. We have seen examples of the effectiveness of this Code during the year through our 'speaking up' process where colleagues have come forward to raise concerns as a result of reading the Code of Ethics.

We take governance very seriously and seek to demonstrate best practice wherever possible. During the year, our Company Secretary has undertaken a detailed governance review to specifically look at how we might better align to best practice. The result of this was a number of recommendations around our external disclosures, the remit of our Board Committees, some changes to Board reporting and a broader programme of Board engagement with colleagues, all of which have now been implemented.

Statement on Dividend Policy

We have a dividend policy, in compliance with Condition P30 of the Yorkshire Water Instrument of Appointment, that requires that distributions will only be made after an appropriate financial resilience analysis has been undertaken, that dividends will be adjusted to reflect and recognise company performance and benefit sharing from service and efficiency performance. The policy ensures that delivery for customers and the environment is not just considered but factored into any amounts that are to be paid out as dividends. Whenever a dividend is considered by the Board, a paper is prepared for the Board's consideration, which sets out the purpose of the dividend and how it complies with the dividend policy and Condition P30 accordingly.

When approving dividends to be paid in a financial year, the Board assesses both company performance to date, the financial year in question and that which is expected for the whole of an Asset Management Period (AMP). As such, dividend payments are considered within the longer-term context of the business and not just on the basis of the previous 12 months. There is explicit consideration of the ability of the business to be able to deliver into the future.

During the financial year, Yorkshire Water paid dividends totalling £84.1m (2023 £62.3m). All dividends paid during the year were compliant with the current Board approved dividend policy and Condition P30, which was modified in May 2023.

The company's approach to recommending the dividend included the following steps:

- Determining an appropriate base dividend level reflecting the company's actual capital structure;
- Applying an 'in-the-round' adjustment to reflect the wider considerations required by our dividend policy and Condition P30; and
- Ensuring that the company remains financially resilient and that there are sufficient profits available for distribution in the foreseeable future.

A base dividend yield of 4.0% was considered appropriate, being consistent with the base yield recommended by Ofwat at PR19. This would imply a base dividend for the year of £115m.

In determining an appropriate 'in the round' adjustment, the wider considerations of the Board included, but were not limited to:

- The ability of Yorkshire Water to finance its current and future activities;
- The financial resilience of Yorkshire Water;
- Yorkshire Water's performance against the PR19 Final Determination, including in relation to specific performance commitments;
- Customer service delivery;
- The wider environmental performance of Yorkshire Water; and
- The risk of regulatory fines and penalties.

On balance, the Board determined that a yield reduction of 1.1% was appropriate (a dividend reduction of £31m), resulting in an overall dividend yield for the year of 2.9% (2023: 2.4%). This compares to a Return on Regulated Equity of 6.2% for the year (6.6% excluding additional storm overflow investment) and cumulatively over the AMP to date of 3.1%. (3.2% excluding additional storm overflow investment).

The key determining factors behind the yield reduction were:

- Environmental performance. Significant steps have been taken in the year, including the ongoing investment of £180m in improving storm overflows. However, the Board recognises that the business did not achieve the level of performance required, including the move to a 2-star EPA rating and a number of serious pollution events. The Board recognises that wider environmental performance is not yet at the levels required and a reduction in dividend payment was appropriate to support the company's planned improvements. Along with all other water and wastewater companies, Yorkshire Water is currently being investigated by Ofwat and the Environment Agency in relation to sewage treatment works. The outcome of this investigation is not yet known.
- Yorkshire Water delivered a strong level of return for the year, representing 6.2% on regulated equity. This return was partly supported by the high levels of inflation experienced in the period. Consistent with Ofwat guidance, the Board considered that it was appropriate not to fully reflect that inflation benefit in the dividend paid and to retain some of this year's return in the company to support its planned improvements and activities.
- The financial resilience position of Yorkshire Water improved over the course of the year, supported by the £400m intercompany loan repayment from Kelda Eurobond Limited. This was recognised by Ofwat in its latest 'Monitoring Financial Resilience' report in which Yorkshire Water was moved out of the 'Action Required' category. While positive, the company is targeting further improvement and the retention of part of this year's return to support this was considered appropriate.

Yorkshire Water has delivered improvements in many areas of customer service over the year, including expansion of the Priority Service Register (PSR), enhanced leakage performance and progress in C-MeX and D-MeX. Other areas were below the target, particularly wastewater internal/external sewer flooding events, albeit performance in these areas was impacted by unusually high rainfall in the year.

The dividends paid in year bring the cumulative dividend yield for the current AMP to 2.7%, remaining below the cumulative return of 3.1%.

None of the dividends in the current year were paid to the shareholders of Kelda Holdings Limited (2023: £nil), Yorkshire Water's ultimate parent company, as they continue to support the company's financial resilience and improvement plan.

The dividends for the year included distributions of £27.9m (2023: £22.0m) that did not impact the company's liquidity position or its distributable reserves as they were returned to the company in the form of interest receipts on intercompany loans. No dividends have been proposed post year end in relation to 2024 (2023: £nil).

Variable pay

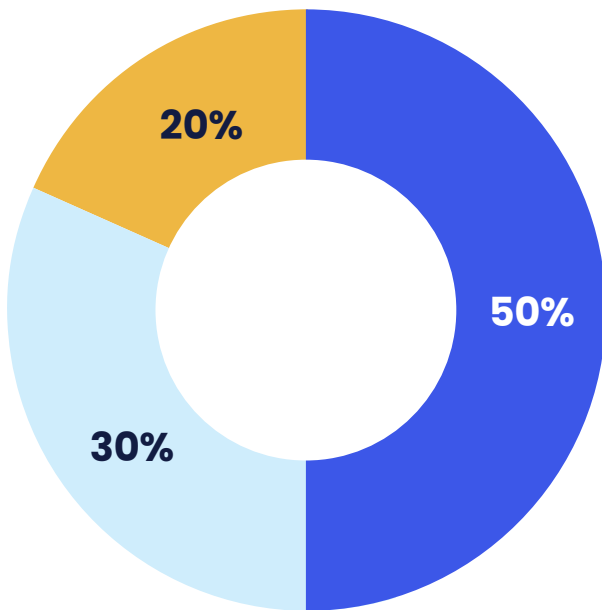
The measures used in calculating variable pay for executive and senior colleagues are set out in the Directors Remuneration Report. The measures are split into four key areas; protecting our environment, delivering for customers through service, delivery for customers through financial efficiency and keeping our people engaged and safe. These measures have been chosen to ensure that the objectives of our senior team align to those of our key stakeholders. We have set this out in more detail in our Directors' Remuneration Report and try to do so in as clear and transparent a way as possible to help stakeholders understand our calculations of variable pay.

Assurance of information

We seek to assure information through independent means wherever we can, and we detail in this report where information has been independently verified and the three-line assurance process that we have in place to ensure the information we provide is trustworthy.

Principle 4:

Boards and their committees are competent, well run, and have sufficient independent membership, ensuring they can make high quality decisions that address diverse customer and stakeholder needs.



Board composition

As at 31 March 2024, the Board composition was as follows:

- Independent Non-Executive Directors
- Non-Executive Investor Directors
- Executive Directors

How the Board operates

The Board had six scheduled meetings in the year, with one additional ad-hoc meeting to make a final decision on the PR24 submission to Ofwat. Attendance at the meetings is shown in the table on [page 376](#). Our scheduled meetings are preceded the evening before by an informal meeting over dinner, allowing more time to debate issues in depth. The Board has invited a number of key stakeholders to dinner throughout the year to enable information to be shared and discussed in more depth.

The Board agenda is set for each meeting by the Chair, with input from the executive directors and the Company Secretary. In addition, any of the other directors can request a matter to be added to the agenda at any time. Monthly reports on operational matters, health, safety and environmental matters and financial performance are circulated to the Board members regardless of whether a Board meeting is scheduled.

The Board seeks to regularly meet both formally and informally with senior management from across the business to gain further insight into the day-to-day operations and the key risks and

opportunities facing each part of the business. Members of the Executive and other key senior managers are regularly invited to attend Board meetings to provide updates and give the non-executive Board members regular direct access to the senior management team.

There is a schedule of Matters Reserved for the Board which sets out the specific matters that must be referred to the Board for approval. These include matters relating to company structure, dividend policy, material regulatory submissions and external press releases, along with significant operational and strategic matters.

The Board considers the role of the Company Secretary to be key in ensuring that the Board has the right governance in place and that Board processes follow best practice. The Company Secretary meets with each of the directors individually as necessary to discuss governance-related matters. The directors are also able to obtain independent professional advice at the expense of the company whenever necessary.

Board activities during the year



The following gives some examples of the activities of the Board in the year under review.

April 2023

The Board was focused on PR24 and the newly formed PR24 Committee met to consider engagement with customers, our strategic plans and the key principles and decisions that would shape our PR24 Plan.



May 2023

We focused on public health at our Public Value Committee and on water quality at our Safety, Health and Environment Committee, which included a visit from Marcus Rink, the Chief Inspector of the Drinking Water Inspectorate. We also held a Colleague Engagement Forum which was attended by some of our Board members to hear directly from our colleagues.



June 2023

Our Safety, Health and Environment Committee visited our Wastewater Treatment Works at Ewden and our Sewage Pumping Station at Stocksbridge, to see and hear first-hand how these operate and the work being undertaken to improve our performance in relation to wastewater discharges.

August 2023

Our PR24 Committee continued to meet throughout August, with meetings focused on customer engagement, the affordability of bills and the financial support to be offered to customers as part of PR24. The Committee also reviewed the assurance in relation to the PR24 Plan in detail. We held another Colleague Engagement Forum, which was attended by some of our Board members to hear directly from our colleagues.



July 2023

Our PR24 Committee met multiple times to consider different sections of the draft Business Plan, including particular focus on the proposed performance commitments, the financeability of the Plan and its affordability for customers, its consideration of asset health, and the quality and ambition contained within the Plan. In mid-July some members of our Board attended the opening of a fish pass in the River Don which will enable salmon to each spawning grounds in the centre of Sheffield for the first time in 200 years. This was the result of joint work by many organisations, including Yorkshire Water, the Environment Agency and the Don Catchments Rivers Trust. The new fish pass will both help wildlife and be a prominent feature for the public to enjoy.

September 2023

In September our Board met with representatives from our three Trade Unions to hear their views first hand on all matters impacting our colleagues. The Board also had dinner with the Executive team to hear from them on matters across the business. Our Board meeting was held at our office in Bradford where the modernisation team is based, to enable the Board to hear from the team directly about our Wastewater Networks 2.0 programme, which is designed to improve our wastewater services to customers. Our Remuneration Committee meeting focused very much on culture and agreeing the desired culture for the business with the Board. Our PR24 Committee also met multiple times to review all elements of the PR24 Business Plan prior to submission.



October 2023

Our PR24 Committee met after the submission to discuss next steps and the work required prior to 1 April 2025 to be ready to implement the plan.



January 2024

Our Board met with Ruth Kelly and David Henderson, the Chair and CEO of Water UK, to discuss areas of focus for the water sector as a whole. Our Safety, Health and Environment Committee had another visit from Marcus Rink, Chief Inspector of the Drinking Water Inspectorate to hear feedback on our progress in relation to water quality. The Committee also heard directly from a third-party supplier undertaking process safety high hazard reviews, to understand the findings in this area. The Audit and Risk Committee also took part in a cyber workshop run by the National Cyber Security Centre, to consider the evolving cyber risks facing the business.



November 2023

Our Board and Committee meetings in November included a visit from Alan Lovell, the Chair of the Environment Agency, to hear his thoughts directly on environmental regulation and areas for focus going forward. We also heard from our Area Director from the Environment Agency specifically on the day-to-day relationship between Yorkshire Water and the Environment Agency. Our Board meeting was held at our Water Treatment Works at Elvington and the Board had a tour around the site, hearing directly from operational colleagues on their work on the site. In addition we held a Your Water, Your Say event during the month, which was attended by some of our Board members to hear directly from our customers.



March 2024

Our Board met again with the Trade Union representatives from the business to discuss anything on the minds of colleagues and the actions taken since the previous meeting in September. The Board also met with Iain Coucher, Chair of Ofwat, to hear directly from him on his views on regulation and the water sector. Our Board meeting was held at our customer contact centre and the Board spent time listening to customer calls and speaking directly to colleagues who handle customer calls each day, to hear the view from our customers.



The Board performance review

We undertake an annual Board performance review to consider the effectiveness of our Board. In 2024 this has been an internally facilitated review, undertaken by our Company Secretary. Our last externally facilitated review was in 2022.

The Board performance review in 2023 highlighted some areas for additional focus. The table below sets out these areas and the progress made during the year:

Area for additional focus	Progress in 2024
Consideration to be given to the way in which environmental, social and governance matters are brought to the Board and whether this is more effectively done through the Board meetings or through one or more of the committees.	This was covered as part of the governance review noted above and it was agreed that environmental, social and governance matters should be brought to the whole Board, with just any environmental incidents still being considered by the Safety, Health and Environment Committee, and the Public Value Committee retaining oversight of the plan to reach net zero carbon emissions.
A more detailed skills audit to be undertaken to assess the experience of the current directors, to inform future recruitment requirements.	This has been done and the results are disclosed within our Nomination Committee report. The outcome of the audit has been used to inform our ongoing recruitment of an additional independent non-executive director.
Thought to be given to strengthening the Colleague Engagement Forum to further enhance its effectiveness in making the colleague voice heard at the Board, which in turn will help improve the effectiveness of the Board.	Considerable thought has been given during the year to the effectiveness of the Colleague Engagement Forum and it has been decided that rather than changing the Forum, an extended programme of colleague engagement would be devised for the Board to ensure that it hears from a variety of colleagues from across the whole organisation during the course of each year. Examples of such engagement can be seen in our ARFS.

The performance review in 2024 has consisted of one-to-one interviews of all Board members by the Company Secretary. The results from these interviews were compiled into a report which was shared with the Board for discussion.

The review concluded that the Board and its committees were operating effectively with a number of areas of strength noted, including trust, openness and mutual respect between Board members, with all members feeling able to give their views and that they are listened to.

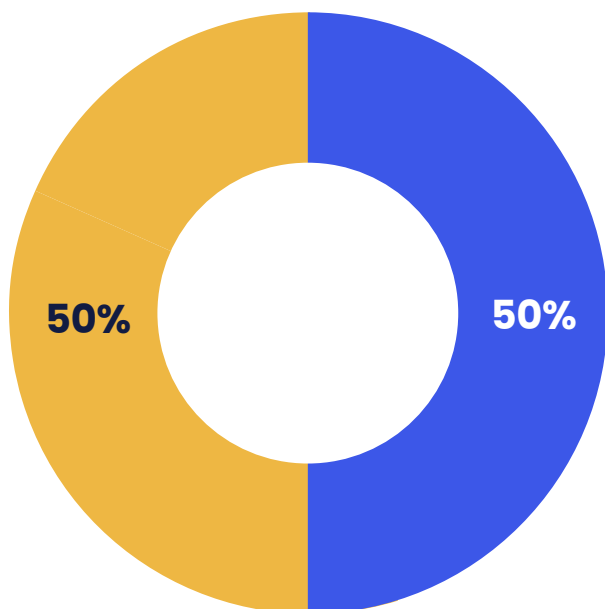
The review highlighted some specific areas for focus in 2025:

- Some operational deep dives into specific performance commitments will be held to enable Board members to fully understand the challenges faced and the work underway;
- A strategy session will be held for the Board to consider some strategic matters such as the use of Artificial Intelligence in the organisation; and

- More information will be provided to the Board on talented individuals within the organisation and how each is being developed and supported in their career with Yorkshire Water.

An action plan has been developed and agreed by the Board and the progress made will be reported in our Annual Report next year.

In addition to the annual Board performance review, the Chair meets with each Board member individually on at least an annual basis to discuss their own performance and to identify any areas for development or potential training needs. The Senior Independent Director also gathers feedback separately on the performance of the Chair and discusses this with her at least annually. Further information on how the Board engages with stakeholders, including colleagues, customers and communities, can be found in our ARFS.



Board composition

As at 31 March 2024, the Board composition was as follows:

- Female
- Male

As noted earlier, we have undertaken a more detailed skills audit during the year to better understand the balance of expertise and experience that we have on the Board, compared to our current and potential future needs. The results of this are shown in the Nomination Committee Report. This will be kept updated to help ensure we maintain the balance of the skills and experience that we need.

We are delighted that our Board now has an equal representation of men and women, however we are very aware that it does not reflect the diversity of the community that we serve from an ethnicity perspective. We have a Board Appointments Policy which ensures a consistent and fair approach to recruitment is always undertaken. The fundamental objective of recruitment remains to ensure that the best candidate for the role is appointed, but we actively work with recruitment consultants to ensure we review a diverse range of candidates and that all are given an equal opportunity for the role.

Training and development

The Board receives regular updates on governance-related matters and more formal training where appropriate. Potential training needs are discussed as part of individual performance evaluations, plus each director is given the opportunity to flag any additional training requirements as part of the annual Board performance review. New directors joining the company are given a broad and comprehensive induction to the business consisting of site visits, meetings with key personnel and detailed information relating to the business, as well as any training specifically required in relation to the duties of directors and their role on the Board.

Non-executive director meetings

The independent non-executive directors and non-executive investor directors meet with the Chair at regular intervals to discuss Board-related matters without the executive directors present.

The UK Corporate Governance Code

Yorkshire Water is a private limited company but has chosen to report its compliance with the UK Corporate Governance Code on an annual basis, to provide greater transparency.

The Board considers that it has complied with all the principles of the UK Corporate Governance Code 2018 which are applicable to private companies throughout the year ended 31 March 2024, except for the following provisions:

- **Provision 11** – this principle requires that at least half the Board, excluding the Chair, should be independent non-executive directors. Whilst our independent non-executive directors make up the largest group on the Board, they do not represent half the Board when the Chair is excluded.
- **Provision 18** – this provision relates to the annual re-election of directors. As a private limited company, we do not hold an Annual General Meeting and instead our directors are re-elected every two or three years when their appointment term ends.
- **Provision 24** – this provision requires the Audit Committee to consist entirely of independent non-executive directors. Our Audit and Risk Committee has a majority of independent non-executive directors but also has a non-executive investor director, who we believe provides useful challenge and insight to the Committee.
- **Provision 32** – this provision requires the Remuneration Committee to consist entirely of independent non-executive directors. Our Remuneration Committee has a majority of independent non-executive directors but also has three non-executive investor directors, which means we receive useful insight from investors when making remuneration decisions.

The UK Corporate Governance Code is available on the website of the Financial Reporting Council at: [frc.org.uk](https://www.frc.org.uk)

Attendance at Board and committee meetings

Director	Board No./max	Audit and Risk Committee No./max	Safety, Health and Environment Committee No./max	Nomination Committee No./Max	People and Remuneration Committee No./Max	Public Value Committee No./Max	PR24 Committee No./max
Vanda Murray	7/7	-	4/4	3/3	6/6	3/3	12/12
Scott Auty	4/4	-	2/2	2/2	4/4	-	
Wendy Barnes	7/7	7/7	-	3/3	6/6	3/3	12/12
Isabelle Caumette	3/3	-	2/2	1/1	2/2		
Andrew Dench	7/7	6/7	-	3/3	6/6	-	11/12
Russ Houlden	7/7	-	-	3/3	6/6	3/3	12/12
Paul Inman	7/7	-	-	-	-	-	-
Andrew Merrick	7/7	7/7	4/4	3/3	-	3/3	11/12
Ray O'Toole	2/2	-	1/2	2/2	-	-	-
Nicola Shaw	7/7	-	4/4	-	-	3/3	-
Julia Unwin	6/7	-	4/4	3/3	6/6	3/3	11/12
Andrew Wyllie	7/7	6/7	4/4	3/3	6/6	-	-

Business model and KPIs

The details of our business model and our KPIs are included in the Strategic Report within our ARFS.

Reappointment of the external auditor

Deloitte LLP has advised of their willingness to continue in office and have confirmed their continued independence. Deloitte LLP was appointed as our external auditor in 2018, following a robust, competitive tender process which resulted in a change of auditor. Following consideration of the relationship with the external auditor, the Audit and Risk Committee has recommended to the Board that Deloitte LLP is re-appointed, and it has been resolved to re-appoint them. They have provided an independent audit opinion on these accounts which can be found in the Financial Statements section. Our audit partner, Chris Robertson, is in his second year as the partner on our audit and continues to be entirely independent from Yorkshire Water.

Powers of the directors

The business of the company is managed by the directors, who may exercise all the powers of the company, subject to the provisions of the Articles of Association and relevant statutes.

All directors have a statutory duty to avoid conflicts of interest. Our Articles of Association permit those directors who are not conflicted to authorise conflict situations, as is standard practice. Conflicts of interest are a standing agenda item at each Board meeting and any potential conflicts must be disclosed and may then, if appropriate, be authorised by the non-conflicted directors. Any such authorisations may be subject to appropriate conditions. The directors do not consider that any actual conflicts of interest have arisen during the year between the roles of the directors as directors of the company and any other roles which they may hold.

Our Chair, executive directors and non-executive investor directors remain mindful that they are also directors of Kelda Holdings Limited and that this operates as a separate legal entity.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence over a period of at least 12 months from the date of approval of the Financial Statements. For this reason, they continue to consider it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements. Please see note 1 of the Financial Statements for full going concern considerations.

Directors' statement

The directors confirm that they consider the Annual Report and Financial Statement (ARFS), taken as a whole, to be fair, balanced, and understandable and provides the information necessary for shareholders and other stakeholders to assess the company's performance, business model and strategy. When arriving at this position the Board was assisted by a number of processes including the following:

- The ARFS is drafted by senior management with overall co-ordination by senior members of the Finance team to ensure consistency across the relevant sections;
- An internal verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the ARFS are undertaken by the executive directors and senior management;
- An advanced draft is reviewed by the Board;
- The final draft is reviewed by the Audit and Risk Committee prior to consideration by the Board. The Committee advised the Board that the ARFS, taken as a whole, is fair, balanced, and understandable for shareholders and other stakeholders to assess the company's performance, business model and strategy. Each director in office at the date of this report confirms that, to the best of their knowledge the Financial Statements give a true and fair view of the assets, liabilities, financial position, and loss of the company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

The directors have voluntarily complied with the Disclosure and Transparency Rules (DTR), to the extent that these can be reasonably applied to the company. The company is required, under its licence, to publish information about its results as if it were a company with a premium listing on the London Stock Exchange.

Disclosure of information to auditors

Each director in office at the date of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the ARFS in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relations with shareholders

As a private limited company, we have three shareholder representatives appointed as non-executive directors to our Board. Our fourth shareholder also has an appointed representative who attends our Board meetings as an observer. This means that we have regular interaction with representatives from each of our shareholders and can present detailed information to them to enhance their understanding of our business and the communities which we serve. This also means that we can understand in detail the views of our shareholders which has been extremely useful in building a strong relationship and understanding since the appointment of our first non-executive investor directors in September 2017.

Amendments to the company's Articles of Association

Any amendments to the company's Articles of Association may be made by passing a special resolution of the shareholders.

Our risk management framework

Our risk management framework, which sets out our approach to identifying and managing our risks, is detailed in our Managing risks and uncertainties section of the Strategic Report.

Risk management responsibilities

The Board

The Board has overall responsibility for setting the risk appetite for the business and for ensuring that the overall risk profile is aligned with this. It is also responsible for ensuring that the business maintains sound internal control and risk management systems, as well as reviewing the effectiveness of those systems.

To do this, the Board has regular meetings with senior management and, via the Audit and Risk Committee, receives regular reports from the internal auditors and the external auditors on the effectiveness of the systems of internal control and risk management. The Board is satisfied that the systems are embedded within the day-to-day activities of the business and cover all material controls, including financial, operational and compliance controls, and that the business continues to be compliant with the provisions of the 2018 UK Corporate Governance Code relating to internal control.

The Executive

The Executive is responsible for reviewing the risks that have been recorded, to ensure completeness and accuracy, as well as assessing the suitability of the mitigations in place and any proposed timescales for further controls to be implemented.

Audit and Risk Committee

The responsibilities of the Audit and Risk Committee in relation to risk management are set out in the Audit and Risk Committee Report.

Financial risk management

We produce an annual budget which is reviewed by senior management and ultimately approved by the Board. We also have our five-yearly Business Plan which aligns to the Final Determination issued by Ofwat as part of each Price Review, and we have a longer-term 30 year financial model for the group which we regularly monitor performance against.

We also prepare monthly performance reports against budget, which are monitored by each business area and reported at Executive and Board meetings. Further information about the financial risk management policies in place and, in particular, the way in which credit risk, liquidity risk, interest rate risk and foreign currency risk are managed, is in our ARFS.

Greenhouse gas emissions

Information on our greenhouse gas emissions for the year to 31 March 2024 is contained in our Strategic Report in the ARFS.

Nomination Committee Report

The role of the Nomination Committee is to keep the structure, size and composition of the Board under review and to ensure that the balance of skills, knowledge and experience of the Board meets the requirements of the business, both now and in the future.

The Committee is also responsible for overseeing the recruitment process for new directors and for making recommendations regarding appointments to the Board.

Board structure

Our Board structure is different from that of a listed company in that we have three non-executive investor directors who sit on our Board, alongside our independent non-executive directors and our executive directors. This has been the case since September 2017. Having representatives from our shareholders in the room is immensely beneficial to us as it enables us to understand their views in detail and ensures they hear first-hand all of the information that is presented to the Board in order to provide support and challenge as appropriate.

Whilst they are not deemed independent in accordance with the definition in the UK Corporate Governance Code, the non-executive investor directors still carry the same legal and fiduciary duties as our other directors and fully understand the importance of the services that we provide to Yorkshire and the impact that our actions have on local communities and the environment. They also individually bring skills and experience to the Board which help create a greater diversity of skills and experience, which is beneficial to the Board in its decision making.

Our skills and experience matrix

We maintain a Board skills matrix, which the Nomination Committee uses to monitor the balance of skills and experience on the Board and to identify any areas where new skills or experience may be required. During the year we have revised the skills and experience we are monitoring to better align with the needs of the business.

In the matrix, directors evaluate themselves, noting where they have specific skills or experience, where they have some skills or experience but these have not been core to a previous role, as well as those areas where they have no or only limited skills or experience.

Ongoing recruitment

At a meeting of the Committee in January 2024 it was agreed that recruitment of a further independent non-executive director would begin, to further enhance the balance of skills and experience on the Board. Green Park have been appointed as independent recruitment consultants to assist with this appointment, which is ongoing.

Developing talent

In addition to reviewing the composition of the Board, the Nomination Committee plays a key role in developing talent in the organisation, to identify and promote those who are potential future Board members, either of Yorkshire Water or elsewhere. This includes ensuring that there are equal opportunities for development for people of all genders.

The Committee has a Board Appointments Policy which sets out the key principle for appointments to be made on merit, with consideration always being given to the need for diversity of all types. Yorkshire Water is committed to using open advertising or the services of an independent external adviser when recruiting to the Board and will only use external executive search firms who have signed up to the voluntary Code of Conduct addressing gender diversity and best practice.

Attendance at Committee meetings

The Nomination Committee is a sub-committee of the Board and meets as often as required each year. During the year ended 31 March 2024, the Committee met three times. The membership and attendance of the Committee is set out earlier in the ARFS. Meetings are also attended by the Chief Executive, where relevant, and the Company Secretary.

Committee responsibilities

- To review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board regarding any changes;
- To ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession;
- To keep under review the leadership needs of the organisation, both executive and non-executive, to ensure the continued ability of the organisation to meet its obligations in relation to investors, the public service it provides and the community in which it operates;
- To oversee the process for the recruitment or reappointment of any Board roles; and
- To review annually the time required from each of the directors to perform their roles effectively.

The Terms of Reference of the Committee are in line with the recommendations in the UK Corporate Governance Code and from the Chartered Governance Institute.

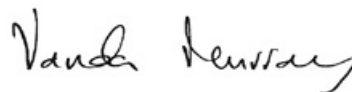
Copies of the Terms of Reference for all our committees are available from the Company Secretary or on our website at yorkshirewater.com

Committee performance review

During the year an internally facilitated performance review was undertaken of the Board and all of its Committees. The feedback on the Nomination Committee showed it to be operating effectively.

Thanks and feedback

Our non-executive directors contribute significant time and effort in their roles and have done so again this year with significant time spent reviewing the PR24 Business Plan. I would like to thank them for their ongoing commitment to Yorkshire Water.



Vanda Murray OBE DBA
Chair, Nomination Committee
 3 July 2024

Statement on executive pay and performance

Directors' Remuneration Report

Our information on directors' remuneration is structured as follows:

- Annual Statement from the Chair of the Remuneration Committee, providing an overview of the key developments and remuneration decisions made during the financial year.
- Remuneration Policy Report, setting out the remuneration policy for 2025 that has been recommended by the People and Remuneration Committee and approved by our shareholders.
- Annual Report on Remuneration, showing how the remuneration policy for 2024 has been applied, how we intend to apply the new policy for 2025, along with a summary of the work of the People and Remuneration Committee in the year.

Yorkshire Water is a private limited company and our shareholders do not require us to hold an Annual General Meeting (AGM). This report is therefore not subject to approval at an AGM but is presented for information to our stakeholders, to ensure we are transparent in what we pay our directors, and in compliance with the relevant legislation.

Annual Statement from the Chair of the Remuneration Committee

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2024.

Executive pay has attracted a lot of attention over recent years, not least within the water sector, and the Remuneration Committee is very aware of the scrutiny that its decisions are rightly subject to. We are clear that our role is to ensure that the money we pay our executive directors is fair, fully justifiable and drives the right behaviours and results for the benefit of our business, our customers and the environment.

Improving our services to customers

As a Committee we are very clear on the expectations of our customers and the Company is committed to making improvements in our services. Nicola Shaw and Paul Inman were appointed as CEO and CFO to lead the organisation, as they have the right skills and experience to drive the changes that need to happen. Their total remuneration therefore needs to reflect this and to incentivise the improvements that they need to bring, to contribute to a thriving Yorkshire.

As a Committee we measure the performance of the executive directors each year against the measures in our Executive Incentive Plan (EIP). In our final review each year, before any EIP payments are made, we consider an independent report on performance against those measures and then apply discretion to take account of any wider factors and the performance of the business in the round.

Remuneration in relation to environmental performance

Yorkshire Water is also committed to improving the environment. We want to ensure that our customers always receive clean drinking water and that sewage is taken away safely. We want to eradicate wastewater discharges to the environment and we have a significant investment programme to achieve this. From a pay perspective, the Remuneration Committee is very clear that we want to incentivise a continual improvement in our environmental performance,

from both a water and wastewater perspective, through incentives that stretch and challenge the executive directors to deliver what is right for our environment, as quickly as possible. This is reflected in the targets that we have set which link to the EIP.

Responding to feedback from Ofwat

In recent years Ofwat has provided guidance around performance-related executive pay, the most recent of which was a publication in November 2023 which set out an assessment of pay decisions for the financial year-ended 2023 and guidance for future decisions. The Remuneration Committee is always keen to align with the requirements set out by Ofwat and to follow the guidance. The key points from the publication in November are set out below, along with how we have responded both in the decisions made during the year and in our disclosures in this report:

- **Companies need to better explain the targets they have used for variable pay measures and how these are stretching.** We have included more information this year in this Report on the measures that have been used in our EIP during the year and on the measures, we have agreed for the new EIP, for which awards were made on 1 April 2024.
- **Companies need to go further in explaining how overall performance has been taken into account when making variable-pay decisions.** We have included more information on how the Committee has considered the overall performance of the company when making its pay decisions – more on this can be found later in this report.
- **Variable pay frameworks need to align to Ofwat expectations regarding delivery for customers and the environment.** We were really pleased that Ofwat confirmed in their report that most companies met their expectations in this area, and Yorkshire Water was one of these companies. The Committee remains very mindful of the need to ensure that at least 50% of variable pay measures relate to delivery for customers and the environment and this has been the case both in our EIP that has vested in 2024 and the new EIP that we have introduced for the new financial year.

Remit of the Committee

As a result of the governance review undertaken in the year, the decision was made to consider people matters at the full Board rather than the Remuneration Committee, to make sure these were being discussed by all Board members, whilst also ensuring the Committee had sufficient time to focus on remuneration matters, given the complexity and scrutiny surrounding decisions in this area. The name of the Committee has consequently changed during the year from the 'People and Remuneration Committee' to simply the 'Remuneration Committee'.

Policy changes

We review our remuneration policy each year to ensure it remains fit for purpose and we reported last year that the EIP would be revised during 2023 to better align to the strategy of the business and to simplify the scheme to make it easier for participants and stakeholders to understand. During the year the Committee has therefore led a wholesale review of the EIP scheme and has developed a new EIP scheme, which has two elements; an Executive Bonus Plan (EBP) and Long-Term Incentive Plan (LTIP). It also has fewer measures to make it easier to understand and we have reduced the maximum award to the executive directors from 300% to 220% per annum, to align with the rest of the Executive team. The review has also led to a revision of the rules of the scheme, including additional clarity around the use of malus and clawback. These changes were launched on 1 April 2024. Details of the new schemes are included later in this report and the Committee is confident that the new EBP and LTIP will deliver better outcomes for customers, the environment and other stakeholders and aligns with the guidance issued by Ofwat. The first performance period for the new EBP will cover the year from 1 April 2024 to 31 March 2025 and the results of this will be reported in our Remuneration Report next year. The new LTIP will vest based on results at the end of 31 March 2027 and the results will therefore be reported in the Remuneration Report in 2027.

Performance

As set out in our Strategic Report, we continue to experience challenges as a business as a result of extreme weather events. In the months from September 2023 through to January 2024, we experienced ten named storms, compared to just two in the prior year. Rainfall has also been unusually high with a 42% increase in 2023 in the number of days with heavy rain in Yorkshire and nine of the 12 months in 2023 had rainfall above the average for the month. This impacts upon our wastewater network, which collects both rainwater and wastewater. This has meant that our environmental performance in the year has been below where we would want it to be and we are extremely disappointed to have slipped back to a two-star Environmental Performance Assessment rating, from the three-star rating we achieved last year.

We have also continued to see cost challenges as a result of high inflation and a number of our customers have experienced more difficulty in paying their bills as a result of the cost-of-living crisis, which has led to an increased bad debt cost for the business.

As in previous years, not all of our performance has fallen short, however, and we have been pleased to see our best ever health and safety performance in the year, as well as improvements in customer service that saw our Customer Experience (C-MeX) score increase from eleventh in the industry to ninth, with us achieving seventh in the sector in the last quarter of the year. We have also seen increases in our colleague engagement across the year and have met or exceeded operational targets in relation to drinking water quality contacts, significant water supply events and leakage.

All of these factors have been considered by the Committee in our remuneration decisions as we strive to appropriately reward and motivate our executives, whilst never rewarding under-performance.



Key decisions by the Committee in the year

The Committee met six times during the financial year and there have been a number of key decisions taken, which are outlined below:

Salary review for executive directors

The annual pay negotiations across the business resulted in an average pay rise of 5.0% being awarded across the business with effect from 1 April 2024. The Committee reviewed the pay of the executive directors in March 2024 and agreed to apply the same increase of 5.0% to the base pay of Nicola and Paul with effect from 1 April 2024.

The award and measures for the EIP

As noted earlier, the Committee has approved the launch of a new EIP with effect from 1 April 2024 and there have been many discussions around the appropriate metrics and targets for this. More information on this can be found within our ARFS report.

Variable pay vesting in 2024

As Nicola and Paul only joined us in 2022 and 2023 respectively, neither participate in any long-term schemes that were due to vest in 2024. The only vesting therefore is in relation to the short-term EIP scheme awarded on 1 April 2023.

The Committee reviewed both the formulaic outcome of the performance metrics in the year, as well as the overall performance of the business in its decision-making process in relation to the vesting of the scheme. More information on this can be found within our ARFS report.

The outcome of the discussions was that whilst the formulaic outcome indicated vesting of 61.2%, the Committee decided to exercise its discretion to reduce this by a net adjustment of 19.0% to reflect the disappointing performance in some areas, specifically in relation to the environment. This means that the overall reduction in performance-related pay in the year as a result of environmental performance was 33.6%, reflecting 14.6% in the formulaic outcome and the further 19.0% net discretionary adjustment. The Committee believes that this is a fair representation of the performance of the business during the year and reflects the fact that performance has been strong in some areas while variable reward has not been given for areas where performance has not met expectations.

Payments in relation to the EIP will be paid to executive directors in July 2024. Further information on the amounts to be received is shown in the [Remuneration Policy Report](#).

Feedback

As a private limited company, our Remuneration Report is not subject to a vote at an AGM. We are keen, however, to receive any feedback from stakeholders on our remuneration policy, which may be directed to me via our Company Secretary, who can be contacted at compsec@yorkshirewater.co.uk

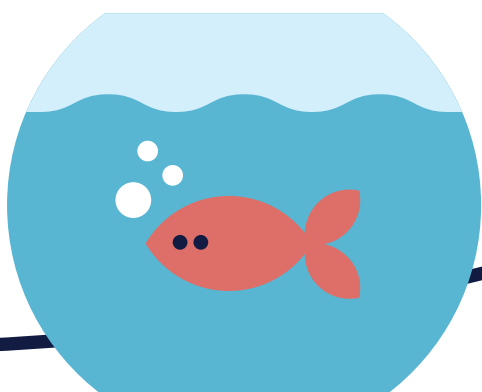
Wendy Barnes

Chair of the Remuneration Committee

3 July 2024

Remuneration Policy Report

This part of our Remuneration Report sets out the Directors' Remuneration Policy for Yorkshire Water and applies from 1 April 2024.



There have been two policy changes during the year as a result of the new Executive Incentive Plan (EIP) which was launched on 1 April 2024:

- The previous EIP was split into two parts, with a short-term element vesting after one year and the longer-term element being reduced by the vesting in year one and then being paid in equal instalments in years three, four and five, subject to further performance metrics. The new EIP is simpler and consists of two separate schemes; a short-term scheme which vests after one year and then a long-term scheme which has a three-year performance period, vesting at the end of the third year.
- The maximum award that could be made to the executive directors was equivalent to 300% of base pay previously, with 150% relating to the short-term element of the scheme and 150% to the longer-term element. Under the new scheme this has been reduced to a maximum of 220% to align with the rest of the Executive team. This will be split 110% for the short-term scheme and 110% for the long-term scheme.

Any existing remuneration commitments or contractual arrangements agreed prior to the implementation of this Policy will be honoured in accordance with their original terms.

Remuneration payments and payments for loss of office can only be made during the policy period if they are consistent with this Policy or are otherwise approved by our shareholders by an ordinary resolution.

Policy overview

The current Remuneration Policy for directors comprises the elements set out in the table overleaf.

In setting the Policy, the Committee considers a number of factors, including:

- Alignment of the Remuneration Policy with the strategic objectives of the business and our desire for a thriving Yorkshire, right for our customers and right for the environment, to ensure reward reflects performance;
- An appropriate balance between fixed and performance-related pay to incentivise strong long-term performance, sustained shareholder value creation and behaviour aligned with the Yorkshire Water values, whilst not driving unnecessary risk-taking or irresponsible behaviour;
- Provision of a remuneration structure that is sufficiently competitive to attract, retain and motivate high calibre executive directors;
- The principles set out in the Ofwat Board Leadership, Transparency and Governance Principles, as well as those in the UK Corporate Governance Code; and
- Periodic external comparisons of market trends and practices elsewhere in the water industry and in companies of a similar size, complexity and geographic scope.

We want our remuneration structure to be simple and transparent and to clearly link pay to performance. Our Policy ensures that performance-related components form a significant proportion of the overall remuneration package, with maximum total potential rewards earned only through the achievement of stretching performance targets, based on measures selected to promote the long-term success of the company and to meet our vision of a thriving Yorkshire.

Consideration of pay and employment conditions across the business

The Committee also considers the pay and employment conditions of colleagues across the business when setting the Remuneration Policy for the executive directors, to ensure that these are aligned where appropriate.

We regularly monitor pay trends across all levels of the business and salary increases for the directors will normally be in line with or lower than those of the wider workforce, in percentage terms.

The Committee also seeks views on remuneration from colleagues across the business through the Yorkshire Voice survey, which has been conducted twice during the year. This information is fed back to the Board after each survey.

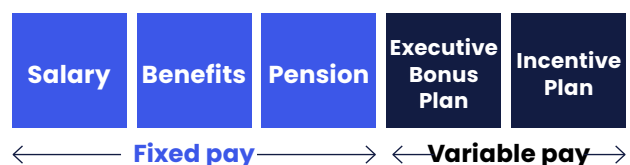
How the Committee may exercise discretion

The Committee may exercise discretion in two broad areas for each element of remuneration, as follows:

- To ensure fairness and align executive remuneration with underlying individual and company performance, the Committee may adjust, upwards or downwards, the outcome of any variable pay within the limits of the relevant plan rules. This includes taking into account significant health, safety or pollution incidents, serious criminal breaches, compliance issues, significant events that impact on customers, operational performance not covered elsewhere in the metrics, and any financial resilience concerns that become apparent in the year under review.
- In the case of a non-regular event occurring, the Committee may apply its discretion to ensure fairness and seek alignment with business objectives. Non-regular events include, but are not limited to, corporate transactions, changes in the company's accounting policies, administrative matters, internal promotions, external recruitment, terminations, etc. Any such adjustments will be made on a neutral basis: so that the event is not to the benefit or detriment of participants.

Any use of discretion by the Committee during the financial year will be detailed in the Annual Report on Remuneration each year.

The remuneration of our executive directors is made up of five elements:



Executive directors' policy table

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fixed pay			
Base salary			
<p>Setting the base salary at the right level enables us to attract and retain the high calibre executives required to deliver the performance we want at Yorkshire Water.</p>	<p>Salaries are reviewed annually with changes typically effective from 1 April.</p> <p>The review considers the general annual salary increases for the workforce as well as any other key internal and external reference points, including the calibre and performance of the individual. Base salaries are usually set in line with the market rate for the role when benchmarked against other water companies or other utility companies, whilst also taking into consideration market rates in the top half of the FTSE 250 for similar roles.</p> <p>There is no prescribed maximum annual basic salary or salary increase.</p> <p>Increases will not normally exceed the general level of increase for colleagues across the business in percentage of salary terms; however, we may award higher increases in certain circumstances, for example, where there is a change in responsibility, progression in the role or a significant increase in the scale of the role or the size or complexity of the business.</p> <p>Details of the base salaries for each of the executive directors are shown in the Annual Report on Remuneration.</p>	<p>No specific performance measures are used to determine base salary, but individual and business performance are considered as part of the discussion when setting the base salary levels.</p>	<p>There are no provisions to recover any sums paid.</p>

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fixed pay			
Benefits			
<p>Paying the right level of benefits helps us to attract and retain the right individual for the role.</p>	<p>The provision of benefits is set based upon general market practice, considering the benefits available to other colleagues across the business.</p> <p>The benefits available to executive directors may include a combination of:</p> <ul style="list-style-type: none"> • Private medical insurance for the executive, their spouse and dependent children; • Life assurance; • A choice of company car lease or a car allowance of up to £12,000 per annum for the CEO and £7,500 for the CFO; • Medical screening; and • Optional private fuel provision. <p>Executive directors will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms.</p> <p>We also reimburse normal business-related expenses for our executive directors.</p> <p>The cost of benefits may vary from year to year and there is no maximum level set.</p>	<p>Benefits are not performance related.</p>	<p>There are no provisions to recover any sums paid.</p>
Retirement benefits			
<p>Retirement benefits are paid as part of a market competitive package which, in turn, helps us to attract and retain high calibre individuals to deliver the strategic objectives of the business.</p>	<p>Executive directors are entitled to receive a company contribution to the defined contribution stakeholder scheme of up to 10% of basic salary. Alternatively, they can elect to receive a cash allowance of up to 10% of basic salary or a combination of a company contribution to the defined contribution stakeholder scheme and a cash allowance.</p>	<p>Retirement benefits are not performance related.</p>	<p>There are no provisions to recover any sums paid.</p>

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Executive Bonus Plan (EBP)			
<p>The EBP is designed to ensure focus on short-term priorities for the benefit of our customers, the environment, our investors and other stakeholders.</p> <p>The EBP is designed to incentivise performance against stretching targets.</p>	<p>Performance targets are set at the beginning of the year by the Committee with up to 110% of base salary vesting each year depending on the performance in that year against the targets set, as determined by the Committee.</p> <p>All payments are at the ultimate discretion of the Committee.</p> <p>20% of the maximum is payable for achieving the threshold hurdle, rising to 80% of maximum at target level and with payments of up to 100% of the maximum level for stretch performance.</p> <p>The threshold and target levels reflect the greater emphasis placed on variable pay by the Committee and the stretching nature of target performance.</p>	<p>A balance of financial and non-financial measures is selected by the Committee at the start of each year.</p> <p>All targets are clear, stretching and measurable and relate to the main KPIs for the company.</p> <p>The measures agreed for 2024 and 2025 are set out in more detail later in this report.</p> <p>In addition to the performance measures set by the Committee, there is an underpin that the Committee must be satisfied that the financial and non-financial performance of the business over the performance period warrants the level of vesting.</p>	<p>Payments are subject to clawback for a two-year period in the event of material misstatement of performance, errors, inaccuracies or misleading information or assumptions being found to be the basis of the assessment of performance conditions, serious misconduct or any other reason at the discretion of the Remuneration Committee.</p>

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Long-Term Incentive Plan (LTIP)			
<p>The LTIP is designed to ensure focus on long-term business goals and sustainability for the benefit of our customers, the environment, our investors and other stakeholders.</p> <p>The LTIP is designed to incentivise performance against stretching targets.</p>	<p>Performance targets are set at the beginning of the three-year performance period by the Committee with up to 110% of base salary vesting following the end of the third year, depending on the performance over the period against the targets set, as determined by the Committee.</p> <p>All payments are at the ultimate discretion of the Committee.</p>	<p>A balance of financial and non-financial measures is selected by the Committee at the start of each performance period.</p> <p>All targets are clear, stretching and measurable and relate to the main KPIs for the company.</p> <p>The measures agreed for the performance period starting on 1 April 2024 are set out in more detail later in this report.</p> <p>In addition to the performance measures set by the Committee, there is an underpin that the Committee must be satisfied that the financial and non-financial performance of the business over the performance period warrants the level of vesting.</p>	<p>Payments are subject to clawback for a two-year period in the event of material misstatement of performance, errors, inaccuracies or misleading information or assumptions being found to be the basis of the assessment of performance conditions, serious misconduct or any other reason at the discretion of the Remuneration Committee.</p>

Non-executive directors' policy table

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fees			
<p>Fees are set to provide competitive pay to enable us to attract and retain the right calibre of individual and the right balance of skills on the Board. Only our Independent Non-Executive Directors receive any fees from the company.</p>	<p>Fees are reviewed annually. Any increase will be guided by changes in market rates, time commitments and responsibility levels as well as by increases for the broader colleague population.</p> <p>The Chair is paid an all-encompassing fee to take account of all Board responsibilities. The other Independent Non-Executive Directors receive a base fee with additional fees paid for additional responsibility, such as the chairing of a committee or performing the role of the Senior Independent Director.</p> <p>In exceptional circumstances, if there is a temporary yet material increase in the time commitments for Independent Non-Executive Directors, the company may pay extra fees to recognise the additional workload.</p> <p>We reimburse our Independent Non-Executive Directors for any normal business-related expenses.</p>	<p>Performance is addressed through regular one-to-one meetings between the Chair and each Independent Non-Executive Director. The performance of the Chair is reviewed at one-to-one meetings between the Chair and the Senior Independent Director.</p>	<p>There are no provisions to recover any sums paid.</p>

How does the remuneration policy for executive directors differ from that of other colleagues?

Overall, the remuneration policy set for the executive directors is more heavily weighted towards performance-related variable pay than for other colleagues. As such, a greater proportion of their remuneration is dependent upon the performance of the business.

The key differences are noted in the table below:

Remuneration component	Difference
Base salary	<p>Base salaries are reviewed in the same way for executive directors as for other senior colleagues, considering market rate information, internal reference points, individual performance, the scope of the role, the financial performance of the business and the average increases across the rest of the business.</p> <p>Most colleagues are covered by collective agreements which are negotiated based on our principles of affordability, fairness and transparency. The outcome of these negotiations is also taken into account when considering pay increases for more senior colleagues.</p> <p>We pay all colleagues, contract partners and service providers salaries at least equivalent to the voluntary real living wage.</p>

Remuneration component

Difference

Benefits

An increasing level of benefits is offered to colleagues as their job level increases. Those offered to the executive directors are consistent with those offered to other senior colleagues, with a slightly higher car allowance offered to the CEO.

Retirement benefits

All colleagues are entitled to pension contributions from Yorkshire Water. The amount contributed increases as the colleague contribution increases. The policy for executive directors is consistent with that for new colleagues across the business with a maximum company contribution of 10% of base salary.

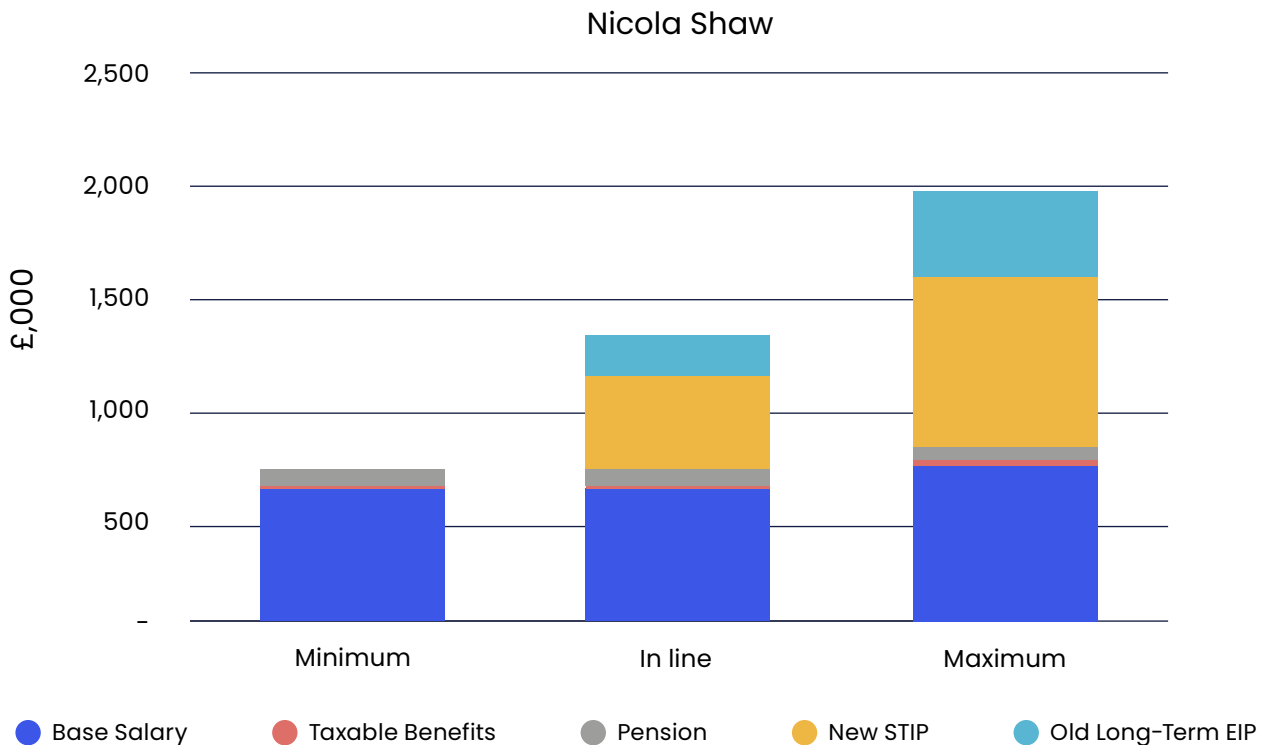
Short-Term and Long-Term Incentive Plans

Variable pay awards are made only to those individuals who are most able to directly influence the corporate strategy. Along with the executive directors, senior leaders are also invited to participate in the variable pay schemes. The performance measures and performance periods are the same for all participants in the scheme. The level of award increases with seniority.

Colleagues just below senior leader level participate in an annual bonus scheme with payments of up to ten or 15 per cent of salary, dependent on role. All other colleagues participate in a bonus scheme which pays up to £1,000 per annum depending on company performance.

What might executive directors be paid in the coming year?

The charts below indicate how much the executive directors might receive under the remuneration policy from 1 April 2024 on a fixed, on-target and maximum basis.



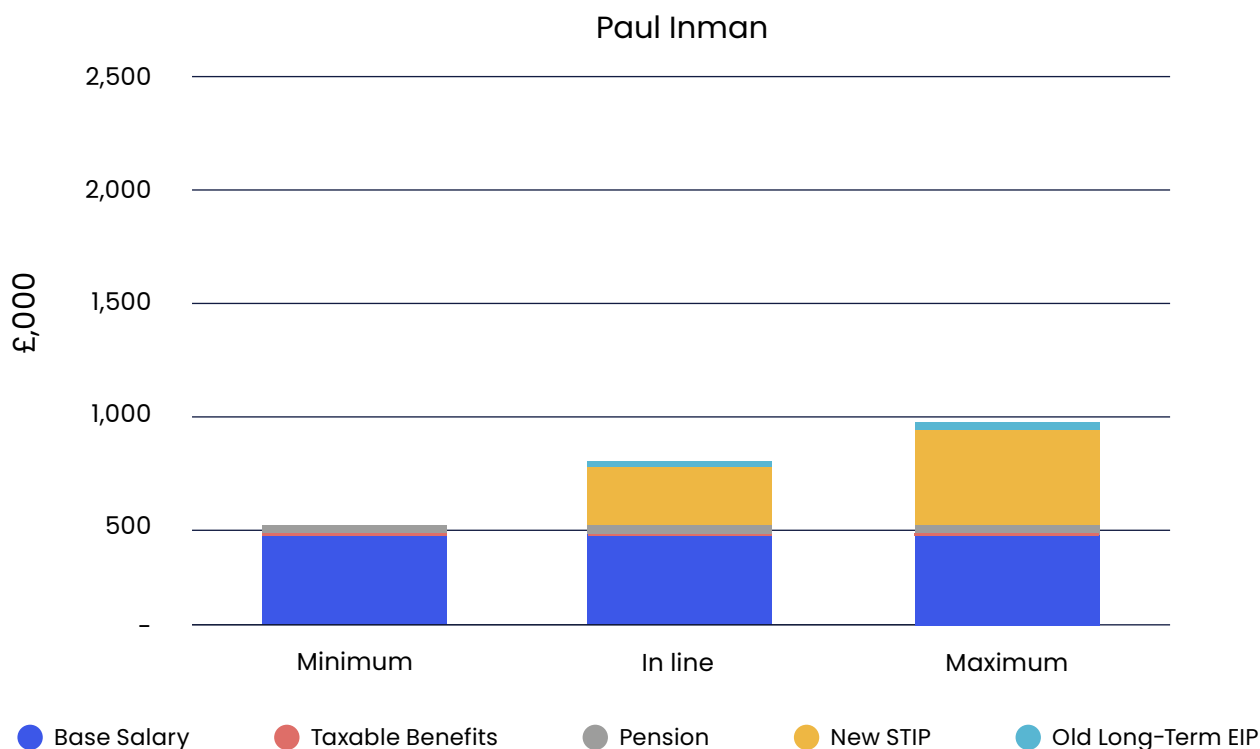


Chart assumptions

The different scenarios shown in the graphs are:

- **Minimum** – where performance is below threshold and executive directors receive fixed pay only with no vesting under the variable pay schemes. Fixed pay comprises base salary, benefits and retirement benefits;
- **In line with expectations** – where executive directors receive their fixed pay plus an Executive Bonus Plan (EBP) pay-out of 58.4% of the maximum opportunity, which is the average vesting of the short-term variable pay over the last five years. In addition, this includes an assumption of 57.9% pay out of the long-term element of the old EIP which was awarded in 2023 and is due to vest in 2025, which is the average vesting of the long-term variable pay award over the last five years;
- **Maximum** – where performance meets or exceeds the maximum and the executive directors receive their fixed pay plus the maximum in-year vesting of the EBP and the maximum long-term element of the EIP that is due to vest in 2025.

It should be noted that the charts show what could be earned by the executive directors based on the 2025 Remuneration Policy and the numbers will therefore differ from those included in the table later in this report which details what was actually earned by the executive directors in the year to 31 March 2024.

Recruitment policy

The remuneration package for a new executive director is set in accordance with the remuneration policy in place at the time of appointment, considering the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The table below sets out our policy on the recruitment of new permanent executive directors for each element of the remuneration package:

Remuneration component	Policy on recruitment
Base salary	<p>The salary would be provided at such a level as required to attract the most appropriate candidate. The aim would be to pay the appropriate market rate for the role when benchmarked against other water companies, other utilities and listed companies of a similar size, in line with the current policy for existing executive directors.</p> <p>Where it is appropriate to set a lower salary initially, a series of increases above the level awarded to the wider workforce may be given over the following few years until the desired position is achieved, subject to individual performance. This may apply to those promoted internally in the business as well as to those recruited from outside.</p>
Benefits	<p>The benefits package we will offer will be set in line with the policy for existing executive directors.</p> <p>In addition to the benefits currently available to existing executive directors, we may also offer an allowance to cover relocation, travel and/or incidental expenses as appropriate.</p>
Retirement benefits	<p>The maximum pension contribution will be set in line with the policy for executive directors at up to 10% of base salary.</p>
Short-Term and Long-Term Incentive Plans	<p>Short-Term and Long-Term Incentive Plan awards will be made in line with the policy for other executive directors. In the year of recruitment an award may be made at a date outside of the usual annual awards, at the discretion of the Committee.</p> <p>Different performance measures may be set initially at the discretion of the Committee, depending on the point in the financial year at which the individual joins. The award made will be pro-rated to the period of employment, with both the in-year and deferred vesting amounts pro-rated accordingly.</p>
Buy-outs	<p>In addition to the above, we may also offer additional cash when we consider this to be in the best interests of the business. Any such payments would be based solely on remuneration relinquished when leaving the former employer and would reflect, as far as possible, the nature and time horizons attaching to that remuneration and the impact of any performance conditions.</p> <p>Our policy on 'buying-out' of existing incentives granted by the executive's previous employer will depend on the circumstances of recruitment and will be negotiated on a case-by-case basis. There will not be a presumption in favour of buy-out, but it will be considered if necessary to attract the right candidate.</p>

In total, the maximum variable pay level in the year of appointment – excluding the value of any buy-out awards – will be 110% of base salary through the Executive Bonus Plan.

For an internal executive appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as appropriate to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment would be allowed to continue.

Non-executive director recruitment

The fee structure for Independent Non-Executive Director appointments will be based on the Independent Non-Executive Director fee policy as set out in the policy table.

Service contracts

Our policy is to set notice periods for executive directors at six months' notice from either party. The current service agreement dates are set out in the table below:

Director	Date of appointment	Date of current service agreement
Nicola Shaw	9 May 2022	6 April 2022
Paul Inman	1 March 2023	17 February 2023

Letters of appointment

Independent Non-Executive Directors are appointed by letters of appointment for a period of two years. Appointments may be renewed by mutual agreement for further periods of up to two years subject to a total period of nine years' service with the company. The letters of appointment allow for termination by either party without a requirement for notice.

The appointment of the Chair is for a period of three years and may be renewed by mutual agreement for further periods of up to three years, subject to a total period of nine years' service with the company. The notice period is set at three months for either party.

The dates of the current letters of appointment are noted in the table below:

Director	Date of appointment	Date of current letter of appointment
Vanda Murray	1 July 2021	1 July 2024
Wendy Barnes	1 November 2022	–
Andrew Merrick	1 June 2019	1 June 2023
Julia Unwin	1 January 2017	1 January 2023
Andrew Wyllie	1 September 2017	1 September 2023

The following Non-Executive Director appointments were made in accordance with Clause 4 of the Shareholders Agreement dated 20 June 2023. This permits investors to appoint representatives to the company in accordance with their holdings.

Non-executive director	Appointed
Isabelle Caumette	20 November 2023
Andrew Dench	13 September 2017
Russ Houlden	19 January 2022

Payments to executive directors who leave the business

The table below sets out our policy on payments in relation to executive directors who leave Yorkshire Water.

The Committee is clear that contractual entitlements will be honoured, there will be a consistent approach to exit payments and no reward for poor performance. We will not pay anything if an executive director is dismissed for serious breach of contract, serious misconduct or under-performance or for acts that bring the executive director or Yorkshire Water into serious disrepute.

Remuneration component	Treatment on exit
Base salary	Salary will be paid for the contractual notice period. Where appropriate, we will seek to mitigate any payments due, however the Committee has discretion to make a lump sum payment on termination in lieu of notice.
Benefits and retirement benefits	Benefits and retirement benefits will normally continue to be provided over the notice period. Where appropriate, we will seek to mitigate any payments due, however the Committee has discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period.
EIP	Normally awards will lapse on cessation of employment, unless the Committee determines that the executive is a good leaver. Good leaver principles have been agreed by the Committee and status is usually conferred for one of the following reasons: death, ill health, injury or disability, a change of control, redundancy or other circumstances at the discretion of the Committee. Good leavers will be treated in accordance with the rules of the specific scheme. Colleagues leaving on the grounds of retirement will be considered on a case-by-case basis.

In relation to a termination of employment, the Committee may make payments in relation to any statutory entitlement or payments to settle compromise claims as necessary. The Committee also retains the discretion to reimburse reasonable legal expenses incurred in relation to a termination of employment and to meet any transitional costs if deemed necessary. Payment may also be made in respect of accrued benefits, including untaken holiday entitlement.

Payments on a change of control, where a director's employment is adversely changed, will be as on termination. There will be no enhanced provisions on a change of control.

The Independent Non-Executive Directors' letters of appointment do not include any compensation for loss of office.

Policy on outside appointments

We believe that where executive directors hold directorships in other companies, Yorkshire Water can benefit from their experience. As a result, and subject to the Board's prior approval, executive directors may take on one substantial external non-executive directorship and retain the fees earned.

Annual Report on Remuneration

This part of the Directors' Remuneration Report sets out the amounts we have paid to directors for the year ended 31 March 2024 and describes how the policy will be implemented in 2025.

The financial information contained in this part of the report has been audited where indicated.

Single total figure table (audited)

	Current directors				Past directors					
	Nicola Shaw ¹		Paul Inman ¹		Liz Barber ²		Chris Johns ³		Total	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Base salary	585	515	388	32	-	45	-	318	973	909
Taxable benefits	13	11	9	1	-	1	-	8	22	22
Retirement benefits⁴	59	52	39	3	-	4	-	32	98	91
Sub-total	657	578	436	36	-	50	-	358	1,093	1,022
EIP – short term element	371	-	245	23	-	-	-	227	618	250
EIP – long-term element	-	-	-	-	-	-	-	62	-	62
EIP – discounted early settlement upon departure	-	-	-	-	-	-	-	259	-	259
Sub-total	371	-	245	23	-	-	-	548	618	571
Relocation expenses	-	140	-	-	-	-	-	-	-	140
Buy-out payments⁵	-	-	-	357	-	-	-	-	-	357
Sub-total	-	140	-	357	-	-	-	-	-	497
Total	1,028	718	681	416	-	50	-	906	1,709	2,090

- Nicola joined the Board on 9 May 2022 and Paul joined the Board on 1 March 2023. The payments in the table above reflect the payments made to Nicola and Paul since their appointments.
- Liz Barber left the Board on 6 May 2022. She remained in the employment of the company until 31 December 2022. The table above shows only the amounts paid to her while she was a director of the company.
- Chris Johns left the Board on 28 February 2023. The payments in the table above reflect the payments made to Chris prior to his departure, plus the payment in lieu of notice made to him in April 2023 and the payments made to him in relation to his outstanding EIP awards in July 2023.
- Nicola Shaw and Paul Inman received their retirement benefits in cash during the year instead of opting for a contribution to the Kelda Stakeholder+ Plan.
- Buy-out payments represent a payment of £357,000 paid to Paul Inman in March 2023 to compensate him for remuneration he forfeited upon his resignation from his previous role in order to join Yorkshire Water.
- Both Nicola Shaw and Paul Inman also received remuneration for services to other group companies in the year, which was paid by Kelda Holdings Limited and is therefore disclosed in the financial statements of that company.

EIP – Short-Term Element

The EIP was a rolling five-year plan, with awards made with effect from 1 April each year. There were two elements to the scheme, a short-term element and a long-term element. In the year under review the executive directors only received payments in respect of the short-term element as they had not been with the company long enough to participate in any of the long-term elements vesting in 2024. More detail on the long-term element of the EIP can be found in the Remuneration Report for 2023.

EIP awards will not vest unless the Committee is satisfied that the underlying financial and non-financial performance has been satisfactory over the performance period, considering any relevant factors.

The Committee has authority to exercise its discretion to adjust the level of vesting to any extent considered appropriate. Any amounts that vest are paid in cash to participants in July of each year.

The EIP has now been revised and a new Executive Bonus Incentive Plan and Long-Term Incentive Plan were launched on 1 April 2024, further information on this can be found in the ARFS.

Vesting in 2024

The short-term element

Awards of up to 150% of base salary were made to executive directors on 1 April 2023. The performance period for the short-term element ran to 31 March 2024. The performance measures are focused on four key areas: customer, environment, people and financial.

Outstanding EIP awards as at 31 March 2024

The table below relates to the long-term elements of the EIP:

	Nicola Shaw		Paul Inman	
	09.05.2022	01.04.2023	01.03.2023	01.04.2023
Effective date of award				
Awards outstanding at 1 April 2023 £'000	367	-	23	-
Awards made in the year £'000	-	555	-	371
Vested during the year £'000	-	-	-	-
Lapsed or waived during the year £'000	-	-	-	-
Awards outstanding at 31 March 2024 £'000	367	555	23	371
Face value of maximum total award £'000	367	555	23	371
Total % that would vest at threshold performance %	20%	20%	20%	20%

Payments for loss of office (audited)

No payments have been made for loss of office during the year under review.

Payments to past directors (audited)

No payments were made to past directors during the year.

Independent Non-Executive Directors

Single total figure table (audited)

The total annual fees paid to each non-executive director are shown in the below.

Non-executive director	2024 £000	2023 £000
Vanda Murray	289	283
Wendy Barnes ¹	85	29
Andrew Merrick	71	70
Ray O'Toole ²	15	63
Julia Unwin	71	74
Andrew Wyllie	81	74

1. Wendy Barnes joined the Board on 1 November 2022 and therefore her fee was pro-rated from that date.
2. Ray O'Toole stepped down from the Board on 6 July 2023 and therefore his fee was pro-rated to that date.

The investor directors do not receive any remuneration from Yorkshire Water.

Remuneration of the CEO

The table below sets out the remuneration for our CEO in each of the last ten years. If there was a change of CEO part way through the year, we have added together the total remuneration to show the total paid for the role of CEO in that year.

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Total remuneration	1,028	767	1,419	1,316	1,469	1,328	932	1,328	1,231	1,291
Annual bonus paid against maximum opportunity ¹	42.2%	-	43.0%	84.0%	74.8%	64.6%	67.7%	73.5%	60.0%	87.0%
Long-term incentive vesting against maximum opportunity ²	-	-	39.5%	45.3%	74.8%	50.0%	-	50%	50%	75%

1. As reported last year our CEO, Nicola Shaw, waived her annual bonus for the year ended 31 March 2023. The amount that vested was 47.9% of the maximum, equivalent to £369,000, but this was not paid.
2. Nicola Shaw joined the business in May 2022 and therefore did not participate in a long-term incentive scheme vesting in 2023 or 2024.

Chief Executive pay ratio

The table below shows the pay ratio of our Chief Executive in the year indicated as required by the Companies (Miscellaneous Reporting) Regulations 2018.

Year	Method	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2024	Option A	31:1	24:1	18:1
2023	Option A	25:1	19:1	15:1

We have chosen Option A to prepare the calculations as this is considered to be the most statistically accurate methodology and aligns with the approach taken in previous years. The ratios were calculated with reference to the total pay and benefits of the workforce presented in the table that follows and the single total remuneration of the CEO presented in the Single Total Figure Table. The following was considered as part of the calculation:

- Identifying all colleagues who received a base salary during the year ended 31 March 2023 and who were still employed on that date;
- Using the total pay and benefits received in respect of the year ended 31 March 2023, including bonuses earned for performance in the financial year and paid in July following the end of the financial year;
- Uplifting certain pay elements for colleagues who were employed on a part-time basis or who were not employed for the full financial year;
- Considering any changes in working hours during the reporting period and adjusting relevant pay elements accordingly; and
- Using the employer contribution to the defined benefit pension schemes in order to reduce administrative complexity.

Our CEO has a significant proportion of her remuneration linked to variable pay and therefore it is expected that the ratios will vary each year depending on the outcome of the EIP. Participation in the EIP is currently limited to approximately 45 colleagues, with none of the individuals identified as the 25th percentile, median or 75th percentile participating in the EIP.

The 2024 pay ratio data represents an increase in our pay ratio for the first time in four years. This is to be expected and is more significant due to the 2023 figures reflecting the decisions made by the CEO to waive her short-term EIP payment for the year ending 31 March 2023.

It should also be noted that the ratios above have also been impacted by the distribution of the 2023 pay award, with lower banded colleagues receiving up to an 8.5% pay increase and the CEO receiving a 2% pay increase, therefore somewhat mitigating the increase in the pay ratio.

We have a whole range of policies and practices to ensure that colleagues are fairly rewarded, one of these being our annual salary review which is underpinned by market benchmarking to ensure we offer competitive and fair rates of pay across the organisation. We are also committed to paying our colleagues in accordance with the Real Living Wage.

Presented in the table below are the base salary and the total pay and benefits for those colleagues at the 25th percentile, the median and the 75th percentile:

	25 th percentile	Median	75 th percentile
Base salary¹	29,359	38,036	49,158
Total pay and benefits	33,066	42,886	55,749

The pay ratio calculation shows that, in total remuneration terms, the CEO earns 24 times (2023:19 times) that of the median employee. These calculations have been independently verified by Ernst and Young.

Change in remuneration

The table below sets out the change in the remuneration of the CEO from the prior year in comparison to the average percentage change in respect of all colleagues at Yorkshire Water:

	% change in element between 2023 and 2024			
	Total compensation	Salary	Taxable benefits ¹	Annual bonus
CEO	43.2% increase	13.6% increase	18.2% increase	100.0% increase
All colleagues	5.0 increase	6.0% increase	No change	15.4% decrease

1. Taxable benefits include healthcare, car allowance and fuel provision for colleagues who receive such benefits.

The salary has been calculated by looking at colleagues in the same role on 31 March 2024 and as at 31 March 2023 and calculating the change in salary between those two dates.

The increases for Nicola Shaw reflect the fact that she was only in role for less than 11 months in 2023. Her actual increase in base pay was 2.0% and she received no increase in her taxable benefits. The increase in her annual bonus reflects the fact that Nicola waived her bonus entitlement for the year ended 31 March 2023 as noted earlier in this report.

Relative spend on pay

The table below sets out the relative spend on pay for Yorkshire Water as a whole in comparison to distributions to shareholders:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Percentage change %
Total remuneration cost for all colleagues¹	189.4	189.4	0.5% increase
Total distributions made²	62.2	62.2	18.3% increase

- The total remuneration cost for all colleagues is taken from note 4 to the Financial Statements and includes wages and salaries, social security costs and other pension costs.
- Total distributions made consists of £84.0m (2023: £62.2m) of distributions made to the parent company to make interest and loan payments. As noted in the Other disclosures section, none of these dividends were distributed to the shareholders of Kelda Holdings Limited (2023: Nil), Yorkshire Water's ultimate parent company.

Details of the distributions made can be found in note 9 to the Financial Statements and these are also explained further in our ARFS.

Implementation of policy for 2025

The table below sets out how we will implement the remuneration policy for the 2025 financial year:

Implementation in 2025	
Base salary	<p>The Committee reviewed base salaries in March 2024 and agreed an increase of 5.0% for Nicola and Paul to align with the increase given to other senior leaders with effect from 1 April 2024.</p> <p>The base salaries for 2025 are therefore as follows:</p> <ul style="list-style-type: none"> Nicola Shaw: £614,754 Paul Inman: £406,980
Benefits	Benefits remain unchanged from 2024.
Retirement benefits	Retirement benefits remain unchanged from 2024.
EIP	EIP awards made with effect from 1 April 2024 are equivalent to a maximum of 110% of base salary for both executive directors for the short-term scheme and 110% of base salary for the long-term scheme, with the long-term scheme subject to a three-year performance period.

Independent Non-Executive Directors

The Board undertook its annual review of fees for the Independent Non-Executive Directors in May 2024, taking into account the average increase for the wider workforce of 5.0%. It decided that the same increase of 5.0% should be applied to the base fee for Independent Non-Executive Directors and for the Chair, effective from 1 April 2024.

The fees to be paid in 2025 are set out below:

	£000
Chair fee	303
Base independent non-executive director fee	62
Additional fee for Committee Chair ¹	13
Additional fee for Senior Independent Director	10

- The additional fee for the role of Committee Chair is not paid to the Chair for her role as Nomination Committee Chair. The fee paid to Vanda as Chair already encompasses her additional role as Committee Chair.

Remuneration Committee

The membership and attendance at Committee meetings during the year is shown in the table in Leadership within the Governance report, within our ARFS report. Meetings are also attended by the CEO, the Interim Director of People, the Head of Reward and the Company Secretary. No colleagues are present when their own reward is discussed. The Remuneration Committee is a sub-committee of the Board and has four scheduled meetings a year. Additional meetings are held as and when required. There were two additional meetings held in the year, specifically to consider the vesting of the EIP for 2023 and the revision of the EIP for 2024. The specific matters considered by the Committee at each of the meetings are shown in the table below:

Meeting	Matters considered
May 2023	<ul style="list-style-type: none"> • A detailed discussion around variable pay outcomes in 2023, particularly in the light of communications from Ofwat on performance-related pay. • An update on pay negotiations in the business. • A review of pay at a Band 1 level, for those in the Executive team who were not Board members. • A review of the draft Remuneration Report for 2023.
June 2023	<ul style="list-style-type: none"> • A detailed discussion and approval of variable pay outcomes for 2023. • Review and approval of the proposed base pay increases for the Executive Directors and other members of the Executive, taking into consideration the outcome of the pay negotiations across the business. • Discussion and agreement of the principles for the new variable pay arrangements for 2024 onwards.
July 2023	<ul style="list-style-type: none"> • A detailed discussion of the new variable pay arrangements and the proposed areas of focus for the metrics for both the Short-Term and Long-Term schemes. • A review of the feedback from the Yorkshire Voice survey and the proposed actions as a result. • An update on proposed changes to the pension offering to colleagues. • Sign-off of the final Remuneration Report for 2023.
September 2023	<ul style="list-style-type: none"> • An update on the development of the proposed new variable pay arrangements. • An update on proposed changes to the pension offering to colleagues. • An update on culture, and the ongoing work to develop a new target culture. • An update on resourcing across the business.
January 2024	<ul style="list-style-type: none"> • A brief update on variable pay performance. • Agreement of the principles to be adopted as part of the forthcoming pay negotiations across the business. • A detailed review of the proposed new Short-Term Incentive Plan and Long-Term Incentive Plan arrangements.
March 2024	<ul style="list-style-type: none"> • An update on variable pay performance. • An update on the outcome of pay negotiations across the business. • Review and approval of the proposed base pay increases for the Executive Directors and other members of the Executive, taking into consideration the outcome of the pay negotiations across the business. • A review of the first draft of the Remuneration Report for 2024.

During the year under review, the Committee received remuneration advice from Willis Towers Watson. Willis Towers Watson received fees of £140,000 for their updates on the remuneration market and benchmarking data in relation to executive director and senior management roles. Willis Towers Watson did not provide any other services to the business during the year. They are signatories to the Remuneration Consultants Group Code of Conduct and the Committee has reviewed the way in which they operate and their relationships with the business and is satisfied that the advice it receives is independent and objective.

During the year an internally facilitated performance review was undertaken of the Board and all of its committees. The feedback on the Remuneration Committee showed it to be continuing to operate effectively.

The terms of reference of the Committee were revised during the year, to move much of the 'people' remit of the Committee to the whole Board. The intention for this was to ensure people matters were discussed by the whole Board rather than by a sub-committee, as well as ensuring the Remuneration Committee was left with sufficient time to focus on remuneration, given the increasing complexity and scrutiny around decisions in this area.

The Committee is responsible for:

- Setting the remuneration policy for all executive directors and senior executives, considering relevant legal and statutory requirements, the Ofwat Board Leadership, Transparency and Governance Principles, and the UK Corporate Governance Code, having regard to pay and employment conditions across the business;
- Ensuring the remuneration policy attracts, retains and motivates executive management of the quality required to run the company successfully, without paying more than necessary and while having regard to the views of investors and other stakeholders and driving delivery for customers and the environment;
- Considering the clarity, simplicity, risk mitigation, predictability, proportionality and alignment to purpose, values, strategy and culture of the remuneration policy and practices;
- Designing remuneration policies and practices that support the business strategy and promote long-term sustainable success, aligned to performance, behaviours and the achievement of the company purpose, values and strategy;
- Using discretion where appropriate to over-ride formulaic outcomes;
- Overseeing any remuneration paid to leavers from amongst the executive directors and senior executives; and
- Appointing remuneration consultants to provide reports, surveys or information deemed necessary to assist with the setting of an appropriate remuneration policy.

Copies of the Terms of Reference are available from the Company Secretary or are on our website, [yorkshirewater.com](https://www.yorkshirewater.com)

Consideration of shareholders' views

The presence of three directors representing investors on the Board of Yorkshire Water enables a direct flow of communication and sharing of views by investors to the Board. All three investor directors also sit on the Remuneration Committee.

Signed by order of the Board



Kathy Smith
Company Secretary
3 July 2024

Long-term viability statement

We publish our long-term viability statement in our Annual Reports and Financial Statements (ARFS) on page 114 and this is published simultaneously with this Annual Performance Report. Information on how we identify and manage our risks is also included in our ARFS on page 106. Click here to view our ARFS on our reports webpage: yorkshirewater.com/reports



7. Transactions with associates and the non-appointed business



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Loans by or to the appointee

The following points detail Yorkshire Water's transactions with associated companies and its non-appointed business.

Loans between Yorkshire Water and its subsidiaries

The following wholly owned subsidiary companies have on-lent to Yorkshire Water sums raised from the issue of corporate debt. They are both registered in England and Wales and have their registered office at Western House, Halifax Road, Bradford BD6 2SZ:

1. Yorkshire Water Finance plc (YWF)

YWF is a public limited company (registered number 11444372).

As part of a re-organisation that took place in the 2018/2019 financial year, YWF was substituted as the issuer on approximately £3 billion of listed bonds and private notes that had been originally issued by Cayman Island incorporated companies (being Yorkshire Water Services Odsal Finance Limited and Yorkshire Water Services Bradford Finance Limited respectively – both of which have now been liquidated).

It is intended that YWF will conduct all future public bond financings that will be on-lent to (and guaranteed by) Yorkshire Water. Finance raised will fund, amongst other things, Yorkshire Water's extensive regulated capital programme and ongoing operating expenditure.

2. Yorkshire Water Services Finance Limited (YWSF)

YWSF is a private company incorporated with limited liability (registered number 04636719).

YWSF is the issuer of legacy bonds that have been on-lent to (and guaranteed by) Yorkshire Water. However, YWSF has not issued any bonds since 2007/2008 and will not issue any bonds in the future, as all new bonds will be issued by YWF.

As at 31 March 2024 Yorkshire Water has guaranteed the following bonds and private notes issued by its subsidiaries, the liabilities shown being the carrying values of the debt instruments:

	Nominal £m	Coupon %	Maturity Date Year	Liability at 31 March 2024 £m
Fixed Rate				
Yorkshire Water Services Finance Limited	7.400	5.500	2027	7.069
Yorkshire Water Services Finance Limited	200.000	5.500	2037	196.358
Yorkshire Water Finance Plc	300.000	1.750	2026	299.313
Yorkshire Water Finance Plc	135.500	6.454	2027	135.415
Yorkshire Water Finance Plc	60.000	2.030	2028	59.888
Yorkshire Water Finance Plc	250.000	3.625	2029	226.623
Yorkshire Water Finance Plc	90.000	3.540	2029	85.330
Yorkshire Water Finance Plc	250.000	5.250	2030	247.440
Yorkshire Water Finance Plc	255.000	6.601	2031	254.811
Yorkshire Water Finance Plc	50.000	2.140	2031	49.869
Yorkshire Water Finance Plc	350.000	1.750	2032	345.569
Yorkshire Water Finance Plc	90.000	4.965	2033	84.338
Yorkshire Water Finance Plc	50.000	2.210	2033	49.851
Yorkshire Water Finance Plc	275.000	5.500	2035	270.921
Yorkshire Water Finance Plc	40.000	2.300	2036	39.865
Yorkshire Water Finance Plc	50.000	2.300	2036	49.832
Yorkshire Water Finance Plc	300.000	6.375	2039	301.881
Yorkshire Water Finance Plc	725.000	2.750	2041	624.295
Total fixed rate				3,328.668
Yorkshire Water Services Finance Limited	65.000	1.823	2050	114.064
Yorkshire Water Services Finance Limited	125.000	1.462	2051	225.411
Yorkshire Water Services Finance Limited	85.000	1.758	2054	149.372
Yorkshire Water Services Finance Limited	125.000	1.460	2056	225.358
Yorkshire Water Services Finance Limited	100.000	1.709	2058	175.446
Yorkshire Water Finance Plc	127.800	3.307	2033	202.979
Yorkshire Water Finance Plc	260.000	2.718	2039	449.077
Yorkshire Water Finance Plc	50.000	2.160	2041	75.495
Yorkshire Water Finance Plc	50.000	1.803	2042	74.683
Total inflation linked				1,782.972

Loans between Yorkshire Water and its parent companies

Loans between Yorkshire Water and its parent companies are as follows:

1. Loan 1 from Yorkshire Water to Kelda Eurobond Co Limited. A long-term loan was made by Yorkshire Water during 2008/2009 to reflect the market value of certain inflation linked swaps that were novated to Yorkshire Water at that point in time. During the year ended 31 March 2015 a legal entity reduction exercise removed a number of surplus companies within the Kelda Group that included the removal of Kelda Holdco Limited. As a result, the counterparty for this loan was moved from Kelda Holdco Limited to Kelda Eurobond Co Limited on the same terms as the original loan.

As at 31 March 2024 the balance outstanding on this loan was £195.1m (2023: £195.1m). Interest on this loan is payable at market rates.

2. Loan 2 from Yorkshire Water to Kelda Eurobond Co Limited. A long-term loan was made by Yorkshire Water to Kelda Holdco Limited during 2009/2010 to enable the refinancing of acquisition debt held by Kelda Holdco Limited at that time. During the year ended 31 March 2015 a legal entity reduction exercise removed a number of surplus companies within the Kelda Group that included the removal of Kelda Holdco Limited. As a result, the counterparty for this loan was moved from Kelda Holdco Limited to Kelda Eurobond Co Limited on the same terms as the original loan.

As at 31 March 2024 the balance outstanding on this loan was £342.1m (2023: £742.1m).

A repayment profile is in place for the repayment of the loans to Kelda Eurobond Co Limited. In October 2022 it was agreed with Ofwat that these loans would be repaid by April 2027 defined on the following basis: at least £300.0m by the end of June 2023; at least £200.0m by the end of March 2025; the balance of the loans by the end of March 2027. In June 2023 £400.0m was received reducing the outstanding total loan balances to £537.2m. In May 2024, a further £100.0m was received reducing the outstanding total loan balances to £437.2m.

Dividends paid to any associated company

Our Dividend Policy:

We have a dividend policy, in compliance with Condition P30 of the Yorkshire Water Instrument of Appointment, that requires that distributions will only be made after an appropriate financial resilience analysis has been undertaken, that dividends will be adjusted to reflect and recognise company performance and benefit sharing from service and efficiency performance. The policy ensures that delivery for customers and the environment is not just considered but factored into any amounts that are to be paid out as dividends. Whenever a dividend is considered by the Board, a paper is prepared for the Board's consideration, which sets out the purpose of the dividend and how it complies with the dividend policy and Condition P30 accordingly.

When approving dividends to be paid in a financial year, the Board assesses both company performance to date, the financial year in question and that which is expected for the whole of an Asset Management Period (AMP). As such, dividend payments are considered within the longer-term context of the business and not just on the basis of the previous 12 months. There is explicit consideration of the ability of the business to be able to deliver into the future.

During the financial year, Yorkshire Water paid dividends totalling £84.1m (2023 £62.3m). All dividends paid during the year were compliant with the current Board approved dividend policy and Condition P30, which was modified in May 2023.

The company's approach to recommending the dividend included the following steps:

- Determining an appropriate base dividend level reflecting the company's actual capital structure;
- Applying an 'in-the-round' adjustment to reflect the wider considerations required by our dividend policy and Condition P30; and
- Ensuring that the company remains financially resilient and that there are sufficient profits available for distribution in the foreseeable future.

A base dividend yield of 4.0% was considered appropriate, being consistent with the base yield recommended by Ofwat at PR19. This would imply a base dividend for the year of £115m.

In determining an appropriate 'in the round' adjustment, the wider considerations of the Board included, but were not limited to:

- The ability of Yorkshire Water to finance its current and future activities;
- The financial resilience of Yorkshire Water;
- Yorkshire Water's performance against the PR19 Final Determination, including in relation to specific performance commitments;
- Customer service delivery;
- The wider environmental performance of Yorkshire Water; and
- The risk of regulatory fines and penalties.

On balance, the Board determined that a yield reduction of 1.1% was appropriate (a dividend reduction of £31m), resulting in an overall dividend yield for the year of 2.9% (2023: 2.4%). This compares to a Return on Regulated Equity of 6.4% for the year (6.8% excluding additional storm overflow investment) and cumulatively over the AMP to date of 3.1%. (3.2% excluding additional storm overflow investment).

The key determining factors behind the yield reduction were:

- Environmental performance. Significant steps have been taken in the year, including the ongoing investment of £180m in improving storm overflows. However, the Board recognises that the business did not achieve the level of performance required, including the expected move to a 2-star EPA rating and a number of serious pollution events. The Board recognises that wider environmental performance is not yet at the levels required and a reduction in dividend payment was appropriate to support the company's planned improvements. Along with all other water and wastewater companies, Yorkshire Water is currently being investigated by Ofwat and the Environment Agency in relation to sewage treatment works. The outcome of this investigation is not yet known.
- Yorkshire Water delivered a strong level of return for the year, representing 6.4% on regulated equity. This return was partly supported by the high levels of inflation experienced in the period. Consistent with Ofwat guidance, the Board considered that it was appropriate to retain some of this year's return in the company to support its planned improvements and activities.
- The financial resilience position of Yorkshire Water improved over the course of the year, supported by the £400m intercompany loan repayment from Kelda Eurobond Limited. This was recognised by Ofwat in its latest 'Monitoring Financial Resilience' report in which Yorkshire Water was moved out of the 'Action Required' category. While positive, the company is targeting further improvement and the retention of part of this year's return to support this was considered appropriate.

Yorkshire Water has delivered improvements in many areas of customer service over the year, including expansion of the Priority Service Register (PSR), enhanced leakage performance and progress in C-MeX and D-MeX. Other areas were below the target, particularly wastewater internal/external sewer flooding events, albeit performance in these areas was impacted by unusually high rainfall in the year.

The dividends paid in year bring the cumulative dividend yield for the current AMP to 2.7%, remaining below the cumulative return of 3%.

None of the dividends in the current year were paid to the shareholders of Kelda Holdings Limited (2023: £nil), Yorkshire Water's ultimate parent company, as they continue to support the company's financial resilience and improvement plan.

The dividends for the year included distributions of £27.9m (2023: £22.0m) that did not impact the company's liquidity position or its distributable reserves as they were returned immediately to the company in the form of interest receipts on intercompany loans. No dividends have been proposed post year end in relation to 2024 (2023: £nil).

Guarantees or other forms of security by the appointee

Certain bank accounts held by Yorkshire Water and its subsidiary, YWSF, form a pooling arrangement, whereby the balances on accounts are offset with each other. This facility is subject to provision of a cross guarantee between Yorkshire Water and YWSF whereby each company guarantees the current account liabilities of applicable bank accounts held by the other. This pooling arrangement has a net overdraft limit of £5.0m.

As disclosed above, Yorkshire Water has also guaranteed bonds and private notes issued by its subsidiaries.

Transfer of any corporation tax group losses by or to the appointee

Corporation tax group relief received by regulated business £m	Associate surrendering the group relief	Turnover of the associate £m	A statement of the means by which the payment for the group relief has been established	Value of group relief £m
82.562	Kelda Eurobond Co Limited	nil	Prevailing corporation tax rate	20.641
18.721	Kelda Finance (No 2) Limited	nil	Prevailing corporation tax rate	4.680
2.955	Kelda Group Limited	9.569	Prevailing corporation tax rate	0.739
104.238				26.059

Supply of any service by or to the appointee

A significant proportion of the activities identified within retail (household and non-household) are performed by separate companies, Loop and Three Sixty, both of which are UK based companies. All the costs associated with these contracts are charged to Yorkshire Water via an annual contract fee. Yorkshire Water, Loop and Three Sixty companies are wholly owned subsidiaries of Kelda Group Limited.

In April 2016 Yorkshire Water entered into an outsource agreement with Three Sixty. This contract was in preparation of the market opening for non-household (NHH) customers in the following April 2017 and created an arm's length agreement between retail and wholesale. This contract was agreed on a fixed price fee with the value derived from the final determination, it included an element of management fee for Three Sixty. Three Sixty continued to use Loop's customer service function to fulfil Yorkshire Water's requirements and formed a separate contract with Loop to do this.

As part of the group strategy to focus on wholesale and household retail activities the sale of the non-household retail customer base was completed in 2019. As a result of the sale concluding the non-regulated turnover for Three Sixty is now shown as zero.

Yorkshire Water receives supply of services from associates within the Kelda Group. These charges are for corporate functions including teams such as Finance, Internal Audit and transport management.

The below table shows the services received by the regulated company in accordance with the threshold of 0.5% appointed turnover or greater than £100k.

Services received by regulated business	Associate Company (providing service)	Turnover of the associate £m	Terms of supply	Value of service received by regulated business £m
Corporate charges	Kelda Group Limited	9.568	Cost allocation	8.556
Customer services (HH)	Loop Customer Management Limited	27.006	Cost allocation	26.794
Property services	Keyland	5.940	Cost allocation	0.000
Transport Management	KTML	2.160	Management charge	2.160

Yorkshire Water also charges Kelda Group/ associates for any support service function activity this includes functions such as IT, facilities, and other various common services within the Group. The cost and revenues associated with this is allocated to non-appointed and follows RAG 5 guidelines.

The strategic decision by the company's parent company to seek of disposal of non-regulated businesses, with most of the companies sold in previous reporting years (2017/2018 & 2018/2019).

The table below shows these recharges.

Services received by regulated business	Associate Company	Turnover of the associate £m	Terms of supply	Value of service received by regulated business £m
	Kelda Group Limited	9.568	Cost allocation	1.021
	Loop Customer Management Limited	27.006	Cost allocation	1.031



Omission by the appointee or any associated company to exercise a right as a result of which the value of the net assets of the appointee is decreased

We have nothing to report against this for 2023/2024.

Waiver of any consideration, remuneration or other payment by the appointee

We have nothing to report against this for 2023/2024.

Transfer of any asset or liability by or to the appointee

We have nothing to report against this for 2023/2024.

Thank you for reading



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Registered in England and Wales No.02366682

yorkshirewater.com



YorkshireWater