

**UUWR\_66**

**PR24 Draft Determination: UUW  
Representation**

**Wonderful Windermere –  
Definition document**

**August 2024**

This document outlines completed version of Ofwat's definition document template for UUW's Bespoke Performance Commitment for Wonderful Windermere.



## Wonderful Windermere

**Purpose:** This performance commitment will incentivise U UW to support the water quality, long-term resilience and heritage of Windermere, one of England's most significant and iconic waterbodies, through the stewardship of catchment-wide solutions. Harnessing the expertise that U UW has developed in wastewater treatment and innovative network management, U UW will apply this within the Windermere catchment to drive improvements that customers and communities expect to see. Taking a whole catchment approach to Windermere, U UW will look to reduce phosphorus from our own WwTW's within the catchment, driving to the current technical achievable limit (TAL) of phosphorous removal at a catchment level, as well as strive to utilise innovation to go move the frontier of what is technically possible forward to ensure the maximum reduction of phosphorus removal possible. Wonderful Windermere is taking a holistic approach to phosphorus removal and looking beyond our own assets to comprehensively understand the nutrients input into the system from multiple sources, and act as a catchment convenor to facilitate and support the reduction of phosphorus inputs into the lake.

**Benefits:** Windermere is a unique and iconic water body for the North West. It is nationally significant as the largest lake in England, a UNESCO world heritage site and supports a thriving local economy, attracting 7 million visitors a year, contributing over £750 million towards the economy. This performance commitment will mean that we will support the overall water quality, long-term resilience and heritage of Windermere through stewardship of catchment-wide solutions.

In keeping with this unique environment, U UW has invested significantly to reduce phosphorus and nutrient inputs from assets, and we have currently met our long-term target for phosphorus reduction in this catchment as set by the Environment Agency. Notwithstanding this, we have proposed an ambitious plan for further improvements at our WwTWs in the catchment across AMP8 to drive phosphorus reductions. This PC provides a unique focus to drive exceptional standards in Windermere, beyond current and forecast performance.

Despite the Environment Agency targets for phosphorus from WWTWs being achieved, Windermere is still not seeing the water quality expected for a nationally significant water body. The overall classification of Windermere is 'moderate', and when certain climatic conditions occur, the lake suffers from water quality-related issues. The majority (over 60 per cent) of phosphorus inputs are non-water industry sources. These include inputs from circa 1,800 private septic tanks and over 89 permitted discharges (non-water industry) across the catchment. Addressing these phosphorus sources will be essential if the overall classification of the lake is to be improved, but this is challenging because these sources are dispersed across a largely rural catchment, are often unidentified and less commonly monitored compared to water-industry and land-based phosphorus inputs.

Furthermore, UUW's successful partnership with Love Windermere is applying focus to the catchment and taking a holistic approach to managing multiple inputs. Through this performance commitment UUW will be able to support driving further improvements through partnership work, and on a scale it otherwise would not be able to achieve. By driving maximum phosphorus reduction from UUW assets and going above and beyond its asset base, UUW can act as a steward for the environment and support water quality improvements that customers and communities expect to see for an iconic water body.

**Version control** [not required for initial submission, for completion at draft determinations]

Version	Date of issue	Performance commitment changes
0.1		
1.0		
2.0		

# Performance commitment definition and parameters

## 1.1 Detailed definition of performance measure

1. By December 2024, UUW will agree a methodology with the Environment Agency to:
  - a. Baseline modelled phosphorus inputs into the Windermere system and,
  - b. Model the reduction of phosphorus entering the catchment as a result of each intervention.
2. To measure performance, the model will be re-run at the end of each year and compared to the 2023 baseline. This would be externally assured.
3. UUW are committed to improving the water quality of Windermere and working in partnership to achieve these benefits.
4. We will work with regulators to define appropriate interventions on third party assets, where the asset meets legal and regulatory requirements.
5. In addition to supporting third party interventions, UUW will drive performance on our wastewater assets, delivering a cumulative technical achievable limit (TAL) for phosphorous removal across the catchment, and then seeking to deliver innovation to go beyond TAL where possible. We have:
  - a. Baseline current performance of phosphorus inputs from UUW WwTWs from 2023 data, using regulatory sample data as used by the Environment Agency - *UUWR\_65 PR24 Draft Determination: UUW Representation, Table 2, : Phosphorus emitted in 2023 and in 2030 once TAL at all Wastewater treatment works has been achieved*
  - b. Modelled the cumulative TAL limit within the catchment. *UUWR\_65 PR24 Draft Determination: UUW Representation, Table 2, : Phosphorus emitted in 2023 and in 2030 once TAL at all Wastewater treatment works has been achieved*

This has provided us with a foundation understanding of our current performance to baseline future improvements against. Going forward we will:

- c. We will use regulatory sample data from WwTW's to monitor improvements against.

- d. Deliver a suite of potential interventions to reduce phosphorus from WwTW's, which could include:
  - i. Accelerating delivery of WINEP schemes to achieve cumulative TAL in advance of regulatory dates, and/or
  - ii. Deliver of innovative solutions on sites to push the frontier to go beyond the current TAL limit.

## 1.2 Additional detail on measurement units

This performance commitment will measure phosphorus reduction into Windermere. This will be calculated from:

Non-water industry phosphorus sources:

- Modelled phosphorus reduction from catchment baseline – this will be a modelled reduction (measured in kg) with each intervention delivered.

Water industry sources:

- Measured Phosphorus removed from UUW WwTW beyond the requirements of the existing Permits or AMP8 WINEP

## 1.3 Specific exclusions

The regulatory dates for all proposed WINEP schemes in the catchment are 2030. The final reporting year of this PC is 2029, therefore UUW will receive no benefit for delivering WINEP schemes at their regulatory date through the Wonderful Windermere PC. UUW could only achieve reward through early delivery of proposed WINEP schemes and or outperformance of current permit standards to TAL.

## 1.4 Reporting and assurance

UUW's standard APR reporting and assurance processes are to be applied to this bespoke performance commitment, including board review and approval and third-party assurance if deemed necessary through our standard risk review procedures.

The company shall ensure that its outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments.

The company shall provide third party assurance to ensure compliance with the methodology as agreed with the Environment Agency.

**Table 2 Definition parameters**

<b>Parameters</b>	
<b>Measurement unit and decimal places</b>	Kg of phosphorus to one decimal places
<b>Measurement timing</b>	Calendar year
<b>Incentive form</b>	Revenue
<b>Incentive type</b>	Underperformance and outperformance
<b>Timing of underperformance and outperformance payments</b>	In-period
<b>Price control allocation</b>	100% wastewater network plus
<b>Frequency of reporting</b>	Annual, on a calendar year basis. For example, performance assessment for 2025–26 will be based on the calendar year 2025, whereas 2029–30 assessment will be based on the calendar year 2029.
<b>Any other relevant information</b>	N/A
<b>Links to relevant external documents</b>	N/A