

By email only: PR24@ofwat.gov.uk

13 January 2022

Tel 01480 323000
www.anglianwater.co.uk

PR24 and beyond: Performance commitments for future price reviews

PR24 presents a significant opportunity to continue progress to address the profound challenges facing the sector. Within the price review framework, the outcomes regime is crucial for incentivising industry ambition and monitoring company progress. We are encouraged by the direction of travel outlined within this consultation, in particular the emphasis placed on common performance commitments focussing on delivering the greatest social and environmental value. We are supporting this through active participation in Ofwat's outcomes working group and through chairing the industry task and finish group exploring potential biodiversity performance commitments.

We welcome Ofwat's increased focus on the long-term and emphasis on delivery of outcomes over the course of multiple price reviews. Consistent with our response to Ofwat's long-term delivery strategies discussion paper, this emphasis on the long term will need to retain flexibility as new priorities emerge and existing issues are addressed. We look forward to continuing to work with Ofwat to establish how long-term delivery strategies interact with broader expectations about service delivery in AMP8 and beyond.

There are likely to be instances where continuously improving performance is not appropriate (e.g. where further improvements are not a customer priority, or where additional investment delivers minimal additional environmental value). We would welcome opportunities for further discussion with Ofwat on how to build this level of flexibility into both long-term planning and the development of the regulatory framework in terms of further understanding the relationship between costs and long term service delivery, noting that the more substantive discussion of the cost service relationship is subject to further discussion in Ofwat's Assessing Base Costs at PR24 discussion paper.

It is vital that the future outcomes regime maintains appropriate incentives for all companies to deliver the service demanded by their customers and the environment. In order to deliver against this objective, it will be important that the approach to outcomes and cost assessment (especially given the move to centralisation of ODI rates and measures) is appropriately calibrated to ensure that the respective balance of risk and return is generated both in the shorter and longer term. It remains important that the regime ensures previously delivered historic performance improvements are maintained and pushed further as appropriate and where supported by robust customer support. For Anglian, this is particularly important on key metrics such as leakage, where it remains important the regulatory approach both recognises



the costs of maintaining performance whilst providing clear incentives for further improvement, again where supported by either customer evidence or action is required to deliver long term strategic outcomes.

To deliver this will require continued thought as to how this can be achieved across the range of companies' current and future projected performance changes and the alignment with the development of companies' long-term delivery strategies. For incentives to be meaningful, and in line with focusing on common performance commitments, we believe PR24 should look to create broadly comparable incentives for companies, accounting for their relative service performance. This aligns with Ofwat's drive to couple high returns with great performance.

We understand and support Ofwat's desire to simplify the regime and focus on the central suite of common performance measures which drive the most important outcomes for customers and the environment. This is likely to create greater transparency across companies, especially where aligning previous measures which might have had different definitions. To focus the regime emphasis should be placed on areas not covered by existing regulation or incentives rather than metrics such as the Environmental Performance Assessment and Event Risk Index, which already attract significant focus from companies and regulators.

We believe there remains a place for well justified bespoke performance commitments in the outcomes framework and that significant value can be unlocked for customers and the region through the use of bespoke performance commitments – particularly where they relate to priorities that may not be captured within the common performance measures. For example, certain targeted regional challenges which do not affect the whole industry would significantly benefit from incentives associated with a performance commitment. Bespoke performance commitments could also allow for innovation, and the development of metrics that may become common performance commitments in the future.

This consultation forms part of a suite of documents relating to PR24. The calibration of performance commitments, incentives and cost allowances is a core element of the price control and touches on several areas of Ofwat's work, particularly outcomes, cost assessment and risk and return. While calibration isn't yet being directly discussed we believe it will be vitally important to ensure the industry is on the right path to deliver the long terms outcomes and maximise value for customers and the environment.

We provide our views for some individual performance commitments in the annex to this letter. If you have any questions in relation to this response, please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Darren Rice', written in a cursive style.

Darren Rice
Head of Policy and Regulatory Strategy

Annex 1 – detailed comments

a) Streamlining performance commitments

A greater focus on common PCs

We support the outcomes approach and believe this has helped to deliver significant benefits to customers and the environment. A focus on long term outcomes such as drought resilience and achieving net zero rather than outputs is consistent with the sector’s long-term view and the recognition that the destination is more important than the prescriptive path taken.

We support incentives that encourage the industry to deliver the greatest value for customers and the environment in England and Wales. We believe PR24 represents an opportunity to focus in on the most important outcomes. We agree this is likely to create greater transparency across companies, especially where aligning previous measures which might have had different definitions.

However, we believe there remains an important place for bespoke performance commitments in the PR24 framework and would expect to see these deployed more frequently than by exception. Ofwat should consider the scope for regional priorities, such as important regional habitats, which affect more than a single company but not the entire industry to be reflected in its criteria for bespoke performance commitments. Similarly, there could be localised issues within company areas that an industry-wide performance commitment may not capture, for example treating discharge to a higher standard than required by a permit to deliver environmental benefits. We also believe that bespoke commitments can play an important role in ensuring that all companies face a balanced, well calibrated outcome delivery incentive (ODI) risk and return position. This is heightened given the centralisation of ODI rates work currently being developed which will naturally constrain the ability to capture regional variations in the valuation of services delivered to customers in difference regions.

In giving consideration to the role of bespoke performance commitments, and consistent with other areas of the regulatory framework, we think it would be useful to develop targeted set of criteria applied to the selection and assessment of bespoke performance commitments. As a starting framework, we propose for discussion with Ofwat the following criteria could be adopted:

- a) Identification of company or region-specific circumstances;
- b) Whether there is evidence of poor service requiring improvement;
- c) Whether the bespoke measure has substantial overlap with proposed common performance commitments;
- d) Whether the proposed measure targets improvement delivers customer or environmental value otherwise not captured by the common measures;
- e) Clear customer or stakeholder support;
- f) Communicable to customers, transparent, measurable; and
- g) Performance against the measure is driven by company action (i.e. is largely within company control).

In addition to the criteria above, consideration could be given to whether there is scope for a bespoke performance commitment to become a common performance commitment in future price reviews (e.g. external sewer flooding and bathing waters are likely to be common PCs at PR24).

By reducing the scope for bespoke performance commitments at PR24, Ofwat could inadvertently limit innovation in the creation of performance commitments and limit the prevalence of customer and stakeholder views in future business plans beyond PR24. However, we consider that the development of criteria for bespoke measures as set out above would have merit in keeping bespoke measures as a credible option.

We note that despite Ofwat's drive for fewer total performance commitments at PR24, the consultation outlines 22 potential common performance commitments. This number is likely to increase as asset health and operational resilience measures are considered. Overall this is likely to remain a relative high number of common measures which are required to be effectively calibrated for each company and their specific operating environments.

This volume of common performance commitments strengthens the case to avoid including measures which are already subject to powerful incentives outside of the outcomes framework or including those which "overlap" with other proposed common PCs. This would be in line with Ofwat's own assessment criteria, i.e. more than one common measure measuring a component of service. The most relevant example is the proposed inclusion of the Environmental Performance Assessment (EPA). This composite measure includes aspects of service delivered to the environment such as pollution performance captured under separate measures. It is also the focus on the Environment Agency's annual compliance monitoring reporting. Another such example is the inclusion of the DWI's Event Risk Index. We also highlight where this is relevant to the consideration of individual performance commitments on a case-by-case basis in the remainder of our response.

The PR19 outcomes framework evolved to include performance commitments for specific named investments in order to provide greater incentivisation for early delivery and customer protection. For PR24, Ofwat look to shift this further by the introduction of price control deliverables (PCDs). We believe that PCDs may also contribute to a focusing of the outcome's regime. We believe that PCDs should retain a focus on outcomes where possible. To fully unlock the benefit of PCDs we believe that these should operate as symmetric mechanisms that provide incentives and additional funding for either early delivery or where additional scope and benefits have been delivered as well as providing a customer protection backstop in the event that investment in the period is no longer required. We believe this aligns with the principles of adaptive planning and long-term delivery strategy expectations.

Focus on key outcomes which we will maintain in the long-term

We support focusing on long term outcomes in the PR24 framework. As the framework is developed, further thought will be required to ensure consistency between the development of long-term delivery strategies, the approach to setting performance commitment levels, approaches to cost assessment and the overall approach to calibrating incentives over multiple AMPs. For example, will the approach to setting PCLs for PR24 be based on extrapolating historical trends into AMP8 or will it focus on working towards the achievement of the outcomes valued most by customers as identified within long-term delivery strategies?

Apply meaningful financial incentives to all PCs

We support Ofwat's proposed criteria for considering candidate Performance Commitments suitability for having financial incentives attached. We replicate these below for ease of reference, in addition to Ofwat's desire to reduce the total number of performance commitments:

1. it should not significantly overlap with other financial PCs which could lead to double counting, *seeking to reduce the total number of performance commitments*;
2. we can set a PC level that reflects stretching performance for an efficient company, with reasonable confidence;
3. companies have an appropriate degree of influence over the outcome so that it limits the impact of external events on companies' financial exposure - although it does not need to be fully in company control for it to be worth incentivising company action;
4. changes in the metric, over time, are sufficient to indicate an impact in the outcome being measured; and
5. the metric is objectively measurable and can be verified by others.

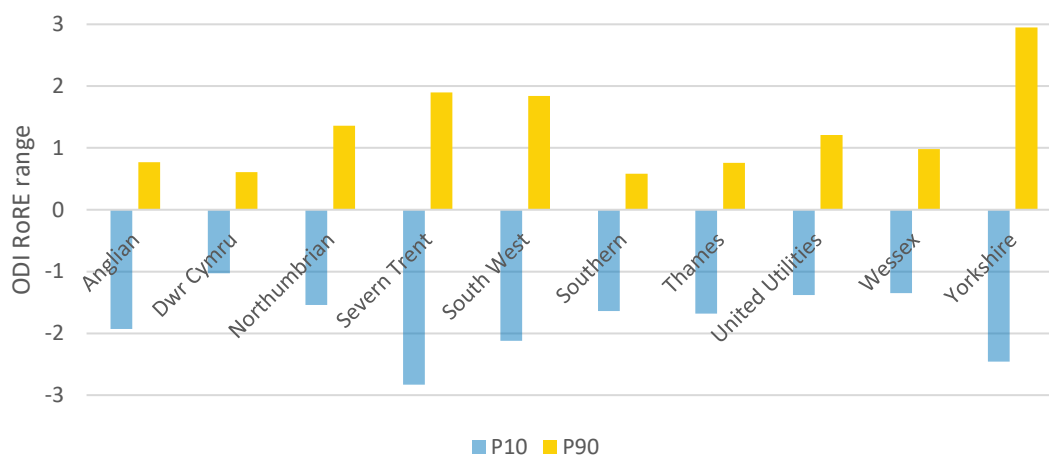
The criteria are largely focused on practicalities and do not refer to customer or environmental benefits nor whether the PC has been identified as a long-term priority. This is implicit in Ofwat's approach but could be made explicit in its criteria. We note that these elements will play a significant role in setting performance commitment levels and outcome delivery incentive rates for PR24 and potentially beyond. Potential PCs that are not customer or environmental priorities will likely weaken the incentives on areas identified by customers as their priorities.

There is also an interaction between the development of the ODI incentive regime and the broader elements of the regulatory package – specifically the interactions with cost assessment for both base and enhancement and the overall balance of risk faced by companies. Identifying where companies face symmetric or asymmetric risk is an important short and long-term consideration. This balance is influenced by a range of factors. We agree that the incentives should be meaningful, both in encouraging poor performers to improve but also incentivising strong performers to excel.

At PR19, the final determinations resulted in differing levels of potential opportunity and risk not calibrated with company performance (see figure below). Whilst some of this variation will

be driven by variations in ODIs which is an area of focus for Ofwat in developing its PR24 approach, for incentives to be meaningful, and in line with focusing on common performance commitments, we believe PR24 should look to create broadly comparable incentives for companies, consistent with companies' relative service performance. This would align with Ofwat's continued focus 'on high returns from great performance' outlined in the PR24 Risk and Return discussion paper and replicate the incentive properties firms would face in competitive markets.¹

Figure 1: PR19 FD ODI RoRE ranges



We believe it could be beneficial at an early stage for Ofwat to indicate its emerging thinking on the scale of incentives (i.e. “top-down” (most likely expressed in return on regulated equity (RoRE) terms)) associated with the outcomes regime for PR24. This will allow for testing with customers and more effective input from companies on the effective calibration given their respective regional positions.

There is a risk that relying only on the forthcoming “bottom-up” customer values derived by Ofwat and CCWater result in distorted incentives for companies when calibrated to the costs of service changes and their regional customers' preferences.

b) Environment

Environmental performance assessment (EPA)

The Environmental Performance assessment (EPA) is a composite measure that plays a vital comparative role in the reporting of companies' environmental performance. It is reported annually by the EA and possesses strong reputational incentives, as well as the risk of further enforcement action for poor performance. As such it generates significant management attention.

Responding the explicit question of whether the EPA should be a common PC for PR24, we have a number of material concerns using the EPA as a common performance commitment. We agree

¹ Ofwat, PR24 and beyond: Discussion paper on risk and return, page 2.

with Ofwat that not all measures within the EPA may be of significant or equal importance to customers and, as such, the question is the degree to which performance commitments complement the EPA.

We share Ofwat's observation that relying solely on the EPA star rating is a blunt financial incentive. There are already strong incentives, both reputational and legal, for companies to perform well on the EPA. In addition introducing the EPA as a performance commitment alongside other performance commitments such as pollution incidents would duplicate incentives, as noted by Ofwat, and would be counter to the focus at PR24 of rationalising the number of performance commitments and would perform poorly against the first and third of Ofwat's assessment criteria.

We are also conscious that the EPA rightly evolves over time reflecting both evolving customer and environmental priorities and also the assessment criteria for setting each classification under the EPA. However, this evolution could occur during AMP8 which could change expectations of performance and add uncertainty to the price control. We have already seen this in PCs which are components of the EPA in AMP7.

As such we conclude that the issues above, alongside those identified by Ofwat, suggest that the EPA star rating should not be a common performance commitment at PR24.

Storm overflows

We are committed to reducing the environmental and social harm caused by overflows and supported the amendment to the Environment Act to progressively reduce harm. There may be a place for a performance commitment relating to the harm from storm overflows, however given the desired focus on outcomes at PR24 we believe it may be better to focus on river water quality rather than the harm from storm overflows themselves. This would try to capture harm from pollution incidents.

There will be better information on which to make an informed decision on the best approach at PR24 in early 2022 as Defra consults on targets associated with the Environment Act 2021 and the Storm Overflows Action Plan. Developing a consistent definition of harm from overflows will be crucial and we do not believe a performance commitment relating solely to frequency or duration of spills would deliver cost effective environmental value.

River water quality

We agree that a performance commitment linked to the outcome of improving water quality could add value to the totex and outcomes framework. This would align well with our ambition in our Strategic Direction Statement of working with others to achieve significant improvement in ecological quality across our catchments. We believe there is the potential to explore how such a measure, if well defined, to replace existing outputs measures such as pollution incidents and treatment works compliance. We support the work of the task and finish group in seeking to identify potential options that will create incentives to benefit the environment, noting any new financial measure should focus on parameters and areas that companies have an

appropriate degree of influence over, as captured in Ofwat's third criteria for assessing performance commitments.

Sustainable abstraction

We believe that there is merit in exploring the suitability for a distribution input-based (DI) measure to become a performance commitment at PR24. Such an approach would give flexibility to companies to find the most effective and cost-efficient ways to reduce water demand and loss, while still delivering the desired outcome. It would also remove assumptions such as occupancy rates from impacting financial incentives.

We would like to explore further Ofwat's current concern that a DI measure would value reductions in demand to the same degree as leakage. We think this concern is mitigated given the ultimate outcome is to conserve water, retaining it in the environment, regardless of how it is lost. We agree with Ofwat that there should be some accounting for business users when considering a distribution input performance commitment and this is an area that merits further consideration.

There is likely to be a target for reducing water demand as part of the Environment Act 2021. This target may be based on distribution input. It feels appropriate that the final approach to the common performance commitment should not be finalised to be consistent with the Environment Act 2021 metric once confirmed, as are likely benefits in aligning the target under the Act with the performance commitment.

In any event, implementing distribution input as a performance commitment would be a significant change for the industry that merits further detailed consideration. For example, if distribution input is measured in absolute terms, growth and new connections could legitimately increase the volume of water distributed leading to unintended consequences for the outcome delivery incentive. We welcome the continued opportunity to work with Ofwat on this as PR24 develops further. We think this performance commitment could perform well under a number of Ofwat's assessment criteria, particularly criteria one and the desire to focus on high level outcomes, once further detail is established. This could be supported with continued leakage and PCC reporting as important indicators.

Operational and embedded GHG emissions

We welcome Ofwat's focus on reducing greenhouse gas emissions at PR24 as outlined in the January 2022 position paper. We agree that the industry should seek to address operational and embedded emissions in parallel, as well as prioritise reducing emissions before offsetting.

We recognise the need for a long-term fundamental shift in the way that the industry operates to deliver the sector's Public Interest Commitment net zero carbon emission target by 2030 in addition to the UK Government's legally binding target for net zero by 2050. 'Doing the right thing' for customers and the environment by achieving carbon neutrality is codified into our purpose, and ambition to accelerate progress to decarbonise our operations and capital programmes is outlined in 'Our net zero strategy to 2030' document published in 2021. We have

had operational carbon and embedded carbon performance commitments in our price controls since PR14.

On this basis, we support the Ofwat proposal to introduce of a common operational GHG emission PC at PR24 and would advocate the introduction of a common embedded GHG PC if appropriately defined. This represents a fantastic opportunity for Ofwat to facilitate carbon neutrality in the sector it regulates for the good of all; we believe companies who deliver carbon neutrality by 2030 should be rewarded. While the direction of travel is encouraging, we believe some points for clarification remain. For instance, without further clarification a risk exists that the costs of significantly reducing emissions as outlined through these performance commitments will not be reflected in the approach to cost assessment. Similarly, we believe for assessment of operational GHG emissions that absolute rather than comparative performance should be considered, to reflect the differing topographies between companies that act as a driver for differences in emission levels. This would also avoid incentivising companies to take no action until the performance commitment is in place. This would likely translate to company specific performance commitment levels (PCLs).

Additionally, for the potential embedded GHG emission PC, we believe there would be benefits from a timely decision on the inclusion of this measure to allow sufficient time to undertake baselining activities and long-term strategic planning. Overall, we are encouraged by the process outlined in the consultation and welcome future dialogue to establish suitably aspirational targets and agree upon an approach that can support the sector's net zero ambitions over both the short and long term.

Bathing water quality

Since 2015 we have had a performance commitment that used Ofwat's proposed performance commitment definition for PR24. Our experience with this performance commitment definition has shown that it is generally an important area for customers, which merits consideration for PR24. However, we note that, as with river water quality, bathing water quality can be affected by a number of factors and third-party activity which without further consideration could bring the measure into contention with criteria three. Therefore, we should reflect on whether this performance commitment should be linked to company asset performance or failure. In our region the scope for further improvement is limited by third party activity and the appropriateness of further improvements considered as part of the WINEP.

Water Industry National Environment Programme (WINEP)

We currently have two performance commitments related to the WINEP. One of these performance commitments is financial and based on customers' willingness to pay for environmental improvements. It incentivises early delivery which will result in early environmental benefits and penalises late delivery. This is distinct from a cost recovery mechanism. We believe there could be a place for a similar mechanism at PR24. This could form part of a two-sided price control deliverable, which incentivises timely delivery in period and

applies cost recovery at the end of period. It could be expanded to include additional delivery beyond the core WINEP, for example approved amber schemes.

Biodiversity

We are committed to caring for the biodiversity within our stewardship through our commitment to bring social and environmental prosperity to the region we serve. Increased enthusiasm for addressing biodiversity loss coupled with royal assent of the Environment Act 2021 makes this an opportune time to reflect these developments within the outcomes regime. To this end, we are pleased to be collaborating with Ofwat and other stakeholders through the Biodiversity TAFG to collectively identify options of scope and metric for a potential PC that will ensure long-term focus on the conservation and enhancement of ecosystems.

We welcome the introduction of a common biodiversity performance commitment aiming to further incentivise best practice and cooperation within the industry so long as the measure can be appropriately defined. As demonstrated through criteria four and five, selecting a metric that is equitable across companies and can be consistently applied is of paramount importance, therefore we are committed to supporting the ongoing work of the TAFG to select the most appropriate option that can assist us in generating value for biodiversity in our region.

Abstraction Incentive Mechanism (AIM)

We agree with Ofwat that AIM does not appear to be a good fit for a common performance commitment at PR24, given its complexity and company specific nature.

We also observe that since the AIM guidance was initially developed for PR14, there have been significant legislative and regulatory changes. In 2017 Defra's abstraction plan was launched increasing focus on this important topic and increasing the EA's powers with regard to abstraction licensing with a view to reducing harmful abstractions. For PR24 many of the most damaging abstractions will have reduced or there will be plans to reduce them in the WINEP. There appears to be significant overlap between the AIM and other regulatory tools and incentives operated by the EA.

As such we conclude that while there may be scope for AIM as a bespoke performance commitment for some companies, for instance to enable service improvements for poor performers as established through our proposed selection criteria, its relevance to the sector as a whole may have diminished since its inception. As such, we believe the focus at PR24 should be on broader outcomes such as leakage, PCC or perhaps distribution input.

c) Customer

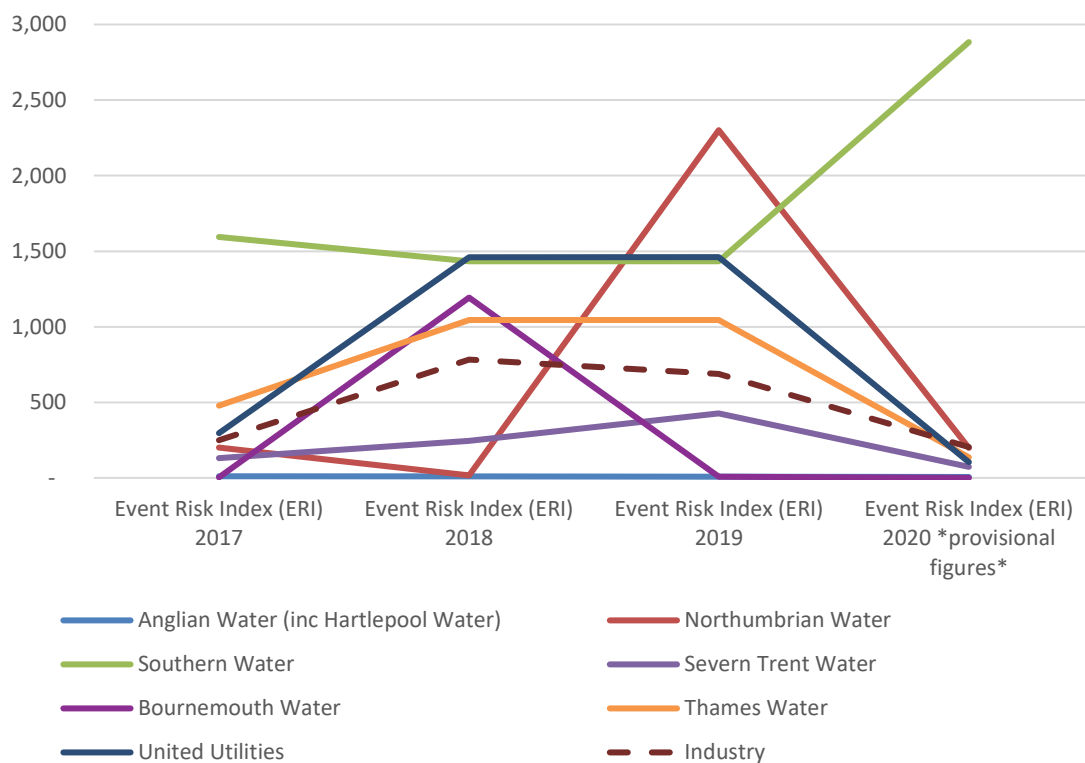
Event risk index (ERI)

While we recognise the importance of this measure for monitoring companies' responses to drinking water events and reducing the potential impact on customers.

The DWI have existing enforcement tools and there are very strong reputational incentives to encourage good performance, which suggests this metric would fail criteria one in relation to double counting incentives.

We also share the concerns expressed by Ofwat within the consultation regarding the volatility of the ERI metric. The factors resulting in the volatility of the metric outlined in the consultation lead us to conclude it would lead to unpredictable financial incentives. The standard deviation of industry performance is high at over 600 in 2020, which is similar to the level in 2019 and higher than the level of standard deviation in 2017 and 2018. There can be dramatic changes in performance year on year which may see single years not reflect underlying performance, for example Northumbrian Water’s 2018 score of 16.7, followed by a score of over 2,000 in 2019, which then reduced to 197 in 2020.

Figure 2: ERI 2017 - 2020



We also think this volatility undermines the suitability for this performance commitment to have associated financial incentives (i.e. fails Ofwat’s forth criteria for having performance commitments with financial incentives relating to changes in the metric over time). It could be that by chance a company has no incidents and scores well on ERI but that would not reflect their controls and preparations to minimise and manage events.

We are also concerned that there is greater scope for judgement to be applied in the application of ERI than CRI, and that there is not full assurance companies’ performance is being reported consistently (e.g. a significant sample failure under CRI could also be reported as an event under

ERI by some companies but not others). For customers, it will be difficult to distinguish between ERI, CRI and water quality contacts in terms of engagement and valuation of service improvement. If a single customer facing measure is used to derive customer views on this area, splitting that value between the three performance commitments could weaken the incentives for CRI.

In light of these concerns and the consistency with Ofwat's criteria, we encourage Ofwat to determine that ERI is not suitable as a common performance commitment at PR24. Not including ERI as a common PC would help limit the total number of common performance commitments in line with Ofwat's intent to focus the regime on a few core outcomes.

Unbilled properties

The consultation outlines a continued drive to assess industry performance on this important measure. We are comfortable with the suggestion that this could be reported outside of the price control, rather than operating as a performance commitment. We concur with Ofwat's suggestion that this approach would enable greater flexibility on an area where changes in the wider macro-economic environment can affect performance and expectations. Keeping this measure outside of the price control would support simplification of the regime.

In terms of measuring performance, we propose the definition of our AMP7 performance commitment. This measures the proportion of properties listed as void that are in fact occupied, by conducting site visits on a sample basis. This would appear to be the best way of capturing properties that are mistakenly not being billed, rather than relying on comparisons of total levels of void properties. One option proposed is to compare company reported levels of void properties with other data sources. Relying on other third-party data sources for comparison may undermine the robustness of any incentives, especially if those datasets are not updated. The definition of our performance commitment can be seen from page 67 of our 'outcomes performance commitments appendix' to the PR19 Final Determination.²

Priority services register and affordability

We set out in our response to Ofwat's Long-term delivery strategy and common reference scenarios discussion paper the importance for companies, when developing their long-term delivery strategies, to do so cognisant of the effective management of both shorter and longer term bill pressures. We noted that the need for long term investment to meet the challenges facing the sector is likely to create upward pressure on bills, so it will also be imperative to ensure a range of tools are in place to support customers, such as effective social tariffs to support those who are struggling to pay.

Ofwat's emerging thinking for PR24 is to exclude these areas from the common performance commitments and rely on mechanisms outside of the price control. We are cautious about how

² <https://www.ofwat.gov.uk/wp-content/uploads/2019/12/PR19-final-determinations-Anglian-Water-%E2%80%93-Outcomes-performance-commitment-appendix.pdf>

new and emerging needs would be identified and agreed in practice. We believe it is important that any new metrics retain a focus on vulnerability and affordability separately to ensure both are robustly reported.

Customer contacts about water quality

The DWI monitors company performance for water quality contacts and can take action against poor performance.

As such, we question the need for a performance commitment at PR24 given the overlap with other wider incentives, and as such we think it doesn't meet Ofwat's criterion to avoid overlap with other measures or performance commitments (criteria one).

We believe that C-MeX provides strong incentives for companies to provide a high-quality service to their customers, including contacts regarding the quality of drinking water.

Customer measures of experience (C-MeX, D-MeX, B-MeX, R-MeX)

Ofwat's intention to review the effectiveness of C-MeX and D-MeX during 2022 is positive. Both of these metrics add value to the regulatory framework but there may be scope for further refinement for PR24. We will constructively feed into this to support Ofwat's review.

We have a strong track record of supporting markets in the water sector, as recognised in Ofwat's recent assessment of developing markets through its Project RISE. At PR19 we proposed a financial bespoke performance commitment aimed at measuring retailer satisfaction (or R-MeX), based on the importance we placed on providing an excellent service to this important group of customers. While there are considerations for responsibilities of the customer relationship for end business customers between retailers and wholesalers, we support further consideration of both B-MeX and R-MeX as performance commitments at PR24. This consideration should reflect on the ongoing development of the market performance framework. We believe these measures perform well against criteria three, four and five.