UUW20

Your water, your say summary

October 2023

Chapter 3 supplementary document

This document provides an overview of the outputs from the “Your water, your say” open challenge sessions held in June 2023. One of these events was convened to meet Ofwat and CCW requirements, whilst the other five were undertaken by UUW as part of its “five counties” local engagement. The outputs of all sessions are reflected in this document.

United Utilities

Water for the North West

Contents

1. Your water, your say

1.1 Key messages

- **Customers care about resilient long-term supply:** Water is a precious resource. How we deliver a sustainable plan for water supplies to meet demand for today and the future, while also becoming more water efficient, is a key focus for communities across the region.
- **Customers value the environment:** They expect UUW to play a part in protecting it and making it better for generations to come. From reducing storm overflows and pollution incidents to improving the region's bathing waters, customers want to ensure we are committed to our environmental targets.
- **Transparency and accountability:** Customers and stakeholders expect transparency about our challenges, our targets, how we spend our money and how shareholders are supporting us. They also want to see that we are operating to the highest standards and levels of scrutiny.
- **Delivering more of what matters:** We asked customers what mattered most to them and we're listening. That's why we are proposing our largest ever investment programme to tackle challenging issues and drive improvements across the North West.
- **Five counties approach is shaping customer engagement and our future plans:** We understand that each of the five counties have different challenges. This approach is helping us to build a plan for Cheshire, Cumbria, Greater Manchester, Lancashire and Merseyside, delivering outcomes for people in the places where they live.

1.2 Structure

1.2.1 This document is structured as follows:

- **Section 2** provides an overview of the requirements of the "Your water, your say" session and how we responded to Ofwat/CCW's requirements.
- **Section 3** shares details on the first Ofwat/CCW sponsored "Your water, your say session", the key issues and concerns and how we plan to tackle those concerns in PR24
- **Section 4** provides an overview of the additional sessions UU held for each of the five counties as we delved deeper into the challenges facing the sector including concerns/issues raised by customers and stakeholders in specific geographic areas
- **Section 5** shares next steps following the sessions

1.3 Purpose

1.3.1 We recognise how important it is for United Utilities to be transparent and consultative about future plans and how we will tackle issues that are important to customers and stakeholders. These include the need to improve environmental performance, deliver robust services whilst managing the impacts of climate change, support customers struggling to pay and provide secure and supply clean, safe and reliable water today and for future generations.

1.3.2 As we develop our business plans for 2025 and beyond, Ofwat and CCW requested all water companies in England and Wales to hold public 'Your water, your say' open challenge sessions in the run-up to the next Price Review period (PR24).

1.3.3 This document highlights what we did, the additional steps we took to achieve a deeper understanding of the issues that are of concern to customers and stakeholders across the five counties, a summary of questions and feedback from the sessions, and how we this feedback is being acted upon in drawing up our business plan.

2. Creation of Your water, your say

2.1 Initial Requirement from Ofwat/CCW

2.1.1 Ofwat and CCW required, via Appendix 6 of the PR24 Final Methodology, that all water companies in England and Wales hold open challenge sessions in the run-up to next Price Review period (PR24). These sessions were branded "Your water, your say".

2.1.2 The Your water, your say event was to be open to all, including customers, businesses, environmental groups and other stakeholders. This was an opportunity to ask questions, raise concerns and provide feedback on the business plan for the 2025 – 2030 period directly to the chief executive and members of the senior leadership team.

2.1.3 This would allow water companies to take into account the key issues, including priorities for the future, before they submitted their business plan to Ofwat in October 2023.

2.1.4 Information from these sessions will also contribute to Ofwat and CCW's understanding of the issues that are important to each company's customers and wider stakeholders

2.1.5 UUW welcomed this innovation in the price review process and saw it as a useful addition to our broader customer and stakeholder engagement programme. We wanted to ensure that as many people as possible from across the North West had the opportunity to ask questions about the services we provide.

2.1.6 As set out in Chapters 2 and 3 of our main PR24 submission, UUW has adopted a county based approach to engaging customers, formulating and consulting and, ultimately, drawing up the delivery approach for our future plans. We therefore decided to expand the scope of the sessions to include one session for each of the five counties in the North West, ahead of the session organised with Ofwat and CCW, as seen in Table 1 below.

Table 1 - Your water, your say sessions

Date	County	Duration of session
21/06/2023	Cheshire	77 minutes
22/06/2023	Greater Manchester	99 minutes
23/06/2023	Cumbria	111 minutes
27/06/2023	Lancashire	72 minutes
28/06/2023	Merseyside	100 minutes
29/06/2023	Regional (Ofwat/CCW)	127 minutes

2.1.7 These were a series of area specific, virtual sessions to talk about UUW plans at a county level. While the format was similar to Your water, your say, the five county sessions included further details such as investment related to each geographical area and also provided an opportunity for customers to raise specific local issues of concern and, in some cases, have a more extended discussion on these points than was possible in the final session covering the whole region. These additional county based sessions also served to substantially increase the participation rates in this consultation exercise, representing over half of the total number of sign ups and attendees from the six sessions as a whole.

2.1.8 In November, UUW is hosting a second session to show customers how their feedback has been incorporated in the plans and long-term delivery strategies, as seen in Table 2.

Table 2 - Phase 2 of Your Water, your say sessions

Date	County	Time
08/11/2023	Cheshire	11.30am – 1.30pm
08/11/2023	Greater Manchester	5pm – 7pm
09/11/2023	Lancashire	11.30am – 1.30pm
09/11/2023	Cumbria	5pm – 7pm
10/11/2023	Merseyside	11.30am – 1.30pm
10/11/2023	Regional (Ofwat/CCW)	5pm – 7pm

2.2 Promotion and Marketing

2.2.1 To ensure we reached a full representation of customers and stakeholders for all sessions, we went out with promotion and marketing eight weeks prior to the events. Direct invites were sent to the following groups to ensure we not only reached a diverse audience but as many people as possible:

- Publicity via our "My Account" newsletter which reaches 400,000 customers.
- Members of our "In the flow" customer panel (c1,000 customers).
- Over 1,000 stakeholders and stakeholder organisations across the region, including over 150 stakeholders in the societal third sector space (affordability, debt, vulnerable customers, and social housing) based on our Corporate Affairs database.
- North West Business Leadership Team, an organisation which brings together senior leaders of national and international businesses to shape the future of the North West region.
- We publicised the event with Youth Focus NW, a charity which works in partnership with both private and public sector organisations to give young people a voice and opportunities to make a difference locally, regionally and nationally.

2.2.2 In addition, the promotion also included a digital campaign:

- Social media marketing across all platforms linking to UUW web page including Twitter, Facebook, LinkedIn, reaching 10,000 people.
- Publicity through the front banner on our main website and dedicated page. This included details of the Ofwat/CCW session and the five county events.
- The Ofwat/CCW session was promoted by both Ofwat and CCW themselves, four weeks prior to the event and in a way that promoted consistency across all water companies.

2.2.3 Across all six sessions, over 750 sign ups were received and a total of 293 attendees were at the meetings. For the final session, there were over 350 sign ups and 113 attendees. This conversion rate was typical of sessions held by other water companies.

2.2.4 Your water, your say has been a valuable exercise in consulting with customers and ensuring that they have direct access to executives and senior management at their water companies. We have found it a very useful and visible complement to our broader customer research activities that have shaped our business plan. Much more about our broader research programme and why it offers high quality insights is set out in Chapter 2 and in supplementary document *UUW21 – Customer Research Methodology.*

3. First Your water, your say session and findings

3.1 Your water, your say session and findings

3.1.1 The first Your water, your say session organised with Ofwat and CCW took place on 29 June 2023. It was chaired by Kevin Johnson, an independent facilitator appointed by both Ofwat and CCW to oversee Your water, your say sessions across the sector. Prior to this, we had undertook five county-based sessions. These were chaired by Bernice Law, chair of the YourVoice panel, the independent challenge group representing United Utilities' customers and stakeholders across the North West. The sessions were all held on Zoom. In addition, British Sign Language Interpreters were available across all of the events.

3.1.2 The discussion for each of the county sessions was centred on the three themes of UUW's future plan, which is to make the North West ***stronger, greener and healthier***.

- **STRONGER** – Questions on infrastructure, impact of population and housing growth, future water supplies, regional economy and jobs.
- **GREENER** – Questions on environmental impact, climate change and extreme weather resilience, pollution, enhancing nature and biodiversity and the company's plans for net zero.
- **HEALTHIER** – Questions on service, water quality, lead in pipes, reducing consumption, and smart meters.
- For the session organised with Ofwat and CCW, a further area of discussion was added by the chair. This was "Better" and was broadly intended to capture questions on financing, dividends, executive pay and other corporate governance matters.

3.1.3 During the sessions, the independent chair gave an overview about the events, encouraged questions from the audience across the key themes of the business plan before UUW Chief Executive Officer (CEO) Louise Beardmore provided a 15-minute presentation about the company and its plans for the future before attendees were invited to ask questions for the next 60 to 90 minutes. Louise was joined during the session by other members of the company's senior management and executive team to help support the discussion.

3.1.4 We have published all the presentation materials, as well as a detailed note of each of these sessions, on our website.[1]

3.1.5 The next section provides a more general summary of the key issues discussed at the 29 June event, or that were common to a number of the county events. These are split under the Stronger, Greener, Healthier and Better themes. Many of these themes are also covered in our PR24 business plan. For an overview of the plan, Chapter 1 and Chapter 2 provide an overview of how UUW is aiming to deliver for customers, communities and stakeholders across the North West.

[1] unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/

3.2 Summary of main discussions during the Your water, your say session and our response

Stronger

Long term water supply

Water is a vital but limited natural resource. Customers and stakeholders expressed concern about current and future water supplies given the expected growth in population and the impact of climate change on the environment.

Concerns were raised about water transfers to other 'water stressed' parts of the country, and whether we had plans to source supply from other regions.

Ensuring resilient long-term supply for decades to come was an important factor for both customers and stakeholders

How UUW is responding

3.2.1 The pressures of population growth, climate change and environmental considerations mean that it is now more important than ever to plan how we will manage water resources. With careful planning, we can continue to deliver a reliable supply of water for customers in the future, while protecting the environment.

3.2.2 Like all water companies, every five years we publish and update a Water Resources Management Plan (WRMP)[2]. This plan helps us to define a strategy to achieve a long-term, best value and sustainable plan for water supplies in the North West.

3.2.3 When developing testing the WRMP, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, the amount of water needed, population growth and environmental changes. This helps us to understand what the risks are in the short, medium and long-term to our water supplies across the region and to make plans to address these.

3.2.4 Our WRMP helps to inform the plans being put forward for the business plan for 2025 to 2030. Within this plan we are looking at how to drive improvements in leakage, how to reduce customer demand so we need to take less water from the environment, how to develop new sources of water in order to improve overall resilience of supplies and how to reduce the frequency of temporary use bans (often referred to as "hose pipe bans.")

3.2.5 We have a good track record for reducing levels of leakage, achieving or beating our targets for the last 17 years. Alongside Per Capita Consumption (PCC) leakage forms a focal part of our 2025 to 2030 strategy. Over this period we are proposing a 13 per cent reduction in leakage and aim to achieve a 10 per cent reduction in PCC (from a 2019/20 baseline).

3.2.6 We will deliver our leakage targets by moving from a find and fix approach to using technology and artificial intelligence to understand where leaks are happening and fixing them. We will also increase the rates at which pipes are being replaced and plan to replace 690 km of water mains from 2025 to 2030.

3.2.7 We plan to deliver a reduction in demand across household and non-household (business) customers. When it comes to household PCC, our long-term target is to reduce water use per person per day to 110 litres by 2050. Our demand reduction glide path also meets interim government targets to progressively reduce distribution input (overall demand) by 9 per cent, 14 per cent and 20 per cent by 2026/27, 2031/32 and 2037/38 respectively. This includes achieving reductions in non-household demand of 9 per cent by 2037/38 and 15per cent by 2050.

[2] unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/wrmp24-drafts/revised-draft-wrmp24-main-report.pdf

3.2.8 To help reduce consumption we will be installing more smart water meters to both households and non-household properties to give them the tools they need to help to reduce their consumption (and bills).

3.2.9 We aim to reduce the likelihood of a temporary use ban (sometime called hosepipe ban) to 1 in 40 years on average by 2031 (our current levels of service for temporary use bans are for these to occur no more frequently than once every 20 years on average or five per cent chance in any given year). We will achieve this by reducing demand, through reducing leaks, installing smart meters to encourage customer to use less water and continuing our current approach of inspiring and supporting customers to be more water efficient.

3.2.10 We are part of the Water Resources West (WRW) regional planning group (along with Severn Trent Water, Welsh Water and South Staffs Water). WRW is currently developing a regional water resources plan covering catchment areas in the North West, the Midlands and the cross-border catchments with Wales. As a group it aims to build a long-term, multi-sector adaptive plan that reflects the needs and characteristics of the region. The plan will cover the period from 2025 to 2085, ensuring the right regional long-term focus.

3.2.11 As part of the WRW, we sponsor the North West Transfer (NWT) Strategic Resource Option (SRO), which is the United Utilities Water component of the Severn to Thames Transfer (STT) SRO. The STT scheme is being developed collaboratively by Severn Trent Water, United Utilities Water and Thames Water as one of a number of SROs assessed through the Regulators' Alliance for Progressing Infrastructure Development (RAPID) to address regional and national water resources planning needs.

3.2.12 We publish a customer facing summary about WRMP which can be found at the following URL: https://www.unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/wrmp24-drafts/revised-draft-wrmp-2025-customer-summary.pdf.

3.2.13 Within our business plan, we provide more detail about our long term approach to water resources in *UUW57 – Water Business Plan* and *UUW12 – Long Term Delivery Strategy*.

New water sources

Given recent heavy downpours and warmer days, concerns were raised about reservoir levels. Most of UUW's water comes from reservoirs and customers wanted to understand what UUW is doing to develop additional water sources and improve the resilience of our water supply.

How UUW is responding

3.2.14 Most of our water in the North West comes from reservoirs, with over half coming from Cumbria and Wales. Reservoirs can fill quickly when it rains and empty quickly when it's bright and sunny. Therefore, UUW needs to put in place plans to ensure that regions are resilient in the long-term

3.2.15 UUW's long-term WRMP[3] sets out our proposals to ensure that we can continue to deliver a resilient, clean and reliable supply of water for the next 25 years and beyond. As described above these plans take into account a range of factors including the impacts of climate change, population growth and environmental change and needs.

3.2.16 In addition to our reservoirs, we also abstract water from groundwater borehole locations, and from streams, lakes and rivers. We are increasing groundwater borehole locations, and we are on track to increase these sources from 83 to 137 by 2025. This increase in boreholes will help to improve the resilience in our raw water supplies for customers.

3.2.17 In 2025 to 2030 we are proposing to develop new groundwater sources providing an additional capacity of 22Ml/d. The three groundwater options identified in the WRMP are in Lancashire, Macclesfield and Stockport (we have also identified alternative options should the development of certain options

[3] unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/wrmp24-drafts/revised-draft-wrmp24-main-report.pdf

become unfeasible). This additional capacity in groundwater sources, will ensure that we have sufficient supplies so that we can support the national strategy of water transfer to other parts of the UK. In addition, UUW is part of the Water Resources West regional planning group (along with Severn Trent Water, Welsh Water and South Staffs Water and other stakeholders), and UUW has developed its WRMP with input from the group so it is aligned with an overall regional plan.

3.2.18 Together, the regional planning group have considered the needs of other, more 'water stressed,' areas of the country too and the scope to transfer water from the North West to the South.

3.2.19 More information about the integrated plans of Water Resources West can be found at the following URL: https://waterresourceswest.co.uk/

Supporting jobs and the North West economy

As UUW embarks on its largest ever investment programme to deliver environmental improvements, customers wanted to understand how that benefitted their community and, in particular, the range of job and training opportunities for local people.

How UUW is responding

3.2.20 UUW's plans to deliver an ambitious investment programme will stimulate greater employment opportunities directly, and through the supply chain, contributing to local economies across the North West. We estimate that our plan will deliver over £35 billion of social and environmental value.

3.2.21 We are a significant employer, with a far reaching economic impact not only with respect to direct employment – we employ over 5,000 people - but also significant regional and UK supply chains.

3.2.22 In the five year period from April 2020 to March 2025 we expect that we will have supported over 22,000 jobs and we expect this to grow to 30,000 in the five year period from April 2025 to March 2030 as a result of our larger proposed programme. Whether these jobs are with UUW directly, or in our supply chain, we are committed to being a diverse employer.

3.2.23 We are proud to invest in young people, offering several opportunities including graduate, apprenticeship and intern schemes. We have the only Ofsted accredited training centre in the sector where we are training people for jobs for the future. We recently welcomed 80 new starters including 34 graduates and 46 apprentices. They will benefit from first-class training and support alongside an in-depth understanding of their chosen area and the chance to make a tangible contribution to live projects that are benefiting the entire region.

3.2.24 We continue to invest in green apprenticeships, committing to 100 new Green Apprenticeships by 2025. We have also increased the number of digital apprentices each year and will continue our graduate and apprentice schemes in 2025 to 2030, providing the support and training needed to help solve the North West's challenges now and in the future.

3.2.25 We support and shows leadership in driving new inclusivity initiatives such as 'Ambitious about Autism' and '10,000 Black Interns' as part of a national programme to give students and graduates better access to career development opportunities.

3.2.26 For more information about everything from our apprenticeship schemes to diversity and inclusion can be found at the following URL: https://www.unitedutilities.com/corporate/responsibility/employees/

3.2.27 In our business plan we have also tried to optimise the amount of social and environmental benefit our work can deliver. You can read more about this in Chapter 6 of the plan, and the supplementary documents that accompany it such as *UUW39 – How our plan delivers social and environmental value* and *UUW35 – Environmental strategy.*

Impact of population and housing growth

With an increasing population, and therefore increase in new housing development across the region, customers expressed concern about the impact this will have on the network. Particularly, they wanted to know what UUW is doing to boost the number of sustainable drainage systems in the region.

How UUW is responding

3.2.28 In 2023 four successful projects in Greater Manchester were awarded £1.3 million to boost sustainable drainage through our Green Recovery programme. Funding was awarded to Bolton Council, the Greater Manchester Combined Authority and Salford Council to support a range of projects designed to reduce local flooding risk. This is part of our plans to work in partnership with organisations across the North West to deliver environmental improvements in rivers, protect habitats, combat invasive species, enhance water quality, improve drainage and reduce pollution.

3.2.29 United Utilities plans to invest a total of £9 million in these types of schemes by March 2025 and will be inviting more applications early next year.

3.2.30 Looking to the future planning for additional development is an essential aspect of our Drainage and Wastewater Management Plan (DWMP) [4]processes to enable sustainable growth. Our DWMP helps us to understand development within our region and what we need to do to support growth though the delivery of industry leading developer services.

3.2.31 We are work with housing developers to adopt sustainable drainage solutions (SuDS) to enhance the resilience of communities against flooding, safeguard water quality, and preserve the environment as the system imitates nature's water management processes by allowing water to infiltrate into the ground. In 2018 we introduced a discount for developers which offers a reduction of infrastructure charges of up to 90 per cent discount to install SuDS to stop rainwater entering the system.

3.2.32 SuDS have also been adopted by businesses, community organisations, and schools as they can include:

- Permeable paving, which can be used on driveways and roads to help water be absorbed more easily;
- Soakaways and other infiltration devices, meaning that no surface water runoff leaves the site;
- Swales, shallow grassed or vegetated channels used to collect and/or move water, and basins, areas of land where all flowing surface water converges to a single point such as a wetland;
- Bioretention/rain gardens providing a natural way to soak up excess water;
- Green or sedum roofs, which encourage biodiversity alongside acting as a natural flood defence;
- Living/green walls, help absorb surface water;
- Rainwater re-use, through the use of smart water butts; and,
- Infiltration trenches and filter drains, which allow water to soak and filter through to a subsoil layer.

3.2.33 The North West of England has 40 per cent more urban rainfall than the industry average, which results in United Utilities Water's (UUW's) sewer network receiving more rain into a highly combined system (54 per cent combined sewers compared to the national average of 33 per cent). This contributes significantly to the load on the sewerage network during storms. We are very pleased to have applied for, and secured, regulatory approval for an "Advanced WINEP" scheme that will mean between 2025 and 2030 we will be able to drive £247 million (FY21 prices) of investment for better rainwater management. £197 million would be enhancement cost allowance with the remaining £50 million leveraged from partnership funding to deliver wider benefits in the region

[4] unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/dwmp-2023/dp1-main-document.pdf

3.2.34 We have published a customer facing summary to support our recent DWMP submission. This can be found at the following URL: https://www.unitedutilities.com/globalassets/z_corporate-site/about-us-pdfs/dwmp-2023/cst-customer-summary.pdf

Infrastructure investment

We understand that customers and stakeholders want UUW to do more to protect the natural environment from managing surface water, to reducing flood risks to improving storm overflows. UUW is embarking on the largest investment programme since privatisation and customers want to understand what the investment entailed.

How UUW is responding

3.2.35 Between 2025 and 2030 we are proposing to invest more than £13 billion across the North West to ensure a stronger, greener, and healthier region. We've set out some selected highlights of our investment programme below.

3.2.36 In Cumbria, we are proposing to invest £1.4 billion to improve water quality by improving 151 storm overflows, and £36m at Carlisle WwTW to meet nutrient requirements and unlock development at St Cuthbert Garden Village. We are investing £37 million to return Crummock Water, Chapel House reservoir and Overwater to a more natural state and spending £622 million to improve treatment of used water at 86 WwTW.

3.2.37 In Lancashire, we are proposing to invest £850m to enhance water quality by improving 82 storm overflows and protecting 55km of rivers and four shellfish waters. Under our plan, £226 million would be spent to improve treatment of used water at 25 wastewater treatments works and £81 million to improve four bathing waters at Morecambe North and South, St. Annes and Fleetwood.

3.2.38 In Greater Manchester, we are proposing to invest £146 million managing surface water and reducing flooding risk through sustainable rainwater management solutions, investing £200 million to rebuild Salford Wastewater Treatment Works to meet the demand of the fast-growing population and delivering £2 million of new infrastructure critical for the Northern Gateway Development.

3.2.39 In Merseyside, we are proposing to invest £343 million to enhance water quality by improving 19 storm overflows and protect 16km of rivers in Sefton and St Helens. Our plan includes £85 million investment to improve bathing and shellfish waters at Southport and spending £32 million to improve treatment of used water at seven wastewater treatment works.

3.2.40 In Cheshire, we are proposing to invest over £420 million to improve 63 storm overflows and upgrading over 65km of the Vyrnwy Aqueduct to improve the resilience of supplies and help to improve water quality for 500,000 people.

3.2.41 You can read more about how our planned investment delivers value for each of the five counties in Chapter 2 and Chapter 6 in our business plan.

GREENER

Tackling storm overflows

Customers and stakeholders care about their surroundings and want UUW to do more to protect our natural environment. Across the region, there was real concern about storm overflows and the impact of this on the health of rivers and lakes.

Customers expressed concern on how much sewage was being 'dumped' into the rivers, and what UUW's plans were to address this. Questions were also asked about why action has not been taken earlier to address storm overflows.

How UUW is responding

3.2.42 Storm overflows are an important part of the sewerage network and include combined sewer overflows (CSOs) and storm tank discharges. They act as a pressure relief valve when there is too much rainfall, allowing rain water, mixed with sewage, to rise inside the sewer and eventually enter a separate pipe which flows into a river or the sea. Sewers operate this way to help prevent the flooding of streets, homes and businesses.

3.2.43 When CSOs operate, they can sometimes affect river and bathing water quality, albeit usually temporarily. Our plan to 2030 embodies a step change in our approach to combined sewer overflows, working towards new long term targets embodied in the Environment Act. In 2023 we applied for, and received, approval to commence our programme ahead of schedule and start work now on one third of the overflows we are targeting for improvement during the 2025 to 2030 investment period.

3.2.44 Much of the water that enters our sewerage system during storms is rainwater, and it is this rainwater that tends to overload the system. To invest in storm overflows, traditional solutions require the building of large storage tanks to store water during storms so that it can be treated later. Our plans for investment to deal with storm overflows will require a large number of these traditional solutions. However, we also want to deliver as many solutions as possible by delivering "green" solutions which rely on more nature based approaches to solving the problem of excess rainfall. This means working to prevent rainwater from entering the sewerage system in the first place, separating storm water systems from sewerage systems and slowing the flow of water within catchments.

3.2.45 We measure the frequency and duration of storm overflow operations using Event Duration Monitors (EDMs) and have reported on this since 2020. There are over 2,200 storm overflows in the North West and we have installed event monitors on over 2,000 overflows with 100 per cent coverage to be achieved by the end of 2023. The data gathered from these monitors has and will continue to be used to identify frequently spilling overflows to be investigated. The outcome of these will identify potential cost-beneficial spill reduction schemes.

3.2.46 We now have more knowledge than ever about storm overflow operation and this means we can prioritise our investment to where it will have the biggest benefit. Over 2025 to 2030, we propose to invest around £3 billion to improve 437 overflows across the North West. This will help us to deliver a step change in the performance of our overflows reducing spills improving river and bathing water quality across the region. We will track and report our progress in achieving a reduction in spills, as measured by the performance commitment, by 32.9 per cent in the period 2025 to 2030.

3.2.47 In the longer-term this investment will make bold progress towards achieving the long-term targets outlined in the Environment Act: eliminating harm by 2035 and achieving 10 spills per year at all sites by 2050. Our rainwater management strategy forms an important part of our 2025 to 2030 plan, reducing storm overflow activations and delivering long-term resilience to climate change by managing rainwater before it enters the sewer system.

3.2.48 The scale of this challenge is huge. Similar to the conversion from diesel to electric transport infrastructure, this will take time. It will need a fundamental re-plumb of the region's sewer system, moving us away from the use of combined storm pipes. Our plan promotes a varied mix of solutions, from large new storage tanks to innovative nature based solutions.

3.2.49 More information about our plans to tackle the issue with storm overflows can be found at the following URL: https://www.unitedutilities.com/corporate/responsibility/environment/reducing-pollution/storm-overflows/

3.2.50 There is a lot of information in our plan about our proposed approach to delivering against new targets and requirements on storm overflows. You will find this in Chapter 5 of our business plan, *UUW30 – Performance commitments technical document* and in Enhancement Case 13 – *Storm Overflows and Advanced WINEP* in *UUW64.*

Reducing Leakage

Customers across the five counties raised concerns about the levels of supply lost to leakage. In addition, they wanted to know how UUW identified leaks in homes and businesses, and what UUW's plans were to reduce the level of leakage going forward.

How UUW is responding

3.2.51 We have achieved or beat our leakage targets for the last 17 years. In the next five year period, from 2025 to 2030, we propose to target a 13 per cent reduction in leakage and in the longer-term are targeting a 50 per cent leakage reduction by 2050.

3.2.52 In order to meet these stretching targets we are increasing efforts to find and fix leaks, using new technology where possible to help reduce the level of leaks faster. Currently around 20 per cent of the water we supply each day through our network is lost through leakage. This includes leakage from network of pipes; leakage inside a property such as from leaking toilets and leakage from customer supply pipe that generally runs from the stop tap into the house. Therefore, we are taking a dual led approach to reduce leakage both across our assets and pipes and across customer's pipework.

3.2.53 To reach these targets, we are driving innovation and installing a series of sensors across the North West to understand how its pipework is performing, where leaks may be occurring, and, more importantly, how to get out to fix them more quickly. Rapid machine-learning helps interpret the unique data trail left by leaks, tracking them down to pinpoint their exact location and identifying their size, just by the sound they make.

3.2.54 We are also proposing to renew or replace pipes where this provides the most efficient solution. Between 2025 and 2030 we plan to invest £130 million in renewing 700km of pipes, resulting in an estimated leakage reduction of over 10 per cent. By 2050 we plan to renew almost 4,000km of pipes to help halve leakage.

3.2.55 We also work with customers and businesses to help identify and fix leaks. Estimated losses from customers' own supply pipes and inside the home from things such as leaky loos amounts to around eight per cent of the total water UUW supplies every day. To address this, customers are offered home water audits to help save water. Over the past three years, 20,000 audits have been carried out with plans to offer a further 20,000 audits over the next two and a half years.

3.2.56 80 per cent of leaks found in customers' properties are caused by toilets. Over 245,000 leaky loo strips have been shared with customers over the past 18 months, highlighting the vast volumes of water lost – up to 440 litres a day – providing customers with a means to check their own loo and helping them to find a plumber to fix it. To date, 77 per cent of customers have used the strips with 61 per cent going on to fix their leaks.

3.2.57 Our plan for 2025 to 2030 includes rolling out of 900,000 smart meters from 2025 to 2030. These will help households understand their water consumption, and help identify leaks within the home more quickly. We have has a dedicated section on the website where customers can find out how to identify and report leaks which can be found on our website at the following URL: https://www.unitedutilities.com/emergencies/leaks/

3.2.58 More information about our targets and strategies on leakage and the investment plans we have can be found in our business plan in Chapter 5, *UUW30 – Performance commitments technical document* and *Enhancement Case 7 – Leakage* in UUW61.

Enhancing biodiversity

Customers and stakeholders consider protecting and enhancing the natural environment and how UUW maximises biodiversity across its estate to be an important part of its business.

How UUW is responding

3.2.59 We are a significant landowner in the North West with 56,000 hectares of land which protects our water resources. We have been trialling several different natural capital approaches building on our approach to 'catchment management solutions.' This essentially looks at the whole way a catchment operates.

3.2.60 We've completed a natural capital account of our estate which has informed a series of strategies including peat restoration, tree planting and maximising biodiversity of the land.

3.2.61 We recognise that resilient ecosystems deliver several benefits including enhancing water quality and limiting flooding downstream. We're focused on how we make those catchments more resilient and how we improve the biodiversity of those sites. We're working with several organisations including the Rivers Trust, RSPB and Wildlife Trusts to find the best way to manage that catchment land and build those long-term resilience plans.

3.2.62 A great example is our work in Ennerdale, West Cumbria. It has now become a national nature reserve because of all the work that we've delivered with partners to re-naturalize that environment. We're taking that model to our bigger estates at Haweswater and Thirlmere and around Greater Manchester to maximize the resilience of those catchments and to improve biodiversity.

3.2.63 In addition, we have pioneered catchment approaches through our Sustainable Catchment Management Programme (SCaMP)[5] programme since 2005 which has been focused on restoring catchments for the benefit of raw water quality and biodiversity. We continue to drive these activities today through schemes such as our Thirlmere resilience programme or the work at Haweswater which has received the IUCN accreditation for nature-based solutions. In 2025 to 2030 we are investing further across the region to restore catchment areas. This includes:

- Enhancing 58km^2 land in the Mersey Valley to improve the Mersey Estuary;
- Enhancing 38km^2 of land, including peatland restoration and biodiversity improvements in Lancashire;
- Catchment management partnership to protect River Dee from diffuse pollution sources;
- Investment to improve catchment land in Greater Manchester, equivalent to half the size of Trafford; and,
- Working in partnership with landowners at nine sites to deliver multiple catchment benefits in the Derwent and Eden catchments.

3.2.64 From 2025 to 2030 we will be reporting our net gain in biodiversity as part of a new performance commitment. This will assess change in biodiversity across a range of habitats including hedgerows, peatland, rivers and woodland. Building on our great track record of good environmental stewardship we are aiming to deliver an increase in biodiversity across the region in line with customer priorities.

3.2.65 More information about our work to protect and enhance the natural environment can be found at the following URL: https://www.unitedutilities.com/corporate/responsibility/environment/natural-environment/

3.2.66 You can read more in our business plan about how we are delivering for the environment, increasing access to our land and targeting improvements in biodiversity in Chapter 6, *UUW35 – Environmental strategy* and *UUW30 – Performance commitments technical document*

[5] unitedutilities.com/corporate/responsibility/stakeholders/catchment-systems-thinking/catchment-management/

Addressing climate change

We are seeing the effects of climate change on the region's weather, with increasing summer temperatures, wetter winters and more extreme rainfall events. With these trends set to continue, communities want to understand how the company is addressing the challenges of climate change to ensure long-term resilience of water supplies.

How UUW is responding

3.2.67 Every five years we publish a climate change adaptation report [6]which outlines our approach to assessing and managing climate related risk, this report is available on our website.

3.2.68 As we develop our plans for both water and wastewater through our WRMP and DWMP we consider the mitigation and adaptations we must make so that to enable us to address the effects of climate change. These plans will help to make sure that we can provide resilient sustainable services now and in to the future for customers.

3.2.69 **Climate - managing water resources** - We work with other water companies through the regional planning group, Water Resources West, to understand and help manage the supply-demand balance, not only for the North West but across the UK. Our 25-year WRMP outlines our long term investment plan for water resources and describes the combination of demand and supply side options we've identified to build long-term resilience of supplies.

3.2.70 **Climate - managing water quality** - As the majority of North West water resources are sourced from upland surface waters, much of the water we provide is soft, with lower mineral content and lower alkalinity. This makes the water more corrosive to cast iron pipes, contributing to a higher rate of discolouration, consequently this means we need to invest in and provide additional levels of treatment. We carefully manage water resources through increased monitoring and intelligent source selection during the warmer, drier months when concentrations of these compounds and demand for water are simultaneously at their highest.

3.2.71 **Climate – storm overflow activations** - We are committed to a step change reduction in the numbers of storm overflow activations in 2025 to 2030 and a have a continued programme to meet Environment Act targets for storm overflows through to 2050.

3.2.72 **Climate – partnerships** - We recognise that climate change and nature recovery cannot be addressed in organisational silos, therefore partnership working will support cost-effective investment and planning within local areas. Place-based planning will help to diversify solutions to include a combination of traditional hard engineering approaches, nature-based solutions and behavioural change initiatives. Together, these will help to safeguard water resources for future generations.

3.2.73 **Climate – meeting net zero** - We are a leading company in the field of carbon reporting and emissions reductions and are actively working with the industry to improve carbon reporting and achieve net zero targets by 2050. We have built on our advanced track record of reductions and disclosures to produce an ambitious plan for net zero by 2050 across scopes 1, 2 and 3.

- Scope 1 emissions are those resulting directly from activities the organisation owns or controls.
- Scope 2 emissions are those from electricity and heat purchased by the organisation.
- Scope 3 emissions are those that occur elsewhere in the organisation's value chain.

3.2.74 We have already made strong progress by deploying many of the most cost effective solutions, such as investment in a portfolio of new renewable energy facilities and moving to use only certified green electricity throughout our operations.

[6] unitedutilities.com/globalassets/z_corporate-site/responsibility-pdfs/united-utilities-climate-change-adaptation-report-2021.pdf

3.2.75 Through our carbon assessment framework we valued emissions to reduce and avoid them as far as practical in our decision making in every aspect of our PR24 business plan. We have built efficiency and innovation into our plans, for example by prioritising leakage reduction, demand management and other measures to use less. This includes supporting customers to be more water efficient and use sewers appropriately. We embraced nature based approaches, surface water removal and hybrid solutions in our Water Industry National Environment Programme (WINEP).

3.2.76 We continue to make progress with our climate change mitigation plans, reducing operational emissions by over 70 per cent since 2010 and delivering against our six carbon pledges.

3.2.77 We publish more information on our website about climate change and what we are doing to mitigate and adapt, this can be found at the following URL: https://www.unitedutilities.com/corporate/responsibility/environment/climate-change/

3.2.78 Information about our six carbon pledges and are progress towards then can be found at the following URL: https://www.unitedutilities.com/corporate/responsibility/stakeholders/catchment-systems-thinking/beyond-water-series-alt/our-journey-to-net-zero/

3.2.79 Our business plan contains more information about our approach to carbon reductions and greenhouse gasses in Chapter 6, *UUW37 – Our strategy to Net Zero* and *Enhancement Case 25 – Carbon Net Zero* in *UUW67.*

Reducing levels of pollution

Customers expressed concerns about the health of rivers and bathing waters and wanted to understand UUW's plans to reduce pollution.

How UUW is responding

3.2.80 Our track record on reducing pollution incidents is very good. We are at the frontier position in the industry in terms of reducing the overall number of pollution incidents and we achieved zero serious pollution incidents in 2022/23 and in three of the last four years. We also have high levels of "self-reporting" meaning that we are identifying and responding to pollution incidents more quickly than if we were only responding to report of pollution incidents received from elsewhere.'

3.2.81 Since 2020 we have reduced the number of pollution incidents by 39 per cent. In 2025 -2030 we plan to reduce the number of pollution incidents by a further 25 per cent improvement compared to 2021/22 baseline.

3.2.82 We aim to push the frontier forward on this performance commitment by innovative ways of working including our investment in Dynamic Network Management (DNM) telemetry which means we use more real time information from the network to identify potential issues before they cause pollution.

3.2.83 As well as DNM, we ensure effective maintenance of assets, alarm management, and respond quickly when we are aware of an incident to protect the environment. We also have a robust reporting procedure to ensure we understand the root cause of pollution when it does happen, so steps can be put in place to prevent a reoccurrence.

3.2.84 Our pollution incident reduction plan is published on our website, which can be found a the following URL: https://www.unitedutilities.com/globalassets/documents/pdf/pollution-incident-reduction-plan_september-2020.pdf

3.2.85 You can read more about our ambitious targets to reduce pollution in Chapter 5 and *UUW30 – Performance commitments technical document*

Healthier

Reducing customer demand

Customers appreciate the need to save water to enable the region to become water resilient for the future. They wanted to understand how we are driving down water usage across the region, and how UUW are helping individual customers, organisations, and communities to become more water efficient.

How UUW is responding

3.2.86 Making the best use of water is a major part of our plan to ensure there is sufficient supply for the decades ahead. We are working closely with customers to help them use less water by raising customer awareness about the importance of saving water and maintaining fixtures and fittings in the home. By 2030 we will have helped customers reduce water demand by 10 per cent when compared to a 2020/21 baseline, a major step toward long term government targets to reduce household water usage to no more than 110 litres per person per day.

3.2.87 We will be monitoring or performance over the 2025 to 30 period with two performance commitments. The first will assess per capita consumption, which assesses consumption by households. The second will assess consumption from business demand.

3.2.88 Central to our plan is the roll-out of smart meters to homes and businesses across the North West. We plan to invest £225 million to install 900,000 smart meters during 2025 to 30. Customers who are on a water meter typically use 21 per cent less water. Similar to electric and gas, customers will be presented with the usage information on an app. Not only will this give customers a visual understanding of their usage, it will connect and communicate with customers in a far more effective way further helping customers to drive down the reduction in water usage.

3.2.89 Unlike most other water companies, we are unable to compel domestic customers to switch to a meter (because we are not classified by the Environment Agency as a "water stressed area"). We need to rely on making the case for customers to choose a meter, or we can switch them across when they move house. Nevertheless, we project a reduction in total domestic use of around 5 per cent between 2025 and 2030 and 25 per cent by 2050. Our forecast reduction in business use is just over 5 per cent during 2025 to 30 and 15 per cent by 2050. We also plan to undertake thousands of water efficiency audits, these can be particularly effective for business customers.

3.2.90 We have introduced a number of practical tools to help people get on top of their water usage. For example UUW's GetWaterFit online tool helps customers learn about how much water they use, with hints and tips on how to make reductions that can help save them money. Since 2018 our efforts have helped more than double customer awareness of the benefits of water efficiency. More than 180,000 customers have signed up to the platform, and we have distributed over 450,000 water savings devices since the launch.

3.2.91 We have also been working directly in homes and businesses. In recent trials we undertook water efficiency audits in the Manchester area, fixing leaks for schools and home owners, installing traditional water saving products and trialling flow regulators. This was followed up by continuous water saving communications and meter data analysis. Our future plans see schemes like this rolling out across the North West, backed up by firm industry and UUW specific performance commitments on household and business water usage reduction.

3.2.92 We provide information on our website about how to save water and identify leaks. This can be found at the following URL: https://www.unitedutilities.com/help-and-support/save-water/

3.2.93 You can read more about our ambitious targets to reduce consumption in Chapter 5 and *UUW30 – Performance commitments technical document*

Reducing the risk of flooding

Parts of the region are more prone to flooding due to adverse weather. Flash floods are a major concern and customers want reassurance that UUW are addressing this.

How UUW is responding

3.2.94 UUW has got some of the biggest and most ambitious targets across the sector to reduce the number of sewer flooding incidents that happen, whether these are outside homes and businesses (external flooding) or inside them (internal flooding).

3.2.95 **Internal sewer flooding** – Our plan will see us deliver a highly stretching 31.9 per cent reduction in internal sewer flooding incidents over the course of 2025 to 2030.

3.2.96 **External sewer flooding** – Our plan will see us deliver a 12.9 per cent reduction in external sewer flooding incidents over 2025 to 2030.

3.2.97 Werecognise that achieving environmentally-adjusted frontier performance is going to be extremely stretching and will require continued transformational change.

3.2.98 We are already seeing the benefits of Dynamic Network Management (DNM) which is helping us to reduce the numbers of blockages and flooding incidents that impact on customers. This approach uses thousands of monitors in the sewer to understand how our network is performing and to uses AI to predict where issues may be occurring before they adversely impact customers. Through 2025 to 2030, we will continue to mature the machine learning capabilities of DMN, to reduce the volume of false alerts and refine our response to blockage and high level alerts. We plan to expand our network of sensors to additional drainage areas to improve coverage across the region and we intend to conduct trials to understand how we can use DNM to optimise our storage availability to reduce hydraulic flood risk.

3.2.99 UUW is proposing a large-scale proactive inspection and rehabilitation programme for our sewer network. This will allow us to proactively identify and rehabilitate defects that may ultimately lead to blockages or collapses that cause internal sewer flooding. Such a programme will be largely enabled by our partnership with VAPAR, a company that specialises in using AI technology to automate defect detection from CCTV imagery, which is increasing the rate at which we can process CCTV imagery and standardise prioritisation of rehabilitation.

3.2.100 We plan to extend our flood mitigation programme to protect over 1,000 additional properties from internal sewer flooding, through installation of property-level flood devices, including non-return valves and flood barriers.

3.2.101 Rainwater management will play a key role to meet our targets. We are submitting a £132.2 million enhancement case for Rainwater Management in line with the need identified through our Drain and Wastewater Management Plan (DWMP). The aim of this enhancement case is to prevent deterioration in sewer flooding performance due to climate change by initiating a multi-AMP programme of investment in sustainable blue green solutions, such as SuDS and sewer disconnection activities.

3.2.102 In addition, we are pleased to have applied for, and secured, regulatory approval for an “Advanced WINEP” scheme that will mean between 2025 and 2030 we will be able to drive £247 million (FY21 prices) of investment for better rainwater management. £197 million would be enhancement cost allowance with the remaining £50 million leveraged from partnership funding to deliver wider benefits in the region. These benefits are enabled by removing conventional regulatory barriers of timeframes, geography and penalties to allow us to flexibly co-plan and co-deliver with stakeholders Our proposal is focussed on the urban areas in the southern part of our operational region, particularly Greater Manchester but the approaches we are taking will provide leadership and learning not just for future schemes in our own region, but also across the country. The programme will deliver a range of sustainable rainwater management solutions (and targeted monitoring) which include:

- Disconnection of rainwater from combined sewers to ground, waterbody or surface water sewers;

- Sustainable drainage systems (SuDS) e.g. swales, rain gardens, permeable paving, and attenuation basins;
- Rainwater harvesting (RWH) e.g. property level water butts; and,
- Natural flood management (NFM) e.g. leaky dams and tree planting.

3.2.103 We provide more information about saving water in your garden and how to use a water butt on our website at the following URL: https://www.unitedutilities.com/help-and-support/save-water/save-water-in-the-garden/

3.2.104 You can read more about our ambitious targets to reduce internal and external flooding incidents in Chapter 5 and *UUW30 – Performance commitments technical document*

Improving water quality

Customers expect great water quality, every time they turn on their tap. Customers want see improvements in their drinking water and want to understand the strategy to improve this.

How UUW is responding

3.2.105 We launched our Water Quality first programme in 2021 with the aim of delivering improvements to provide customers with industry leading water quality. We will continue to deliver this approach through our 2025 to 2030 plan to ensure that drinking water is of the highest standard for customers and communities, and resilient to the impacts of climate change. We plans to reduce the number of water quality issues customers experience by at least 50 per cent compared to the 2021/22 baseline.

3.2.106 We want customers to be confident and trusting of their drinking water quality and we want to deliver for future generations by embedding sustainability, innovation and partnership working in our plans.

3.2.107 Our plan to reduce water quality contacts include:

- Investing £42 million at five water treatment works to mitigate the effects of deteriorating raw water quality in the associated source waters
- Investing £179 million in the next stage of the Vyrnwy Aqueduct Modernisation Project to improve supplies to customers in Cheshire and the Liverpool City Region by reducing the risk of discoloured water by lining 65km.
- Renewing 928km of distribution mains to reduce leakage, with additional benefits of removing pipes linked to discoloured water and reducing the disruption to daily lives from bursts; and
- Creation of a digitally enabled water network to detect changes before they impact water quality and guide intelligent interventions.

3.2.108 Details about general water quality at your house can be found on our website at the following URL: https://www.unitedutilities.com/waterquality

3.2.109 You can read more about our ambitious targets on water quality in Chapter 5 and *UUW30 – Performance commitments technical document.* Information on our approach to delivering great water every day can also be found in *UUW57 – Water business plans.*

Lead in pipes

A third of properties in the North West built prior to 1973 may have a lead communication and supply pipe. Customers are concerned about the threat of lead in their homes and want to know how UUW is addressing this and our approach to removing lead pipes.

How UUW is responding

3.2.110 Our programme, the Lead Pipe Replacement Scheme[7], is supporting customers financially to remove lead in their homes. We have a fully dedicated team as part of this scheme and offer customers a grant, capped at £500, for the replacement of lead. Since 2021, we have removed 15,472 lead pipes.

3.2.111 In 2025 to 2030, in line with DWI expectations, we will make a step change in the scale and pace of lead pipe replacement as part of our long-term ambition to remove all lead by 2070. This ambition will build on our industry leading history of trials and interventions related to lead and phosphate that provide a firm grounding for the delivery of our lead removal strategy.

3.2.112 Our ambitious plans we see us supporting 30,000 customers with lead pipe removal as we go forward from 2025 to 2030. We are providing education and information to customers and we have an active scheme where customers can apply to have their lead pipes replaced.

3.2.113 Information about our lead replacement scheme and the grants available to customers can be found at the following URL: https://www.unitedutilities.com/help-and-support/your-water-supply/your-pipes/lead-pipes/lead-pipe-replacement-scheme/.

3.2.114 You can read more about our proposals to reduce lead pipes in our business plan in *Enhancement Case 3* in *UUW60.*

Better

Bills and affordability

Customers want to understand by how much their bills are expected to increase, and how that increase will be spent. They raised questions about how UUW plans to support people who are struggling to pay their bills.

How UUW is responding

3.2.115 We recognise that customers want services to improve whilst keeping bills as low as possible. Keeping bills affordable means both ensuring efficiency in our plans to keep bills as low as possible and then helping those customers who might otherwise find those bills unaffordable.

3.2.116 We are committed to providing the best value for customers. We have set out significant plans for both efficiency and new investment as part of our plan for 2025 to 2030. These include:

- **Value for money**: Our £14 billion proposed total 2025 to 2030 expenditure (totex) will deliver an estimated £40 billion of value for the North West, with substantially all the increase in cost being an environmental improvement programme, which at £6 billion is around seven times larger than previous AMPs.
- **Improved efficiency in base totex:** We are stretching ourselves to deliver £1.3 billion of efficiencies in base totex through innovation and optimisation of solutions, robust cost challenge and effective use of markets.
- **Best value long-term solutions**: Our plan is aligned to our long-term delivery strategy with adaptive planning pathways to focus our investment in the areas that matter the most. We have identified the best value solutions, considering whole life costs and wider environmental and social value.

[7] unitedutilities.com/help-and-support/your-water-supply/your-pipes/lead-pipes/lead-pipe-replacement-scheme/

- **Iterative refinement driving efficient enhancement totex:** We have removed £1.6 billion of our initial cost estimate through challenge of the need, scale and timing of investment, and are targeting a further £1.8 billion of efficiency through innovation and optimisation of solutions, robust cost challenge and effective use of markets, and £97 million of partnership funding opportunities.
- **Further opportunity**: We have identified potential to reduce our enhancement programme by a further £1 billion, included on the direction of the EA, which we expect will be delivered in 2030 to 2035.

3.2.117 Reflecting the environmental improvements and improvements in services we need to deliver over the five years to April 2030, we expect average annual bills to increase to £556, before taking account of inflation. This compares to an annual average bill for 2022/23 of £447 and means that average annual bills are expected to increase by £20 per year in real terms in each of the five years from 2025/26 to 2029/30

3.2.118 At the heart of our proposals is £525 million of direct financial support for low income and financially distressed households, including £200 million of shareholder funded support. We estimate that this will increase the number of customers helped each year to circa 590,000 (compared to just over 200,000 today) and will be required to avoid any increase in water poverty.

3.2.119 In addition to shareholder contributions, we propose two innovative and stretching bespoke performance commitments linked to the number of household and non-household customers supported to afford their bill through bill reductions and water efficiency interventions. These measures are designed to provide customers not in receipt of support confidence that their support through higher future bills will reach those that need it most.

3.2.120 More information about the financial support that we offer to customers can be found on our website at the following URL: https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/

3.2.121 More about how we consulted with customers on bills and our affordability package for customers in the next price control period is provided in Chapters 3 and 4 of our business plan.

Executive Pay and shareholder contributions

Consumers asked how executive pay reflects the company's performance.

They wanted to understand the role of shareholders, in particularly, who was paying for the investment – shareholders or customers?

How UUW is responding

3.2.122 Executive pay arrangements are aligned to our purpose, strategic priorities and core values, so we have a strong track record of executive pay being linked to company performance, with a clear focus on delivery for customers. A substantial proportion of the overall pay that executives are eligible for each year is performance related (69 per cent) and long-term (52 per cent), and we have high standards of governance and transparency in our existing executive pay policy and approach.

3.2.123 We are confident that our executive pay policy and approach in 2025 to 2030 will continue to meet Ofwat's expectations of performance related executive pay and further demonstrate to stakeholders that our performance pay outcomes are well-aligned with delivering value for customers, communities and the environment. Outcomes will be based on stretching targets, and will take account of overall performance alongside formulaic outcomes against specific incentive measures.

3.2.124 We will also continue to provide extensive levels of transparency and disclosure in regard to executive pay, and will continue to include high quality governance mechanisms such as malus, clawback and deferral in our pay policy. Further details are available in Chapter 9 and Supplementary document *UUW72*.

3.2.125 Our investment plan for 2025 to 2030 is very large and customer bills will have to rise to fund it. However, UUW does not collect from customers all of the money we plan to invest in the same year in which it is spent. Therefore, UUW must finance investment upfront through other means, either through the issuance of debt or investment from shareholders.

3.2.126 The cost of this finance, and its ultimate repayment, is then recovered through bills over time, approximately in line with the lifetime of the investment, which can be very long. This means we can invest and deliver improvements for customers and the environment today, whilst recovering the cost gradually from both current and future customers.

3.2.127 Each year we set out our executive pay policy with our Annual Report and Financial Statement. Our 2023 Annual report can be found at the following URL: https://unitedutilities.annualreport2023.com/

3.2.128 We've also provided more information about our approach to executive performance pay in Chapter 9 of our business plan.

Governance

Given the crucial service the water sector provides to customers, the financial resilience of water companies have been under the spotlight over the past 12-18 months. Customers want to ensure that water companies are thinking long-term about resilience – operational, financial and corporate. UUW customers want reassurance that best practice is being employed together with strong governance supported by transparent and open reporting.

How UUW is responding

3.2.129 UUW plans are scrutinised by Ofwat, DEFRA, and the Environment Agency to ensure we are taking a comprehensive approach to longer-term planning. We are open and transparent about the work we do and each year we publish our Annual Report[8] and Annual Performance Report[9] which provide comprehensive details about how we are performing alongside financial metrics. These publications offers transparency about our numbers.

3.2.130 All future plans are put forward to Ofwat for scrutiny. Once UUW has submitted its plans, Ofwat will ensure the targets are stretching and ambitious and that delivery plans are efficient, not overinflated and that customers are getting a good value out of the Price Review.

3.2.131 In addition, external monitoring and governance includes the following:

- YourVoice: an independent panel of customer and stakeholder representatives that hold us to account and shape our approach and direction in line with customer priorities.

3.2.132 Internal monitoring and governance includes the following:

- The Board, comprising six independent members, will continue it role providing challenge, support and advice on the long-term delivery strategy and all our strategic and long term planning.
- The Executive Strategy Meeting (ESM) is a monthly forum for the Executive's to focus on topics of strategic importance to the business.
- A monitoring plan has been developed to underpin the above reporting and governance measures. This plan has been designed to integrate with our existing corporate risk management process, to track how our adaptive plan is performing and if and when an alternative pathway may be required.

3.2.133 Each year we provide clear transparent information about how we have performed against our commitments within our Annual Performance Report. A copy of our 2022/23 APR can be found at the

[8] unitedutilities.com/globalassets/documents/pdf/integrated-annual-report-2023.pdf

[9] annualperformancereport2023.unitedutilities.com/media/r33p33d1/uu-apr-final.pdf

following URL: https://www.unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2022-23

3.2.134 Our business plan has lots of information about how we approach resilience. Operational resilience is covered in Chapter 7 and *UUW40*, our corporate resilience is covered in *UUW42* and financial resilience is covered in *UUW68.* Evidence on how we've assured the plan and how you can be confident in its quality is set out in Chapter 10.

4. Findings from the five county sessions

4.1 Introduction

4.1.1 As part of the Your water, your say process, UUW went further to give customers and stakeholders in each of the North West's five counties the opportunity to address concerns at a local level, including areas like investment, environmental strategies and how we are helping the most vulnerable in society for a stronger, greener and healthier North West.

4.1.2 While similar themes and issues were raised across all five county and Ofwat/CCW sessions, UUW wanted to promote key messages about its future plan and its purpose to provide great water for a stronger, greener and healthier North West to gauge reaction to proposals and investment intentions.

4.1.3 The sections below provide county specific responses raised in each locality.

4.1.4 All materials from the sessions are available on our website[10].

4.2 Cumbria

Tackling storm overflows

Customers in Cumbria are well informed about the challenges in the area and have made calls for us to move further and faster to improve on storm overflows. Customers are keen to understand the level of investment proposed for Cumbria – and what we are doing to stop CSO activations in Windermere.

How UUW responding

4.2.1 UUW is investing £914 million to reduce activations of 158 storm overflows across Cumbria.

4.2.2 In Windermere we want to do more sooner and have accelerated £10.2 million investment which will see us enhance four of our wastewater assets at:

- Elterwater pumping station
- Ambleside wastewater treatment works
- Hawkshead pumping station
- Near Sawrey wastewater treatment works

4.2.3 These steps will reduce the amount of phosphorus entering the lake. We understand and share the concern about river water quality and are determined to play our part in reducing pollution.

Improving river water quality and reducing pollution

Keeping rivers and lakes clean and beautiful and ensuring we protect the natural environment is important for Cumbria.

How UUW is responding

4.2.4 UUW is protecting and improving 219km of rivers including removing barriers to fish and eel migration at Haweswater.

4.2.5 UUW is spending £30.5 million to return Crummock Water, Chapel House reservoir and Overwater to a more natural state

[10] unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/

4.2.6 UUW is working with stakeholders to reduce pollution at nine locations by promoting sustainable farming practices.

4.2.7 As part of the Love Windermere partnership, UUW is working closely with a range of stakeholders including the Lake District Foundation; Lake District National Park Authority; National Farmers Union; National Trust; and South Cumbria Rivers Trust to improve water quality, improve ecology and better understand the Windermere catchment.

4.3 Lancashire

Protecting rivers and catchments

Lancashire's vast coastline means improving bathing waters and river quality is significantly important to both customers and visitors to the region.

How UUW is responding

4.3.1 We are investing £870 million to enhance water quality in Lancashire.

4.3.2 This includes £729 million to reduce activations at 91 storm overflows and protecting and improving 35km of river, removing barriers to fish and eel migration at Stocks reservoir and Calder River intake.

4.3.3 We are investing over £280 million to deliver benefits to four sites at shellfish waters and four bathing waters.

4.3.4 In addition, we are reducing litter on river banks at 43 sites.

Working in partnership

Customers were keen to understand how UUW is working with the local authority and other stakeholders to tackle local issues such as flooding.

How UUW is responding

4.3.5 We are working in partnership with many stakeholders to tackle local issues. We have had success with Turning Tides, a cross-agency partnership working together to improve the quality of bathing waters. We are in the process of creating a Flood Working Group with local authorities and other stakeholders to address issues of flash flooding.

Bills and affordability

Concerns were expressed about the cost of living crisis and how UUW is supporting people struggling to meet their bill payments.

How UUW is responding

4.3.6 We are supporting over 55,300 people struggling to pay their bills, doubling financial support available by 2030.

4.4 Greater Manchester

Reducing the risk of flooding

The impact of climate change in the region is a major concern for customers in Greater Manchester. Issues including flash flooding due to heavy rainfall.

How UUW is responding

4.4.1 We are working with partners including Greater Manchester Combined Authority and the EA to develop the first city region Integrated Water Management Plan to minimise the risk of flood and disruption. The plan will:

- Accelerate the implementation of natural flood management interventions in key locations identified in the Integrated Water Management Plan.
- Reduce the operation of storm overflows to prevent rainwater from entering and polluting the combined sewage system and improve water quality
- Creating new jobs, developing skills and apprenticeship roles that benefit residents in Greater Manchester
- Ensure new GMCA or TfGM developments are delivered in partnership with United Utilities so water management measures can be factored in. For example, road or cycle schemes can include solutions to address surface water runoff

4.4.2 We are also working with customers including community groups and businesses on sustainable drainage schemes such as permeable driveways, greywater recycling solutions, and water butts to stop rainwater from entering the network in the first instance. For example, UUW has been working with a group of 50 allotment holders in Ramsbottom, Bury to install storage tanks and water butts to help the group better manage rainfall across the site and preserve the water supplies they take from the nearby spring.

Long term water supply

With warmer summers and wetter winters, customers expressed concerns on resilient water supply.

How UUW is responding

4.4.3 We are facilitating over £1 billion of investment to refurbish the Haweswater aqueduct, ensuring we sustain resilient water supplies for Greater Manchester. We are improving water supplies from the Peak District, replacing water mains serving Wybersley and increasing available groundwater supplies.

Tackling storm overflows

Customers and stakeholders wanted to understand what UUW is doing to tackle storm overflows and improve the quality of rivers and lakes.

How UUW is responding

4.4.4 In Greater Manchester, UUW is investing over £740 million to improve 105 storm overflows.

4.5 Merseyside

Quality of drinking water

Customers in Merseyside care about their environment and want to know what UUW is doing to enhance water quality.

Customers in Merseyside want us to improve the quality of drinking water and the resilience of future supplies

How UUW is responding

4.5.1 We are investing £210 million to enhance water quality across Merseyside.

4.5.2 This includes investing £166.7 million to reduce activations of 20 storm overflows.

4.5.3 We are enhancing and improving 26km of river environment and carrying out catchment management across 58 km^2 of the upland headwaters of the Mersey catchment to deliver river water quality benefits in the Mersey Estuary.

4.5.4 We believe transparency is important and from next year, all of the combined sewer overflows will be monitored so people can see how they are operating in near real time.

4.5.5 Customers in Merseyside receive their water supply from sources in Cheshire and Lake Vyrnwy. We are relining 65km of the Vyrnwy Aqueduct, which runs from Lake Vyrnwy through to Merseyside.

4.6 Cheshire

New water sources

Developing new water sources was of particular concern in Cheshire. Customers were keen to understand the resilience of their long-term water supply and where future sources were coming from.

How UUW is responding

4.6.1 Many customers in and around Cheshire receive their water supply from Lake Vyrnwy in Wales, supplied through Vyrnwy aqueduct. We are investing £151m to realign 65km of the Vyrnwy aqueduct to ensure resilient water supplies for current and future generations.

4.6.2 We are investing £10m to identify new boreholes and groundwater sources to make the region more resilient to climate change and growth in population.

Reducing the risk of flooding

Parts of Cheshire, including areas of Northwich and Nantwich, are more prone to flooding and customers asked about plans to eliminate flooding within the home.

How UUW is responding

4.6.3 A comprehensive flood defence plan has been established for Northwich, bringing partners together to protect the town's residents and businesses during adverse weather. It is being led by Cheshire West and Chester Council as the Lead Local Flood Authority, working with the Environment Agency and UUW, the Multi-agency Emergency Flooding Plan for Northwich Town Centre.

4.6.4 We are working with the National Trust to identify leaky dams at Lyme Park, improving water quality and slowing flows to deliver natural flood management.

Tackling storm overflows

Customers and stakeholders wanted to understand what UUW is doing to tackle storm overflows and improve the quality of rivers and lakes.

How UUW is responding

4.6.5 In Cheshire, we are investing over £433 million to improve 63 storm overflows and protect over 24km of rivers.

4.7 Customer and stakeholder feedback

4.7.1 We have engaged with nearly 300 customers and stakeholders directly with the five county sessions and the Your water, your say event. The sessions allowed us to communicate our strategy and priories for the future in a relatable way and provide customers with information about investment plans that were of significance to their area.

4.7.2 Importantly, the sessions gave access to the senior management team in a way that has not been done before. Customers were able to ask challenging questions across all sessions and this gave us the opportunity to provide a wide range of examples to demonstrate the value UUW generates.

4.7.3 We understood that not everyone who registered was able to make the sessions, and they were invited to email questions in advance of the event and following the event. For example, after the Cumbria session, more than 20 follow up questions were received.

4.7.4 Customers are keen to understand more about their water service, and how future investment will impact their own household, and those of their community. From an engagement perspective, we will continue to be open and transparent with customers and stakeholders and will hold future open forums across the five counties as we move forward with our plans.

5. Next Steps – Your water, your say

5.1.1 When we submit our 2025-30 plan to Ofwat in October 2023, it will set out how it is addressing the issues raised at the Your water, your say meeting on 29 June.

5.1.2 Ofwat and CCW have now arranged dates for the second phase of Your water, your say open forum sessions in October/November 2023, so people have the opportunity to ask how their queries and feedback from the first meeting are being dealt via the plan.

5.1.3 We will run the second phase in November as shown in Table 2 in Section 2.1 of this document. The Your water, your say meeting will follow a similar format to the first phase, and UUW is including another round of five county-focused sessions.

5.1.4 Attendees will also be able to raise new issues and ask questions on new topics. The events will be captured in a written record to be published on UUW website.

5.1.5 If you're interested to learn more, or to take part in these events, please visit our website https://www.unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/

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