

# To provide great water for a stronger, greener and healthier Cheshire

## Summary of the event



United Utilities is developing its business plan for 2025-30 and we want our customers and stakeholders to have their say on how we shape those plans.

We recently held a 'Your water, your say' online open challenge session on 21 June 2023 and invited household customers, businesses as well as those representing regional and national interest groups to attend.

The session is part of the Price Review process known as PR24. It is designed to enable people in Cheshire to hear about our proposed draft plan, including the challenges we are facing as a sector and the different ways we're working with communities and stakeholders, to deliver more for customers and the environment.

It was an opportunity to put questions directly to the company's Chief Executive and other senior directors, and highlight the issues they want us to focus on in the future.

The event was hosted by independent facilitator Bernice Law, Chair of Your Voice panel, the independent challenge group representing United Utilities' customers and stakeholders across the North West.

Members from our Executive Team included:

- Louise Beardmore, Chief Executive
- James Bullock, Strategy, Policy and Regulation Director
- Jo Harrison, Environment, Planning & Innovation Director
- Mike Gauterin, Customer Service Director

This is a summary of the discussion which centred on the three themes of our plan, which is to make the North West **stronger, greener, and healthier**.

When we submit our draft 2025-2030 plan to Ofwat in October 2023, it will have to set out how it is addressing the issues raised. Following a welcome and introduction by the independent chair, Chief Executive Louise Beardmore gave a 15-minute presentation on the company's proposed draft plan for 2025-30 and what it means for customers and stakeholders in Cheshire.

### Overview of plan for North West and Cheshire

We serve 7 million customers here in the North West, supporting over 200,000 businesses.

We are also a huge employer in the region, employing over 22,000 skilled jobs, both in terms of delivering our services, but also in terms of improving our infrastructure across the 5 counties, including Cheshire.

We want to ensure it delivers a plan for the North West that improves the services for customers and for the environment.

It is time for a step change to deliver an ambitious plan that benefits everyone. We are embarking on the largest infrastructure investment in the company's history to help reduce the use of storm overflows. We have already taken action and have delivered a 39% reduction in spills since 2020 – but we know that's not enough.

### Across the North West we plan to:

- Reduce the amount of water leakage – by at least a 20% improvement\*
- Reduce interruptions to customers' water supply – by at least a 40% improvement\*
- Reduce the number of pollution incidents – by at least a 30% improvement\*
- Reduce the number of water quality issues customers experience – by at least a 50% improvement\*
- Reduce the number of properties affected by sewer flooding inside their property – by at least a 30% improvement\*

- Reduce the impact of storm overflows – 60% improvement\*
- Provide £500m of affordability support for customers struggling with their bills (doubling our investment in this) – 100% increase\*

*\*% performance improvement from 2021/22 to 2030*

#### **Through our plan for Cheshire we will:**

- Invest in the Vyrnwy aqueduct to secure a long-term resilient supply for future generations.
- Invest in two of our largest water treatment works to provide great quality water for people in Cheshire and surrounding areas.
- Invest more than ever before to reduce our impact on rivers and work with others to protect the local environment and improve water quality.
- Offer sector-leading support to customers who face difficulties paying their water bill and give extra support for customers with additional needs.

## **Summary of main topics of discussion during Q&A section**

### **Long-term water supply**

Water is a vital but limited natural resource. The pressures of population growth, climate change and environmental considerations mean that it's 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.

With increasing pressure on water resources across the UK, our Water Resources Management Plan (WRMP) defines our strategy to achieve a long-term, best value and sustainable plan for water supplies in the North West.

We produce a WRMP every five years, and this sets out how we intend to achieve a secure supply of water for our customers. When testing the plan, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, and 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.

As part of our plans being put forward for the Price Review, we are looking at how to drive improvements in leakage, how to reduce customer demand so people are using less, and how to develop new sources of water.

### **Reducing Leakage**

We're increasing our efforts to find and fix leaks, using new technology where possible to help us reduce the level of leaks faster.

Water is a precious resource and we plan to reduce the level of leakage by at least 20% and have set targets to reduce leakage by 50% by 2050.

To reach these targets, we are driving innovation and taking a holistic technology led approach.

We are installing a series of sensors across the North West to understand how our pipe work is performing and where those leaks may be happening, and, more importantly, get out to fix them quicker.

We've developed and deployed artificial intelligence which uses rapid machine-learning to 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.

We work with customers to identify leakages in their homes and businesses too.

We know we have to do more. We continue to innovate and work closely with partners to reduce leakage and strive to deliver a great service to customers across the North West.

### **Reducing customer demand**

Making the best use of our water is a major part of our plan to ensure there is a sufficient supply of water for the decades ahead. To address challenges around future supply we need to lower demand and create new water sources.

We are working closely with customers to help support them to use less water by raising customer awareness about the importance of saving water.

We know customers genuinely care about how much water they are using and would like to understand more.

As part of our plan, we will install 670,000 new smart meters that will give customers information about their water use, giving them confidence to move to a water meter and become more water efficient.

Customers who are on a water meter typically use 21% less than other customers. If customers have visibility and usage information, it can help drive down the reduction in water usage.

### **New water sources**

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, we need to put in place plans to ensure that we are resilient in the long-term.

Our plan involves developing a number of additional sources of water.

We look at the resilience of all our local networks, our local storage reservoirs and pumping stations. We plan to improve resilience in any areas that are deemed vulnerable by building new pipes, putting new pumps in place so that we can protect customer supplies in the long-term.

In addition, we're part of the Water Resources West regional planning group (along with Severn Trent Water, Welsh Water and South Staffs Water and other stakeholders), and we have developed our WRMP with input from the group so it is aligned with an overall regional plan.

Together we 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. We will develop new groundwater sources to improve the resilience of supplies in the North West and to support any potential transfer in the future. In considering any potential transfer, we will ensure it does not affect the reliability of the water supply in our region or cause any significant harm to the environment.

### **Bills and affordability**

Customers want us to ensure that the North West is a great place to live and work, and, more importantly, that we have the infrastructure to support that.

Customers want us to spend money wisely and efficiently, so we can make sure that we keep bills affordable.

The average annual bill today is £417. Going forward that bill will increase, before inflation, to £512 by 2030, a £20 increase each year for the 5 years.

Of that £20, approximately £5 to £6 will go towards the new infrastructure that we need to deliver to improve drainage and to reduce storm overflows.

Affordability is also a hugely important issue for many people in the region and lowering bills and helping customers out of water poverty is a priority.

We recognise the social and economic challenges of a region that includes some of the most deprived areas in the country, so it is more important than ever that we are doing what we can to help those customers who are struggling with payments.

We currently offer six different help to pay schemes, dependent on their needs.

In Cheshire we currently support 20,000 customers through affordability schemes and 34,000 people with additional needs through our Priority Services scheme.

### **Supporting jobs and local economy**

As we embark on our largest ever investment programme to deliver environmental improvements, this will stimulate greater employment opportunities directly, and through our supply chain, contributing to local economies across the North West.

We're 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.

For example, we have recruited Green Apprenticeships to help achieve our plans to go carbon neutral by the end of this decade.

### **Infrastructure investment**

We understand that our customers and stakeholders want us to do much more to protect our natural environment.

In response, we are embarking on the largest investment programme since privatisation to ensure our plan makes the North West stronger, greener, and healthier.

In Cheshire, we are investing £316 million in Huntington and Oswestry water treatment works to provide great quality drinking water. We are upgrading over 60km of the Vyrnwy Aqueduct, improving water quality for 500,000 people, and we are managing sites to ensure they are freely accessible in some of Cheshire's most beautiful countryside: Macclesfield Forest, Lamaload reservoir, Errwood Reservoir and Goyt Valley.

### **Protecting the environment**

As a trusted company, we're committed to improving the environment across the region.

We understand we need to invest in our system, and work closely with customers, stakeholders and partners to protect and enhance the long-term resilience of the environment for future generations.

### **Combined Sewage Overflows (CSO's)**

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. When we do need to use them, they can sometimes affect river and bathing water quality, albeit temporarily.

We want to remove combined sewer overflows from the North West in terms of the way that they operate.

The plan that we are putting forward for the next 5 years is going to see the company reduce storm flow activations by 60% (*compared to the 2020 baseline*).

The challenges won't be fixed overnight, similar to the transition of electric cars from diesel cars, as the infrastructure needs to be put in place first.

That means re-plumbing the North West region and building new infrastructure so that our systems can cope with future population growth and challenges arising from climate change.

### **Reducing the risk of flooding**

A partnership approach to tackling flooding is crucial to ensure we can respond quickly and thoroughly.

We have reduced sewer flooding in people's homes by short of 39%. We've been investing in technology across the North West and installing a series of sensors in our network so we can monitor and understand how our sewers are performing.

More importantly, this will help to identify problems with blockages or issues sooner, so that we can get to customer's homes quicker, and fix the problem before it occurs.

We've got some of the biggest and most ambitious targets across the sector to drive down sewer flooding. This is going to be one of the key targets that we put forward in the next 5 year Asset Management Plan (AMP).

### **Executive Pay**

Our executive pay continues to be firmly aligned to the performance of the company with respect to delivery for customers.

The senior team is incentivised on the issues that are important to customers including reducing leakage, reducing combined sewer overflows, and pollution events for example.

## **Full Q&A and our responses**

### **STRONGER**

#### **Q1. How full are the reservoirs?**

Current reservoir levels are around 75% full (21/06/2023).

Unlike other parts of the country, where water is sourced from boreholes, in the North West, water is sourced predominantly from our reservoirs in the Pennines and the Lake District.

In Cheshire, the vast majority of the water comes from Lake Vyrnwy in Wales.

We have built a connected infrastructure over the years. This means when water sources are low in specific parts of the North West, we can move water around. For example, when water sources were low in the Pennines last year, we were able to move water from the Lake District down to Manchester, and then over to the Pennines.

#### **Q2. Will you be looking at a hose pipe ban this year?**

There are no plans to have a hose pipe ban or temporary use ban.

However, we would always encourage customers to use water wisely. Cheshire can be prone to 'peak draw' which are challenges at specific periods in time. For example, in the hours between 5pm to 7pm when people get home, they often have a shower or water their garden. That can sometimes cause problems in terms of water pressure.

So, we'd always encourage customers to use water wisely, especially during prolonged dry weather as we've seen recently.

**Q3. The usage of water per capita in the UK is 150 litres a day per person, which is a lot of water. What are you doing to drive that down to get people to be more efficient about water usage and to realise the value of water and the cost to themselves and the environment?**

From a North West perspective, per capita consumption is 140 litres per person day. We are targeting 110 mega litres per person per day.

To do that we are installing 670,000 new smart meters across the North West, both for businesses and for domestic customers.

This is alongside our shadow metering programme. Essentially, this will allow customers to become more informed about their water usage leading to reduced usage and reduced bills. This is going to be pivotal in terms of driving water usage down.

We're supporting businesses to drive down their water usage too as this will help reduce the amount of water entering sewers. For example, we've been looking at sustainable drainage solutions across schools and hospitals and other organisations that have large ground areas.

We're working with them to control the amount of surface water they discharge to our network to save them money, and to reduce the impact on our downstream networks.

**Q4. UU is spending £11m in boreholes to provide resilient water supplies in Cheshire. Where are those sources coming from? And what is the impact of that investment on customer bills?**

Every five years we produce a [Water Resources Management Plan \(WRMP\)](#) which sets out how we intend to achieve a secure supply of water for our customers. When testing the plan, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, and 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.

The primary objective is to reduce the amount of water that goes out into our network whether that's through reducing consumption by individuals or reducing leakage on our network.

We also look at the overall resilience of our water supply network and make sure that we've also got enough water supplies going into the system.

We are now identifying a small number of boreholes and groundwater sources to make our region more resilient to things like hose pipe bans in the future.

The average annual bill today is £417. Going forward that bill will increase to £512 by 2030, a £20 increase each year for the 5 years.

Of that £20, approximately £5 to £6 will go towards the new infrastructure that we need to deliver to improve drainage and to reduce storm overflows.

**Q5. I'm not seeing a lot of information in the public domain about encouraging people to use less water. Where is this information available?**

We are taking part in national schemes to help people think about their water usage.

When you buy a tumble dryer or washing machine, they come with an energy rating. We think it should also include a water efficiency rating.

We also believe there should be active programmes to encourage customers to install smart meters.

The reason we want to make the investment in the roll out of smart meters is to help customers understand how much they're using. This will have a big impact on driving down per capita consumption for us. We've been active on social media and radio including a targeted campaign around this.

With an increasing population and challenges around climate change, we're doing everything we can to both support, and drive down water usage.

**Q6. Are you giving away North West water to drier parts of the country? And if so, why?**

We're not sending water down South. However, there has always been interconnection arrangements on our borders.

For example, we have water coming from Wales into Cheshire, or water coming from over the border from Yorkshire. So, there's local arrangements in place to do this.

We are taking part in a programme that's being run across the UK to look at water transfers.

We are part of a group called Water Resources West through which we work with all water companies across England, Scotland and Wales to look at the long-term and have a consolidated view across the country.

For the first time, we're looking at how we could meet the national demands for water alongside regional demands.

We know the South East is growing faster than any other region in the country, and that they are going to have significant issues with water resources in the future. They've got plans to develop new reservoirs, but there are options that we can provide by enabling the transfer of water from the North to the South.

But we would never do that by compromising the resilience of our supply in the North West.

## **GREENER**

**Q7. What is the company doing about storm overflows and untreated sewage entering our rivers?**

There's been a lot in the press about Combined Sewer Overflows - essentially the way that wastewater networks operate - a feature of our current system for the last 150 years.

Much of England, Wales and Scotland has a combined sewer system, with rainwater and wastewater travelling to sewage treatment works in the same pipe.

At times of heavy rainfall, the combined sewer system risks becoming overloaded. Storm overflows act as a safety valve to prevent the mix of lots of extra water and sewage backing up and flooding people's homes and businesses.

The key to reducing the need for storm overflows is to reduce the increased volume of rainwater and run-off finding its way into the sewer in the first place.

It's now time for a step change, and it's time for an investment in infrastructure in the North West.

We've got more of these systems than elsewhere in the country. 54% of our sewer pipes are combined and we've got more rainfall than anywhere else in the country.

The government did a piece of work asking how much would it cost to improve storm overflows across England and Wales. The cost of that was £56 billion, of which £20 billion fell to the North West.

And that's because of the infrastructure that was laid many years ago combined with the high levels of rainfall in the region.

What's important is that we have been working hard and over the last 2 years we have reduced storm overflow activations by 39%.

And we are putting forward a plan, the biggest in the country, to reduce those storm overflows by 60% against that 2020 baseline.

We have already got advanced approval and funding and we are making those changes already. We need to be honest about the challenges. It isn't going to transform overnight, similar to the transition from diesel cars to electric. We've got to put all the infrastructure in first.

There's a huge amount of building that we need to do and that means constructing huge Olympic sized swimming pools to hold that water until the point that we can treat it.

We are also looking at green solutions such as wetlands, sustainable urban drainage and huge recycling schemes.

The challenges that we have in the North West is how some of our cities and towns have developed.

Over the years areas have been tarmacked to provide driveways, extensions and patios when previously they were gardens and therefore the natural flow of water drainage is reduced. We see the same challenges in our towns and cities where we have more roads and pavements.

We're looking to transform these built-up areas to help water flow in a more natural way, mimicking natural drainage to help us transport water sustainably.

We're working with local authorities and communities to look at how to put in wetlands but also, how to implement more recycling schemes.

The key message is that we are passionate about reducing storm overflow activations.

We've got a plan for the next 5 years. The ultimate environmental legislation we have to abide by is 2050, but we want to bring that further forward and go as quickly as we can.

We have identified opportunities of how we think we can do this more efficiently, both in terms of time and cost too.

#### **Q8. Will the public have visibility of that?**

Visibility is really important because this also about trust. You can see all of the details about [storm overflows on our website](#).

We are producing an annual storm overflow plan that is independently assured. We've set up an environmental AGM so that people can hold us to account. From next year we will be producing live storm overflow data so that the public can see where the storm overflows are operating and activating in real time.

#### **Q9. Is your bonus linked to this improved performance?**

We fundamentally believe that all bonuses should be linked to the issues that customers say are important to them including storm overflow reductions, customer service, and leakage.

That is what the team's performance is assessed upon. There is full transparency of that performance and those targets as part of the company's annual report. These are independently scrutinised and reported against.

Any performance related pay should be linked to the performance that matters to customers.

**Q10. We see a lot in the media about water companies dumping raw sewage in our rivers and on our beaches. How many tons of raw sewage is United Utilities dumping in our area each year? What are you doing to stop this? And what levels of sewage are going into rivers until you can resolve the issues that cause that?**



Terminology is important here. We do not think the activation of combined sewer overflows is acceptable. And it's something that we've said is important and we want to change as we go forward.

There is use of terminology of 'dumping' and 'raw sewage.'

This is sewage mixed together with rainwater. Storm overflows activate when there is significant rainfall and that's the way the systems were designed.

That's not right and we want to change that.

Data and information of activations is released every year. You can see the data on our website, and on the [Environment Agency's website](#). What's important is that customers have got access to that information on near real time.

More importantly, instead of data being reported on an annual basis, you can see it on an ongoing basis. And that's where we're moving to next year.

The other website that's helpful and accessible is the River's Trust, which takes data that is provided by water companies and you can see exactly how many times an overflow is operating each year.

For bathing waters visit [SwimFo](#), which provides live data and information on an activation of an overflow.

## HEALTHIER

### **Q 11. How many North West residents have lead pipes in their homes and what are your plans to eliminate these?**

We don't have the number in terms of percentage of homes with lead pipes.

It's the customer's responsibility to remove lead in their own home and up to our connection pipe, but we recognise that we want to help and support customers in terms of reducing lead.

We have got a huge program, [the Lead Pipe Replacement Scheme](#), which is supporting customers financially to remove lead in their homes.

We have got a fully dedicated team as part of this scheme and we are also offering a grant, capped at £550, for the replacement of lead.

We will be supporting 30,000 customers with lead pipe removal as we go forward into the next 5 years.

### **Q 12. What is United Utilities doing to try and eliminate flooding within the home?**

We have reduced sewer flooding in people's homes by 39%. We've been investing in technology across the North West and installing a series of sensors in our network so we can monitor and understand how our sewers are performing.

And more importantly, this will help to identify problems with blockages or issues sooner so that we can get to customer's homes quicker and fix the problem before it occurs.

We've got some of the biggest and most ambitious targets across the sector to drive down sewer flooding. This is going to be one of the key targets that we put forward in the next Asset Management Period (AMP), and we have more work to do.

If you take the percentage improvements we've put forward in this AMP, it is one of the best and the biggest step changes of any water company.

There are some areas in Cheshire, including parts of Northwich and Nantwich that are more prone to flooding. We're working closely with local authorities because we have to come together as a combined flood authority and ask:

- How are we going to tackle flooding?’
- How do we make sure that developers are not connecting into the network and putting undue stress on our network that can cause problems?
- How do we make sure that we're getting surface water out of the system for people?

We have to take a holistic approach with all our partners to make that change for individual communities.

The work we are doing with schools and hospitals around sustainable drainage options around the region is about trying to reduce the amount of water that goes into the sewers and to reduce the amount of sewer flooding.

We're spending £140 million to provide green solutions going forward to look at the flooding that happens now and the risk of flooding that's going to happen in the future due to climate change.

We have already undertaken work to make sure that we know exactly where we need to invest to reduce that risk.

It is important that when flooding does happen, it's our priority that we will get to customers within 2 hours, and 8 hours if it happens in the garden. Customers will always speak to a United Utilities colleague who's based in the North West that they can access 24/7. That's a step change that we've made in the last 12 months.

**Q 13. People are suffering from the cost-of-living crisis. What is United Utilities doing to help people with their bill and how do you help people who are on low income?**

More and more people are struggling with costs. We have got affordability schemes and support in place for those customers.

This includes payment breaks, flexible payment schemes, social tariffs, and payment matching schemes that are available for customers struggling with their water payments.

We're proud that every year around 25,000 people go on a payment matching scheme with us and are able to pay their bill again.

We talk to customers about metering as it is always cheaper on a meter. We will give our lowest bill guarantee with a meter to help save money.

Our WaterSure scheme helps those who receive benefits, and use a lot of water due to ill health or having a large family. This scheme caps the annual bill regardless of how much water is used.

We can talk to customers about help, and recommend places they can talk to. As we go into 2025 to 2030, we're going to do more by expanding those schemes.

Customers who are worried about their bills can call us on 0800 072 6765.

**Q 14. What is the split between customers and shareholders in terms of paying for the support schemes?**

Our shareholders are stepping in and providing £140 million of affordability support.

That is more than anywhere else across the UK.

We recognise that our proposed plans for investment do involve an increase in bills. When bills are going up that probably means for some people it is going to get more difficult to afford the increase.

And that's why, as long as bills increases, we're proposing that we'll be helping customers more.

Our plan will reflect a proposed level of customer support of around £500 million and around £200 million of that will come from shareholder contributions.

Nobody should be in a position where they can't pay their water bill. It's important that we target that help and make sure that people are comfortable.

**Q 15. Does United Utilities and its contractors have a programme for apprenticeships?**

We have an active accredited apprentice and graduate programme. We are the only water company that has an Ofsted accredited training centre that is accredited as good.

We fundamentally believe that investing in people and giving great jobs is an important legacy.

When we talk about our purpose to make the North West stronger, greener, and healthier, that element of stronger within the new infrastructure investment plan is going to provide fantastic jobs and great opportunities for people in the region. The graduate and apprentice programmes are a key and important part of that.

We are recruiting green apprentices. These are a new apprentice programmes that have been designed with Ofsted for work within green energy and green solutions. This is more than traditional engineering skills. We want to ensure we've got great skills and capabilities here in the North West for the future.

We want to provide our young people with great quality training and jobs and we're determined that we can play a key and pivotal role in this.

**Q 16. Why did water companies recently issue a public apology?**

Water companies across the country should have been agitating for change in our infrastructure.

The apology was recognising that we have our part to play. We recognise that we need to drive a step change and, importantly, drive improvements in terms of combined sewer overflows.

There are a huge amount of discharges that go into our rivers. They may be from businesses, from agriculture, or from septic tanks. But we need to work together to tackle this challenge.

That needs to start with us by saying that we understand it, and we're going to lead the way in driving that step change because this is about trust and transparency.

The apology was about us saying, we could have done more.

The plan we're submitting is the biggest plan that we will ever have delivered. And it's a step change that we all need to make.

**Q 17. Who is paying for the environmental investment? Is it down to customers or shareholders, and how will it affect the dividend?**

This is about infrastructure investment. Many of the activities that we have here in the North West and a lot of our combined sewer overflows are about hydraulic incapacity. We've got more people living here in the North West and more rainfall, and therefore these systems just can't cope.

The infrastructure investment that needs to happen to drive that step change has to be funded.

Shareholders will provide us with those funds so we can make that investment.

For example, shareholders gave us £250 million to deliver a 39% improvement in combined sewer overflow performance.

This is about infrastructure investment, and that £20 bill increase isn't just about combined sewer overflows. It's about improving water quality, it's about accessing new water sources, it's about relaying mains and it's about reducing sewer flooding.

With climate change and population growth, we have to deliver for today, and deliver for the future too.

We all want this to be a place where businesses want to be, where people want to live, and importantly, it's about places that people can enjoy.

Shareholders will be providing the funds to allow us to invest, and the combined sewer overflow is just one element of the overall bill.

The process that we're going through will be subject to a great degree of scrutiny from regulators.

They want to ensure we are not being funded to do something that we should have been doing, and that we're doing it at an efficient price.

One of the key elements of the Price Review process is that having made our proposals, the Environment Agency, Ofwat, and the Drinking Water Inspectorate will examine those proposals closely to ensure that they offer value for money and that bill increases are no higher than is necessary.

Once we've put our proposals into the regulators, there's over a year of scrutiny before any of our plans are approved. That gives customers some confidence that the company is putting forward its best plan.

**Q 18. Can you explain what happens if you don't meet some of the promises you're making to customers in your plan? Are you penalised for that?**

We will be penalised in two ways.

The company is incentivized to meet certain performance targets. If we don't deliver what we have committed, we will suffer a financial penalty.

Additionally, if we don't deliver and spend the capital investment on specific improvements that we have committed to make, for example, investments in a certain treatment works, or investment on a certain number of overflows, then that spend is recovered from us and given back to customers.

Customers do not pay for something that they're not getting in terms of investment, and if we don't deliver the services we promised, then customers will also get a discount on their bill.