To provide great water for a stronger, greener and healthier Greater Manchester

Summary of the event

United Utilities has submitted its draft business plan for 2025-30 to Ofwat.

The plan we are proposing is the largest investment in water infrastructure for over 100 years and has been shaped by our customers and stakeholders.

We recently held a 'Your water, your say' online open challenge session on **08 November 2023**, where we invited household customers, businesses, and those representing regional and national interest groups to attend.

The session allowed us to go through that plan and explain how customers and stakeholder views, particularly from the last Your Water, Your Say session, held in June, have been considered in the final business plan.

The session is also part of the Price Review process known as PR24. It is designed to enable people in Greater Manchester to hear about our 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, as highlighting issues, challenges and opportunities they want us to consider.

The event was hosted by independent facilitator Bernice Law, Chair of Your Voice, 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
- Shelina Begum, Area Engagement Lead

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***.

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 Manchester.

Overview of plan for North West and Greater Manchester

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

We want to deliver an ambitious plan for the North West that benefits the environment and improves our infrastructure and services for customers and across the 5 counties, including Greater Manchester.

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 acted and have delivered a 39% reduction in spills since 2020 – but we want to go further and faster, aiming for a 60% spill reduction in the next five years.

Across the North West we plan to:

- Invest £13.7 billion in the next 5 years, the largest investment in the North West for over 100 years.
- Safeguard water supplies to 2 million people - halving the chance of a hosepipe ban

- Improve water quality for 1.4 million customers
- Reduce spills by 60% (decade to 2030), the biggest in the UK and an investment of £3.1 billion.
- Improve 500 km of rivers, not just protecting but also enhancing rivers across the region
- Support 30,000 jobs, 7,000 of which are new roles
- Offer £525m affordability support, helping one in six customers
- Install 900,000 smart meters in homes, with more allocated for businesses
- Invest £247 million in rainfall management to deliver a 32% reduction in sewer flooding incidents

Through our plan for Greater Manchester, we will:

- Supporting 113,000 customers with affordability help, this will double by 2030
- Supporting 96,700 customers through Priority Services
- Invest £200 million to improve Salford wastewater treatment works, and our low-energy carbon hub at Davyhulme
- Invest £2 billion to improve the river environment around Greater Manchester
- Improve 82km of rivers along the Mersey, Irk, and Irwell
- Invest £740 million to reduce spills of 105 storm overflows. 24% of our overflow action is in
- Greater Manchester
- Invest £146 million in sustainable rainwater management.
- Drive investment in rainwater management. Manchester is the first city to have an Integrated Water Management plan in collaboration with GMCA, the EA and other local groups.
- Invest £1 billion to ensure resilient water supplies by improving the Haweswater Aqueduct
- Improving water supplies from the Peak District, replacing water mains serving Wybersley and increasing available groundwater supplies.

The plan we have submitted will be reviewed by water industry regulators:

- Ofwat
- Drinking Water Inspectorate
- Environment Agency and Natural England
- Consumer Council for Water

It will receive interim view from regulators in May / June 2024 and a final decision will be made by Ofwat in December 2024. The new five-year regulatory period begins in April 2025.

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.

In Greater Manchester we will be improving water supplies from the Peak District, replacing water mains serving Wybersley and increasing available groundwater supplies.

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 13% and have set targets to reduce leakage by 50% by 2050.

To meet these stretching targets we are increasing efforts to find and fix leaks on our own network. We continue to innovate and have been installing a series of sensors across the North West to understand how our pipework is performing, where leaks may be occurring, and, more importantly, how to get out to fix them more quickly.

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.

As part of our plan, we will install 900,000 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.

Bills and affordability

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 £556 by 2030, a c£22 increase each year for the 5 years.

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.

Although 74% of all customers support our plan, 43% were concerned about affordability.

Therefore, we will double our support package to £525 million, supporting 1 in six customers with their bills, £200 million of which will be funded by shareholders directly, so that no customer is left behind as a result of bill changes. 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. Over 113,800 people across Greater Manchester already use this assistance.

Between now and 2030 we will look to double the financial support package we offer across the North West to £525 million.

Supporting jobs and local economy

We already employ over 1,300 people who live in Greater Manchester and our increased future investment will create more green jobs. 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 located in Bolton where we are training people for jobs for the future.

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 Greater Manchester we are investing £200 million to rebuild Salford Wastewater Treatment Works to meet the demand of the fast- growing population.

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.

Storm Overflows

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 rainwater, 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 CSOs operate, they can sometimes affect river and bathing water quality, albeit usually temporarily.

Our plan embodies a step change in our approach to combined sewer overflows, working towards new long term targets embodied 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 plan, reducing storm overflow activations and delivering long-term resilience to climate change by managing rainwater before it enters the sewer system.

The plan that we are putting forward for the next 5 years is going to see the company reduce storm flow activations by 60% (across the decade to 2030).

In Greater Manchester we are spending £740 million to reduce spills of 105 storm overflows as 24% of our overflow action is in Greater Manchester.

Reducing the risk of flooding

Reducing the risk of flooding is a top priority for customers and in our plan we are proposing to spend £146 million on sustainable rainwater management solutions across Greater Manchester.

A partnership approach to tackling flooding is also crucial to ensure we can respond quickly and thoroughly. That's why we have developed the first city region Integrated Water Management Plan in partnership with the Greater Manchester Combined Authority and the Environment Agency to reduce flood risk and enable economic growth across the region.

In addition, 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.

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.

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.

Questions answered during the session

The following section includes our response to questions we received in advance of, during or after, the meeting, but did not have time to answer during the session. In some cases, we asked customers to provide contact details so we could follow up on their question outside of the session – where we have received these contact details, we have responded directly to customers to deal with their individual customer service queries or specific question about our service.

GREENER

Q1. I moved down to Greater Manchester from County Durham where we have hard water. I believe we have soft water here. Is that true?

We are predominantly 'reservoir-fed' in the North West and if you are in Manchester, your water mainly comes from The Lake District. It travels down the Haweswater Aqueduct, and we treat it in the outskirts of Manchester before it arrives at your tap.

We're going to be investing more than £1 billion to make sure that we can safeguard that aqueduct for the future and do everything we can to ensure the security of the supply.

The water here is soft, and you can feel the difference when you wash your hair. When it produces a lava, it's very different because Greater Manchester is predominantly a soft water area compared to some of the areas around the country where the water is harder.

Q2. I was having a discussion earlier today with my brother who lives just 10 miles away. He's in Rochdale, I'm in Bury. He believes he's got hard water because he's got lime scale in his tubs. I'm not convinced. Could you shed any light on that?

It depends where he lives to confirm where that supply is coming from. We do blend with some borehole supplies which means we take that reservoir water, and we mix it with borehole supplies in some areas. We have a service on our website where you can type in your postcode and it will tell you what you type of water you've got, and about the water quality as well.

Q3. What are you doing to capture the vast amount of water we've been currently receiving so that you can use it when the weather is drier?

Here in the North West, we are predominantly reservoir fed. Our reservoirs capture the water and then we treat it.

However, although reservoir supplies fill up quickly, when it's dry, reservoirs can drop quickly and particularly there's some really 'peaky reservoirs' (in the Peak District) that drain quite quickly according to changes in rainfall patterns.

We do everything we can to make sure that we capture all the water that we need, and with the plan that we've put forward, we're identifying and bringing in new water sources as well. For example, there's some new borehole supplies, and we are investing in 2 treatment works in the region to ensure that we've not only got water, but we can also move it around.

Our supply network allows us to move water. This means that although water in Manchester predominantly comes from the Lake District, we now have the ability to move water from Wales (if you live in Cheshire or Liverpool, a lot of the water comes from the Welsh side of the region). Essentially, we can now move that over to Manchester as well.

We've been focusing and investing on that infrastructure so we can move water around the region and make sure that people have enough in the right areas.

Q4. How many reservoirs have UU built since privatisation?

The North West has more reservoirs than anywhere else in the UK. However, for us, it's not about more reservoirs, it's about more boreholes because we need to make sure that we've got that specific blend.

Since privatisation we haven't built any new reservoirs as we haven't needed to. Every 5 years, we carry out analysis on how much water we need for the future. We measure this for over 100 years, taking into consideration how our population is growing and climate change. Our supply and demand balance takes into account how much water we've got available, and how much we need to supply the people of the North West.

We've been ensuring that our supply and demand balance is really healthy by focusing on reducing leakage and reducing demand. This means we won't need as much water, we can preserve the natural environment of the North West and we won't have to build any more reservoirs. Since privatisation, there has only been one additional reservoir that's been built in the UK and that was in the Severn Trent area, in Carsington.

We're looking at where we've got local issues and looking at where we can build more boreholes. We've outlined plans to build more boreholes in the Cheshire area to make sure that we've got really resilient supplies in those areas as part of our overall water grid.

Q5. Why are customers having to pay for poor management and a lack of investment?

We are not expecting customers to pay twice. What we've put forward today are new requirements based on new environmental legislation, new needs, and population growth.

If we look back over the last 15 to 20 years, water bills have stayed very flat. While there have been lots of investments and improvements made, we now need to invest in an infrastructure that's different.

This is due to climate change and population growth. We need to build more storage. We need access to more water supplies. We've identified different and changing environmental standards that we want to deliver and - more importantly - hold ourselves accountable for.

There will be protection for customers as well. If we don't deliver those things, there will be the opportunity for those things to be recovered back from the company, to benefit customer's bills.

This is a key element of the price review process that we are going through. We are putting forward our proposed plans, but they are very closely scrutinised by the Environment Agency, the Drinking Water Inspectorate, and by Ofwat, to ensure that they are adequate in terms of the amount of investment. These regulators will check that we are not increasing bills more than is required, that there is an appropriate balance and an appropriately scoped plan.

We submitted our plan in in October. Ofwat will be reviewing the plan over the next 12 months and then they will determine what the most efficient and appropriate level of spend will be. Ofwat is going to verify, challenge, or endorse the plan as being good value for money or they will say that it should be better value for money.

Ofwat is there to take an independent view on behalf of the customers, and also on behalf of the environment, to make sure that what we're proposing is appropriate in the circumstances. If we don't deliver that plan, then there are rebates and financial penalties that will apply to the company and that would feed through into a lower bill for customers.

Q6. As a young engineer, I was involved in the closing of the Withington Sewage works and the building of the pumping station in 1960s. That involved a stormwater overflow into the river Mersey. I've come back to live in Manchester, and I'm absolutely amazed that the stormwater overflow, and that pumping station, that I built is still operational. When engineers were in charge of deciding what happened, their interest was to improve things - if you go back to 1913 when Ardern and Lockett invented the activated sludge process in Manchester. Since privatisation can you give me one thing that UU has pushed forward in terms of major development?

Storm overflows, you will know as an engineer, are designed into the system. That's the way that they work, not just here in the North West, but across the UK - and actually across the world.

What's different now though is that the level of rainfall is greater, and the population is bigger. We're going to need to invest and there are 3 things we're doing to reduce storm overflow activation.

The first is to reduce the amount of water that we're using because it's a lot more than we were ever using in the past and this ends up in the wastewater network.

Second, we need separate drainage systems. Our sewers are never more than 15% full. What's actually causing the problem is the increased level of rainfall. We're doing a lot of work with the Greater Manchester Combined Authority through an Integrated Water Management to put in sustainable urban drainage and separate drainage systems so that water doesn't fall into the wastewater network. We're also not a statutory consultee for planning, so anyone can connect into our sewer system.

Thirdly, we need to re-plumb. What this plan sees us doing is tackling over 430 combined sewer overflows across the North West, and, in the main, we're going to rebuild treatment works and install storage. This involves 660,000 cubic metres of storage that we're going to be building predominantly underground, allowing us to hold this water when those big storms come, and treat them at the point that's subsided.

All of those things together are going to drive that step change.

In terms of innovation since privatisation, we are a company that's full of engineers and those 7,000 new jobs we're going to be creating are largely engineering jobs, involved in design and delivery. It's at the heart of what we do as a company. And it's those engineers that have really driven innovation for us.

There are a number of areas where we're really leading the industry. We've been assessing our networks, our wastewater and our water networks, and seeing how we can get a real time view of exactly what is happening in those networks.

This is called Dynamic Network Management, which involves rolling out thousands of sensors across our systems and building models so that we know, and we can understand, what's happening on a day-to-day basis, hour by hour, so we can predict when things are going to happen. We're using artificial intelligence, the best of computing power, in terms of being able to understand all that activity.

But it's not just around how we use that type of technology; we're doing lots of other things as well. At Davyhulme Wastewater Treatment Works, where activated sludge process was discovered 100 years ago by engineers Ardern and Lockett, we have one of Europe's biggest renewable energy plants producing enough renewable energy to power 30,000 homes across Greater Manchester.

The industry is evolving all the time. Our wastewater is treated to higher and higher standards. At places like Macclesfield, and in The Lake District, we've got some of the most state-of-the art treatment plants that remove phosphorus to a level that is the highest it can possibly be.

We drive innovation on a day-to-day basis across the company. And if you would like to come and see any of those sites on the basis that you previously were an engineer with us, the invitation is there.

Q7. Going back to stormwater overflow, the only way you're really going to be able to deal with that is to build storm tanks. You're going to have to make some difficult decisions for people who suddenly say, 'I can't walk on the meadows anymore because they're building bloody great storm tanks. You need to address that. You need people to understand about those difficult choices. When I was a little boy, my father talked about the ability to connect all the water systems up through the whole country. You are now beginning to do that 70 years later. I just wonder what we've been doing over the last 70 years and why it's not happened sooner. When engineers were in charge of operations and thinking about engineering solutions, things happened quicker. People think since privatisation, the focus has changed to finance and not to innovation.

Building that storage is going to have an impact in the North West and in some of these areas it's going to be in very confined spaces. For example, Salford Wastewater Treatment Works is in a very confined space and actually finding the physical locations and sites where we can build this storage is key. That's why we've got to reduce water and we've got to remove it. Essentially the storage we need to build is only for waste as opposed to mixing it with rainwater.

This is going to have an impact and it's not just for the next 5 years. To achieve these targets we've set out, we're going to have to build hundreds of thousands of storage tanks to contain that water.

20 years ago, we couldn't move water from Wales over to Manchester. We can now. We've been building a connected infrastructure in the North West and there is a programme looking at how we move water across to the South where it is going to become increasingly dry.

There are some details on our website called our Long-Term Delivery Strategy that we would gladly send to you which sets out the plan to 2050 and covers those areas you've mentioned.

Q8 What can we do to store more water at home? I have 2 water butts. They ran out in June from filling our pond and from watering our new plants. Those 2 water butts don't go very far when we have a very dry month. We are moving into more of those periods of dryness and then great wetness. What about us all storing more water at home really and perhaps cleaning our house with that rainwater that comes upon our roofs?

This extreme change of weather patterns is something that we're experiencing more than ever before. Retro fitting homes is quite expensive, so one of the things we're doing is working with developers of new homes to make sure that they are fitted from a water efficiency perspective but also include sustainable urban drainage.

We're also working with businesses as we recognise that there's a huge opportunity in terms of water efficiency. We have a scheme in Lancashire where we've fitted industrial sized water butts into schools, and we want to encourage those schools to use that water for recycling. But we've also connected the water butts to our control room here in Warrington. If there is a storm, we can send it a message and ask it to empty ahead of the storm. The challenge we have with water butts is that lots of people have them and then they don't empty them.

In Greater Manchester we're looking at putting in sustainable urban drainage as well. This is about recognising that we can be doing more in terms of collecting that rainfall and ensuring that we're using it better.

Our plan will see us install 900,000 smart water metres to help customers understand how much water they're using. The smart metres will enable the visualisation of consumption. We plan to carry out 75,000 water efficiency visits where we'll come to customer's homes, tell them how they could be more water efficient and, as part of the plan, install water efficiency devices. We want to make it easier to do, easy to find and easier to seek advice. And that's available today.

Across the North West, 95% of our water is from reservoirs and 5% comes from boreholes. One of the things we're trying to do is build more boreholes across the region, so we've got a little bit more resilience to be able to cope with those hot dry summers we're expecting with climate change.

Q9. So, are you saying that that we are sustainably using that supply of water? Not taking it from future generations perhaps or pinching it from nature?

We're certainly not pitching it from future generations because of the way water is replenished. The Environment Agency is very focused on making sure that all of our boreholes are not damaging nature in any way.

We have conversations with them all the time and as part of our long-term planning for water resources, the Environment Agency identifies if there are any places where we source water that could potentially cause damage to the natural environment. We are either asked to stop abstracting from those sources or modify our approach so that maybe we would take less.

HEALTHIER

Q10. I wanted to ask for those of us who are not engineers, could you explain in ways that we understand, if you didn't discharge sewage water into the watercourse, what would you do? What could happen if you say you are not going to put it in the rivers, where would that go?

Wastewater systems are designed like this across the world. They operate as a safety release valve. If they don't discharge out to the river, they back up and would discharge into streets and into homes Instead. That's the reason that those combined sewer overflows work. We're not here saying that that's right and we want to reduce their operations.

The new legislation that's been passed in 2021 doesn't see their removal completely because it recognises that there will always be some situations where they still need to operate but they should be operating a lot less. That's why we need to build all of this new underground storage to allow us to hold the extra capacity.

If we're not going to discharge it out and we certainly don't want it to come back up into streets and into homes, it's got to go somewhere. When those storms have passed, it will then allow us to be able to pass it forward and treat it properly.

Q11. Surfers Against Sewage are complaining that it happens. What you just described does actually sound worse.

It would be harder to clean up if we were walking through streets full of sewage. One of the things that we are trying to do in terms of being much more transparent, we're providing visibility of where these combined sewer overflows are and when they're activating.

There's sometimes a sense that they only happen in the UK, they don't. They operate like this across the world. It's the way that wastewater systems are built to operate and to work. To some degree the UK is leading the way because we're measuring them, whereas in other countries they're not measuring how much they're activating. That said, we still want to be in a position where we are reducing their activation.

We can't turn it off because that's the way these systems are plumbed and we've got to re-plumb the system, we've got to build that new storage because if it doesn't activate in that way, it is going to cause a problem for homes and streets. We've got to be honest and say it's not going to be something that will happen overnight. It's going to take a series of years to make this step change.

Q12. Why can't you open the western side of Thirlmere (in Cumbria) on a permanent basis for walkers and cyclists and horse riding. Why have you got to close it?

At this moment in time that road is closed, and it's closed because there is a problem with the crag. That problem is a health and safety risk. We have an engineering report that says that crag is unsafe and there is a risk of falling debris and trees coming down onto that road.

We are committed to getting that road open. And this week there is a series of meetings that are happening with all of the relevant authorities. We need permission as a company to be able to get on that crag. The crag is very high, and we've got to scale it with ropes. It's also a triple SSSI (Site of Special Scientific Interest) so we're not allowed legally just to go up there and do whatever we need to do.

We have been very clear to all the relevant authorities that we're committed to get that road open.

If we don't get the permission, we've put an alternative forward which is a cycle route but that's a very last resort. We are committed that we will invest whatever we need to do that work but we need the permissions to do it.

There are meetings this week with our chief engineer and all of those relevant authorities to gain that permission to enable that work to happen. We know there is frustration but, as we sit here today, we can't take risks with people's safety either.

Nobody would forgive us if we chose to ignore those risks and not do that work. Please be under no illusion about our commitment to make that happen, assuming we can get that permission to make that road safe. It's a beautiful road and people want to enjoy it, but I cannot ignore the fact that, at the minute, I've got structural reports that says it's not safe and we need to do something.

Q13. It would be good if you could write to the chief executive of Friends of the Lake District and confirm what you just said.

A written statement was put out last week. There's also a meeting this week where we've asked for that statement to be read out to that effect. We've also spoken to local advocates, and I have made that very, very clear. We'll also have our chief engineer at those meetings this week and in fact, we had drones up there today to look at what the situation is.

Q14. Your predecessor, Steve Mogford earned almost £6 million pounds in the last 2 years of his tenure. You presumably have modelled, as part of the 5-year plan, your pay. For that 5 year period could you tell the meeting how much is allocated in the 5-year plan for your salary please?

We can't tell you how much is modelled in terms of pay. But what we can tell you is what we're proposing to do, and more importantly, what we've done. We are very clear that what the team earns should be based on what we deliver. As part of the CEO's appointment, we have changed the remuneration structure so 50% is linked to deliverables and outputs for customers and the environment, including spill reduction. Performance will be rewarded based on spill reduction, environmental performance, leakage, support for vulnerable customers and service. Remuneration at this minute in time, is based on the outcomes that customers have told us are important and we are holding ourselves to account to deliver on the things that you said that matters.

Q15. There must be a number for executive pay if you're submitting a 5 year business plan. It can't be blank in terms of what executive pay is?

It's part of the overall corporate overhead and different companies may have different approaches to how they spend or manage that. The chief executive's pay is part of our base expenditure, which is the overhead and the operating costs of the company, and these are then benchmarked by Ofwat to see that they're efficient. One thing we would say to you is that Ofwat has today published a review of executive pay and executive pay policies across the sector, and that's on the Ofwat website. It looks at how aligned are those pay policies to environmental requirements and customer requirements. It's the first time Ofwat has presented a review of that, and they are going to be doing that on an annual basis. This isn't something that gets put in the plan for 5 years. It's something

that Ofwat thinks, and our corporate governance also thinks, needs to be reviewed every year to make sure that the pay levels are appropriate and that the bonus arrangements or any incentive arrangements that are there, are aligned to customers and the environment. Over the next 5 year period you'll see a regular commentary on that from the regulator and that supplements our own commentary which you can find in our Annual Report.

Q16. Given the level of pay for a monopoly regulated business, compared with the Prime Minister's salary, you really ought to be more transparent in forums like this.

We have got a full remuneration report that we publish on our website. If you put your details in the chat, we will make sure that comes to you as well and that also sets out the changes that we've asked for as we go forward. Transparency is important and we've also set out the targets for the future as well so that people can see what is important and what the team is held accountable to deliver.

Q17. I live in North Bury and there are a lot of lodges where mills have been pulled down, but the lodge is still there. Rather than building some sort of infrastructure, is there anyway of utilising some of these old lodges to capture water, or to divert water in the case of excess water or if there is a flooding problem. I can think of 4 or 5 within walking distance of my house, one of them being Elton Reservoir. There's the reservoir, that's 65 acres wide that's not fed the canal since 1934.

One of things we're doing in across Greater Manchester is working in partnership with the Greater Manchester Combined Authority and the Environment Agency. Together, we've pledged to develop an Integrated Water Management Plan, and this is the first city in the country to have an integrated plan with all the agencies working together.

We're looking at the overall problem that we're going to have in Greater Manchester in terms of making it resilient to climate change, how we prevent flooding, how we reduce the operation of sewer overflows, and how we deliver all the environmental improvements that we want to.

At the heart of that is looking at how we deliver what we call 'nature-based solutions. This means using the natural environment to absorb and manage more water.

We're looking at all of the hills around Greater Manchester; our Rivington estates, the estates around Piethorne, around Rochdale, around Dovestone and right the way down towards Macclesfield. We're assessing how we can restore peatland to hold as much water as we possibly can on those uplands and also how we can deliver sustainable drainage in the city to manage water.

Looking at things like old and disused reservoirs, or lodges as you refer to them, is a key part of that. We're looking at all of the opportunities to create a really resilient water environment across the city region. We will continue this collaborative approach, supported by Andy Burnham, as we go forward as this is a great opportunity to manage water differently in the city.

Q18. What are you doing to exploit by-products of water treatment, like biogases, for example?

Part of our wastewater treatment process produces methane, and we try our best to capture as much of that methane as possible and use it to generate renewable energy. We use it to generate heat, we use it to generate biogas, which we can either use ourselves, inject into the National Grid, or we can use it to power vehicles. At the beginning of the call, one customer asked about innovation. At our Davyhulme Wastewater Treatment Works, our sewage plant generates enough renewable energy to power 30,000 homes in that part of Greater Manchester. This is an enormous opportunity that we've got there, and we do this across the region, both injecting into the grid and to fuel vehicles as well.

Q19. Are you monetising that, as well as using the power internally?

Yes, we are. We have relationships with National Grid to be able to sell that energy.

One of the other things that we're also looking at is how we can utilise heat. Many of our wastewater treatment works generate heat and that could be used to warm homes locally. We've got a great innovation project looking at supplying heat from Davyhulme Wastewater Treatment Works to heat Trafford Hospital. It's a really big area. We're not just looking at how we generate energy from gas, we're looking at how we utilise the land that we own as well in terms of solar power, wind power and hydro power across our estate. We can monetise it, we can sell it, but also, we can use it ourselves and just be really resilient in terms of our own energy supply. Particularly looking at some of the impacts that we've seen from some of the big storms that we've had over the years. Storm Arwen, a number of years ago, as an example, meant that we lost a lot of power supplies to a lot of rural treatment works. Consequently, we're looking at things like battery storage to be able to protect those treatment works to ensure that they can operate under all conditions.

One of the biggest challenges that we see around CSO activations, and pollution specifically, is actually around power and power blips that then cause problems in terms of our treatment processes and knock them out of supply. We ran a huge programme going around and ensuring we store back-up energy generation from batteries and things like that. We do see fluctuations, and it doesn't have to be a big amount or a big change (not something you'd even notice) that can actually impact the instrumentation. Investing in energy resilience is important in terms of safeguarding service. Also, one of our biggest costs is our energy costs, so anything that we can to reduce energy allows us to keep costs lower and this benefits in terms of bills so it's a really important area for us.

STRONGER

Q20. How much financial support does the company propose to make available to customers struggling to pay their water bills? And how much of that support will be funded by shareholders.

The total support is £525 million and that will support around about 590,000 customers on social tariffs.

Of that, £200 million is supported by our shareholders. That's the largest shareholder contribution of any water company in the UK. We believe that both in terms of the number of people on support, and also the total size of the package, it is industry leading.

It is worthwhile mentioning that we want to provide meaningful support that's not just one, generic package. We currently support over 200,000 customers on total tariffs at the moment.

For us, it's all about the individual situation that the customer finds themselves in. Whether it be a pensioner, whether it's someone who lost their job, whether there's been a flooding in the home. It's about meaningful support for whichever vulnerable situation or affordable situation the customer is in at that particular point in time.

If anyone on the call wants to know how it applies to them, specifically, you can either check on our website or, more importantly, give us a call and we'll happily talk you through those packages now, and also the ones that we're proposed to put out in the future.

Q21. Can you apply for these schemes if you're not in debt?

That's correct. If you need help, call in. We've got a large number of tools to help you. You can speak to one of our brilliant colleagues, who are all based in the North West, and we use open banking to help determine what support you need. If you're worried about future payments, then again you can disclose that there. We can help if you want to take a payment break, or you want to go on to a social tariff. If you're a pensioner, we have specific pensioner support schemes as well. We're introducing a low income tariff in addition to that. Our website has a vast amount of information, or just pick up the phone and have a talk with one of our brilliant advisors, who are happy to help.

Q22. Why are broken lead pipes only mended, and not replaced?

I'm not sure if you mean water mains pipes, or lead pipes in the home, so I'll cover both. When pipes burst, they do get fixed and that proves to be very effective. In this plan we want to replace 950 kilometres of pipe work, but we

also do offer a lead replacement scheme in terms of customers' homes. This is a free lead pipe replacement scheme to allow customers to replace their lead pipework that connects into our pipe infrastructure.

Q23. The water butts supplied by UU are expensive compared to the market. Can you look at this? I hope it's not a way of the company profiteering.

It certainly isn't a way of the company profiteering and it's something that we're already looking at. At the moment, they're not supplied by us. We offer discounted rates against a supplier that we can refer customers to. But we've also started a project looking at how we go about being more proactive about offering more competitively priced water butts, and also schemes to people's homes.

We talked about water efficiency visits and that's what we're stepping into, because water efficiency is about water butts and smart metering.

We've now set up this scheme to be far more proactive in advertising discounted water butts and making them available to all customers. At the moment, you can access discounted water butts from our website, but the project, which will be ready before April 2025, will see us being far more proactive in that space. Hopefully, you'll see some movement very, very soon from us on far better and more attractive water butts as well, because that's some of the feedback we get. How do we make them look far better than some of the industrial designs we have at the moment?

Q24. My question is all about governance and ownership. UU is a monopoly as far I'm concerned, because of where I live. Given that, what are the specific benefits of UU being a privately owned company compared to a publicly owned company?

The benefits are there in a number of different ways. One of the benefits is that, as a private company, we're able to raise the required investment and deliver that in a way that is not as constrained, for example, as some of the things that are funded by the taxpayer.

When it comes to setting our budget for the next 5 years, as in this price review or even over the longer term, we can do that with a degree of certainty, because we will be able to go out and raise the necessary finance from investors in order to facilitate that level of investment.

I think what you see, and certainly what you saw in the days when the industry was nationalised, was that the budgets were run very much on a year to year basis. The level of investment in the water industry was effectively rationed because of the amount of investment that needed to go in other areas of government spending such as the NHS and other nationalised industries.

One of the things that the private sector does is effectively say they will depoliticise some of those decisions. We will decide about what investment is required and then we will go and source that from the market and we are encouraged to do that at a very competitive rate.

The other thing is, as a private company, we have a degree of flexibility to prioritise and reprioritise things in a different way compared to what is possible in the public sector and as part of public service.

I think there are a lot of people who work in public services who are very dedicated to serving the public and serving customers. However, I think sometimes it can be quite a bureaucratic environment or quite a difficult environment to really reach out to the customer.

As a private company we focus on customer needs and customer service and we try and do that in a very flexible and adaptable way. Customer satisfaction scores that you get from private water companies are often much higher than some of the satisfaction scores you'll get from some public sector organisations, for example.

There are other benefits, but those are the 2 that we would outline up front.

Q25. Can I counter both of those points? Firstly, when you were privatised, the water bills nearly doubled for those of us who are old enough to remember. We were told that was because there was going to be a huge amount of investment going on. However, there's been a lack of investment. So frankly, we've already seen a doubling of the bills. Albeit this was many years ago and a lot of people forget.

In terms of gaining finances on the open market that you talk about, there's no reason why the government can't do that even if, in the past, it might have been that they are hand-to-mouth, from year-to-year. We know from couple of examples down South that privatisation has not worked out too well - Thames Water was nearly broke and had to be bailed out. So, in terms of saying that privatisation works better than nationalisation, I'm not convinced. Secondly, in terms of being more responsive to customer needs, that's management. That's activity for the management. That's what you guys get paid for. To hold meetings like this regardless of whether you are private or nationalised, you've still got to answer to your customers. What you're saying is that 'oh, if we were nationalised, we couldn't care less' essentially, because that's an attitude of mind and the way that you choose to treat your customers. Regardless, we still pay water bills. So the calibre of the management that you employ and the way that you manage them should not make any difference because of the ownership structure.

So, we'll just come back on those points. We don't think we said that if you were nationalised or if you worked in the public sector that you didn't care about public services. In fact, it's very much the opposite. We recognise that a lot of people in whatever jobs they do, whatever the ownership structure is, they're often trying to do their very best by customers. What we were trying to emphasise was that, as a private company, as a private operator you do have a degree of flexibility in terms of how you service customers that sometimes isn't always reflected in the public sector. That's something that's often borne out in customer satisfaction scores, for example, when you compare satisfaction with water service versus comparisons with some other services. In terms of investment, past investment, and past changes in bills, you're right that, post privatisation, there was a significant increase in bills and that was precisely because there had been underinvestment for many years whilst the sector was in public ownership. Effectively, there was a very big catch up in those first 2 price review periods after privatisation.

There was a big investment in terms of the quality of service. The wastewater service, for example, was completely transformed so, for example, dumping sewage literally through ships that were sent out into the North Sea was replaced by treatment works treating wastewater to much higher environmental standards. Now the investment has been at a more stable level over the last 15 years or so, the focus has been about driving efficiency and trying to get companies to deliver what's required but at strong levels of value of money.

Now it's time again to raise investment and to make the biggest investment in infrastructure that we've done for 100 years. When you look at the public finances, and the public purse, there would be a lot of concern if we were publicly owned as to whether we'd be able to put forward a £13 billion plan in the North West, or whether that would get challenged down in the way that some other infrastructure investments or other investments in public services are getting challenged and squeezed all the time.

There are different views about what the right ownership model is, and what the right corporate structure is, but you asked where the benefits might be, and we think those are 2 examples where the private nature of the industry delivers this public service, and it works well for customers.

Q26. There are only 1 or 2 countries where they have private ownership. So universally, or almost practically universally, the model that is employed all across the world, even in the most capitalist countries, is public ownership of water. It's very difficult to be convinced after the debacles we've seen recently in the water industry. And the amount of stuff in our bathing waters is something that the whole industry needs to answer for because, at the end of the day, if you have shareholders they need paying.

What shareholders effectively allow us to do is to invest now and repay that money over a longer period of time.

The model in which the industry is financed is very much like a mortgage where effectively you can purchase a property, live in the property for a long period of time, and pay for that property over an extended period of time. And that's the way in which infrastructure for water and wastewater companies is financed.

Rather than wait and save up all that money, we say we will spend the money now, we will deliver the benefits now and we will pay that off over an extended period of time.

The issue is when you go into public sector financing, sometimes that financing just isn't available, and we have to wait and save up money before we can make those investments.

What we're trying to do with our plan here is make those investments now - the biggest investment in water and wastewater infrastructure for a century in this region - and then effectively pay that off over a long time, over the lifetime of the assets. And the flexibility that we've got in terms of being able to raise that finance means that we can be confident that we can go forward with this. And without necessarily having to submit budgets to government departments and the treasury every year.

Q27. I live in a flat and we have a rainwater harvesting system which was there when the building was constructed. We collect our rainwater, and we use that for flushing our toilets. You've talked about water butts for collecting water, but does the company have any plans to install rainwater harvesting systems in buildings? The system that we've got is on rainwater only, so we don't pay anything at all for flushing our toilets, none of us do. That's something that would be of real benefit to customers, being able to collect rainwater from their system and then feed it back into the toilets. Do you do anything like that? Do you get involved in planning for those sorts of things?

We are working with developers and providing incentives to developers to design houses that have separate rainwater recycling systems installed.

It is easier if that is designed in at the beginning as it obviously was when your apartment was built. It's much easier to do that because then the plumbing is built in, as opposed to going back and retrospectively installing it. Retrofitting is extremely expensive and quite disruptive. However, we're trying to work with customers where we can to do retrospective activities, particularly in public buildings as people tend to be a little bit less concerned about the aesthetics so they're easier to work with.

We've also been doing a range of work with developers. We've been working with a developer at Salford University looking at homes of the future and looking at how we can really try and make sure that sort of design is something that is built in as a matter of course. We held at an event for developers in the North West recently, to talk about developer initiatives and water efficiency retrofits including rainwater management.

When you think of rooftops and rainwater harvesting, the biggest rooftops out there are supermarkets and we're entering into an innovation trial looking at a water consumption management programme with Ofwat, and a number of different agencies. This involves Sainsbury's, John Lewis and number of others, whereby they have some of the biggest users of water in the North West. So, as well as developer work and promoting water efficiency for customers, we're also going to be working with those big non-household organisations regarding water conservation and water management. We have lots of different interventions depending on the different subsets that people and businesses fit into.

As part of our Integrated Water Management Plan for Greater Manchester, we're looking at how we retrofit sustainable drainage at a public realm level too. This entails looking at things like street trees and swales and sustainable drainage along roads, recreating gardens and pocket parks within the urban realm. It's about looking not just at a property level, but at a community level as well.

Q28. Does that include beavers?

We have watched, very closely, our colleagues at places like the Wildlife Trusts who have reintroduced beavers. So, there are beavers at Delamere and there are beavers up in the Lake District that have been reintroduced. It is something we want to do as part of our work that we're doing on our catchments to look at long-term resilience because we do a lot of work to look at reintroducing things like natural flood management, we're building a lot of leaky dams, all to hold rainwater within the natural environment. Of course, we're making those interventions

whereas if we had some beavers, they would be undertaking that naturally. It's something we're looking at but we haven't got any specific plans right now.

Q29. Do you have a bigger breakdown of the nature-based solutions that you're proposing?

Our approach to nature-based solutions is really variable. In urban areas, we're looking at working with local authorities to retrofit sustainable drainage. This involves removing surface water from our systems, so that we reduce overflow operations. But we're also considering our estates and the lands that we own around our reservoirs. We're looking at restoring biodiversity, we're looking at restoring peatland, we're planting trees to reduce our carbon footprint. A lot of that is paid for by the work that we normally do to manage those estates but, also, we seek additional funding from different organisations and from the government to help us to do a lot of that. We work with organisations like Moors for The Future, with DEFRA, and with Natural England, to secure additional grants to really be able to proliferate those nature-based solutions. We've just secured a £3 million grant from DEFRA through their Nature for Climate Fund. It is really helping us deliver a huge amount of peatland restoration all around Greater Manchester, and in Lancashire as well.

Q30. For the 7,000 new roles, how many will be in the wastewater industry?

The 7,000 jobs are split across a number of different roles so everything from engineers, designers and construction. It's fair to say that a lot of our plan is focused on making improvements in terms of wastewater, but as you heard us talk about earlier, also in terms of delivering new aqueducts and identifying and securing new water sources and building new water treatment plants. So the jobs are across engineering and construction jobs more broadly, in terms of enabling delivery of the plan.

Q31. How do you propose to keep your customers apprised of progress, on an annual basis, measured against the plan itself? I know, eventually, I'll be able to read your plan online, but will there be some kind of scale so we can see how it's being met, and what there is still to do? Just so we know on an annual basis whether all this is going to be forgotten about again, and left for posterity to deal with, or whether it's actually happening.

We can assure you it certainly won't be left to posterity and, more importantly, we want to hold ourselves accountable in terms of delivering. We also want to continue to be open and accessible to our communities in events like this.

There's a couple of things we'd like to mention. The plan is already on the website, it's all there. There's thousands and thousands of pages of detail and there's a great executive summary if you just want to read that. The second is, we produce a document every year called our Annual Performance Review. That's a document that's quite technical that goes to all of our regulators that talks about how we perform against the commitments we've made. With this there is, which we think is really important, a customer friendly document which tells you what we are doing against these commitments that we are making today.

As mentioned earlier, there are mechanisms in place. If we don't deliver the commitments that we've set out, we will pay penalties and that comes back to customers in the forms of rebates. So there are financial mechanisms to protect customers too.

What's really important to us is that we're out there in our communities. We're changing the organisation to be community-focused and, more importantly, to be county-based focused. This is the first time we've ever done this, reflected in this plan that we've put forward. We have a complete and comprehensive plan for Greater Manchester. We have new roles across the team whose purpose is to come out and talk in community groups. If you've got a parish council, a Women's Institute group, a school group, a university group, we want to come and talk to about progress. In addition, we're going to be opening up some of our sites as well. There will be a water and a wastewater site in Manchester where you'll be able to come along and see how these things work. Some of the challenge we have is that we don't explain to customers what we do. So there is no concept of how water is collected, how it is cleaned, treated and delivered. And when we take it away, what we do to clean it before we return it back to the environment. If we're going to hold ourselves accountable, we don't want events like this to stop. Twice a year, we're going to be holding events like this – giving customers an opportunity to come on screen, just like this, and be able to

ask us questions. Hopefully that answers some of your questions. We're always open to ideas too, so if you think there's a better way or something we could be doing, please don't hesitate to put that forward too.

Questions not answered during the session

The following section includes our response to questions we received in advance of, during or after, the meeting, but did not have time to answer during the session. Where we have contact details, we are also responding directly to people who raised queries or made comments.

Q. How does privatisation of utilities drive innovation? In your answer be mindful of the social climate and that there is no competition in this space.

Water and wastewater services are generally provided by regional monopoly suppliers because this provides the most economically efficient means of providing the service. This is because the service relies substantially on a local network to treat and transport water and wastewater and investment is often long term and in physical infrastructure. This means that duplicative investments in multiple competing networks or treatment infrastructure would lead to increases, not decreases, in overall cost. Because we are a monopoly supplier, price and service are heavily regulated. OFWAT is the regulator that sets the five-year price and service package we must provide. It scrutinises the proposals we make to ensure they are efficient and requires evidence that the plans are sufficient to deliver the services and investment we are required to make to meet statutory/legal obligations. The scope and pace of investment is considered at least every five years through the business plan process. OFWAT is currently considering our proposals on the scope and pace of investment for the next five-year period to 2030.

Our focus on operating more efficiently drives innovation as this helps keep customer bills as low as possible. Similarly, we embrace innovation on our construction programme to keep these costs as low as possible. For more information on our approach to innovation, please see: https://www.unitedutilities.com/corporate/about-us/innovation/

Q. Why don't you go back to shareholders and get all the funds you need to improve the systems you are and have been responsible for? Shareholders have unlimited liability. There is no problem in getting the money from them, only a lack of leadership and strength from you.

We need our shareholders and investors to provide the financing to deliver the investment programme we have set out. We rely on investors to help fund our investment programmes now. For this equity investment we pay a dividend to those shareholders in return for them making the investment possible. We are a long-term business, and we have a long-term and sustainable financing policy to attract and retain investors to enable us to invest in services for customers. You can read more about the approach we take to making decisions on dividends in our Annual Performance Report. For 2023, this is set out on pages 129 – 132 of our report, available here: https://www.unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2022-23

Debt finance and equity investors allow us to spend the money needed to deliver improvements right away, and then the cost of these improvements are reflected in customer bills, spread over a long period of time, across the lifetime of the asset. This means that we can deliver improvements now and spread the costs of doing so across all the generations of customers that will benefit from these investments. Regulated returns for investors are around 4% or so, which is roughly the same interest rate charged for mortgage repayments. This means that shareholders and debt investors provide the funding for new investments and then this is recovered from customer bills over an extended period of time.

Equity investors do take risk as part of their investment. Dividends are not guaranteed and are only paid to shareholders subject to several tests that are applied by the company to ensure the dividend is sustainable, including taking account of the need for the company to deliver for customers and the environment. Equity investment acts as a “buffer” to manage cost shocks that require immediate funding.

Q. Why have UU not done anything serious about preventing sewage spills? You have known about the problem for decades.

Our plan is very ambitious. It includes £3.1 billion of investment focused specifically on storm overflows including combined server overflows and storm tank overflows. We've accelerated some of this already, which means we're already delivering against some of those investments.

We've reduced the frequency that storm overflows operate by 39% since 2020 and the plan will take us to a 60% reduction by the end of the regulatory period (2030).

Q. Why do executives in the water industry get paid such ridiculously high salaries? You are providing a public service. Why are you treating your customers as cash cows?

Executive pay is linked to meeting customer service, operational and environmental targets, individual performance, and financial performance. It is set by an independent Board committee, taking into account the need to deliver for all stakeholders, including customers and the environment as well as investors. Executive directors informed the Board committee of their intention to voluntarily waive around 21% of their incentive outcomes in respect of 2022/23, in recognition of their personal commitment to a reset across the water sector in relation to environmental performance. This affected the Better Rivers component of the annual bonus and five of the measures in the customer basket component of the Long Term Plan, reducing their performance-related pay outcomes by around 21 per cent. Furthermore, the performance-related pay outcomes that the executive directors received last year were not be paid for by customers.

Going forward, we are committed to making sure that at least 30 per cent of performance-related pay outcomes are related to environmental performance, including reducing storm overflow activations to improve river health.

In our Annual Report, there is a section dedicated to executive and board remuneration which provides a full disclosure about our approach. More information can be found from page 170 onwards at: United Utilities 2023 Annual Report - Governance section

Q. My question is simple are the customers' bills going up to covering the cost off the sewage scandal and if so, can you please tell us why instead of sugar coating it to look like you're doing this for the customers benefit instead of owning up to their mistakes.

We need to ensure that we can meet the water and wastewater needs of a growing population by investing in, maintaining, and improving the capacity of our assets, ensuring the pipes and networks supply sufficient and wholesome water and dispose of wastewater safely. We will invest efficiently when building these new pipes and assets, but overall, there will be an increase in costs to meet the needs of the growing population, which will be met through future customer bills.

Q. Are you responsible for drains in the road? The high rain levels have caused bad flooding in a lot of local roads. This is not good for cars, cyclists, and pedestrians. If you are responsible, what are you going to do about clearing the drains? Q. There is a school next door to my flat which has closed clearings. It has a car access opening to the Main Manchester Road. Just inside the school ground there is a drainage grid while there are a lot of trees currently dropping leaves. In the past these leaves have blocked the drain causing a very large puddle across the whole of the car entrance and out to the road. Who will be responsible for clearing this drain now?

If they are solely surface water drains, it's very likely that they are owned by either the highways authority or the local authority. If they are foul drains, or combined sewer overflows, it's likely they will be owned by us.

What makes it more complex is that often these systems connect into each other, so there can be mixed ownership and collective responsibility. We've worked, and are continuing to work, very hard to build partnerships with the lead local flood authorities and other local authorities and stakeholders across the North West to identify where it's

opportune for us to take on the accountability for those maintenance activities, where others are responsible for those activities, and crucially where we can support each other to make sure that those activities are carried out.

We've got £250 million in the plan for this. It will help us identify where surface water connects into our combined systems and where there might be opportunities to remove it. We can separate out surface water, put that through a sustainable, nature-based solution to treat it in a different way. That then limits the amount of flooding, but also the amount of water that discharges from overflows.

Q. Do you have a bigger breakdown of the nature-based solutions you are proposing? As I would like to know where this funding is going towards. Then for the 7,000 new roles you are creating how many of these will be in the wastewater industry?

We've got £250 million in the plan for this. It will help us to identify where surface water connects into our combined systems and where there might be opportunities to remove it. We can separate out surface water, put that through a sustainable, nature-based solution to treat it in a different way. That then limits the amount of flooding, but also the amount of water that discharges from overflows. Surface water management is a very complex subject and there are mixed accountabilities depending on the specific assets, but we are working very closely with authorities across the North West. We already have an Integrated Water Management Plan that has been developed in partnership with the Greater Manchester Combined Authority and we're at the early stages of implementing that.

We are a company that's full of engineers and those 7,000 new jobs we're going to be creating are largely engineering jobs, involved in design and delivery, across both water and wastewater.

Q. How many reservoirs have you built since being privatised?

No new reservoirs have been built in the North West since the water industry was privatised in 1989. For details on how we plan to meet future water demand, please see our Water Resources Management Plan: https://www.unitedutilities.com/corporate/about-us/our-future-plans/water-resources/developing-our-water-resources-management-plan/

Q. Will the additional cost be offset in any way by a corresponding reduction in executive bonuses?

The cost of our proposed programme for 2025 to 2030 is £13.7bn so reductions in executive bonuses would not a significant contribution to this.

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Q. Would you reduce the dividend yield to shareholders from the current amount of 4.28% to 3.00% to offset some of the additional changes you are proposing?

We need our shareholders and investors to provide the financing to deliver the investment programme we have set out. We rely on investors to help fund our investment programmes now. For this equity investment we pay a dividend to those shareholders in return for them making the investment possible. We are a long-term business, and we have a long-term and sustainable financing policy to attract and retain investors to enable us to invest in services for customers. You can read more about the approach we take to making decisions on dividends in our Annual Performance Report. For 2023, this is set out on pages 129 – 132 of our report, available here: https://www.unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2022-23

Q. UU may be full of engineers, but it is the shareholders which have prevented investment, looking for dividends, rather than accepting risk. UU has a monopoly -- as do all water companies -- and so are not customer driven as customers are not able to indicate approval by their feet?

Water and wastewater services are generally provided by regional monopoly suppliers because this provides the most economically efficient means of providing the service. This is because the service relies substantially on a local network to treat and transport water and wastewater and investment is often long term and in physical infrastructure. This means that duplicative investments in multiple competing networks or treatment infrastructure would lead to increases, not decreases, in overall cost. Because we are a monopoly supplier, price and service are heavily regulated. OFWAT is the regulator that sets the five-year price and service package we must provide. It scrutinises the proposals we make to ensure they are efficient and requires evidence that the plans are sufficient to deliver the services and investment we are required to make to meet statutory/legal obligations. The scope and pace of investment is considered at least every five years through the business plan process. OFWAT is currently considering our proposals on the scope and pace of investment for the next five-year period to 2030.

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Q. UU is a monopoly, as I don't have a choice in who my supplier is here in Manchester. Can you tell me specifically what the benefits of UU are a private company supplying my water services and specifically how is this better than a publicly owned organisation. Can you quantify this benefit financially.?

Please see the answer given in the question above.

Q. Would you consider the use of shade balls, or floating PV cells to reduce loss of water due to evaporation?

Yes, we have done and hope to do more in the future. Please see an article from a while ago Floating solar farm gets under way at Lancaster Reservoir. Innovation is at the heart of everything we do at United Utilities. It allows us to continually evolve all business areas by exploring new technologies and ways of working that will improve how we take care of one of life's essentials**.**

Q. Shouldn't you be focusing more on SUDs rather than creating underground systems that will have to be managed and maintained? Do you have a breakdown of how much you'll be focusing on SUDs compared to storm storage?

There is a recommendation, as part of a review that was undertaken about 10 years ago, that SuDS should become law, and that was enshrined in something called the Floods and Water Management Act. It has been largely implemented, but the elements around sustainable drainage has yet to be made law. The government has pledged that it will be made law, and we do expect that to happen over the next few years, but putting that to one side, this is where the value of us working very closely with local authorities is apparent because we can try and make this

happen now. We want to encourage local authorities to push, as part of their planning requirements, that all surface water needs to go into sustainable drainage. By this, we mean ponds, swales, and areas that can be naturally flooded to manage surface water, which can then drain naturally into water courses. This would mean we're not mixing it with sewage, it’s not escaping through CSOs, and, consequently, we're not paying money and using electricity to pump wastewater to treatment works when it's just not necessary.

Our strategy is all about keeping rainwater out of our sewage systems going forward. This is why the team has been out there working with local authorities to talk to them about why we think it is an important part of planning. When you drive past new housing developments, if you see what looks like a pond, it is usually a SuDS scheme for rainwater and, it can quite often create a green space and a habitat where wildlife can thrive and where you can see great birds. We've all got to be advocating for these changes because they're going to make a huge difference.