

Our performance 2021/22

Customer summary of
our annual performance



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About this document

This document is a summary of our performance against the commitments we agreed to deliver in year two of the five-year business plan period, which runs from 1 April 2020 to 31 March 2025. This five-year period is sometimes called 'AMP7'. In the second year of AMP7 (1 April 2021 to 31 March 2022) we made substantial investments to improve the services that are important to customers and other stakeholders who are affected by and have an interest in our service and performance. This update highlights where our performance has been better than expected, and explains the areas where we have missed our targets and could improve further in the coming years.

Throughout years one and two, we regularly reviewed our performance with the YourVoice panel. YourVoice is an independent customer and stakeholder group that challenges the way in which we provide our services and the commitments we made in our business plan, which took account of the views of customers and stakeholders. The panel's members include independent customer and business representatives, as well as quality and environmental regulators. You can read more about the work of the panel and its thoughts on our overall performance on our website at:



unitedutilities.com/corporate/about-us/performance/yourvoice

We explain our outcomes and performance commitments in the next section.

This document is a summary of our performance. There are more details in our full Annual Performance Report 2021/22 (APR). The 2021/22 United Utilities Group PLC Annual Report and Financial Statements is also available on our website.

Links to both of these documents are provided on the last page of this document.

We are always interested in what customers and stakeholders have to say. If you have any comments about this or any of our other publications, please send them to us at myview@uuplc.co.uk and we'll get back to you.



Understanding our performance

Our business plan for the period from 1 April 2020 to 31 March 2025 is based on direct feedback from over 142,000 household and business customers across the North West. This feedback highlighted the areas that were considered top priorities for the services we provide, and helped shape our plans and the benefits we will deliver.

For AMP7 we have seven 'outcomes' which describe what we want to achieve for customers. Over the next few pages we describe our performance in year two for each of these outcomes.

These outcomes contain a number of 'performance commitments'. These are yearly targets we try to meet and which help show customers and stakeholders how well we are performing. We have 46 individual performance commitments across the seven outcomes, as shown in the table below.

In this document we tell you how many of the 46 performance commitments we have met or failed to meet. Some of the performance commitments are for targets to be achieved in future years. For these commitments we consider that we have

passed the commitment if our plans are 'on track' to achieve the upcoming targets.

Like all water companies, if we beat certain targets we can earn financial incentives called 'outperformance payments'. But for many targets, if we fail to meet them we receive a financial penalty. These incentives and penalties are then reflected in bills – we can issue higher bills when our performance for customers is strong, but must issue reduced bills if our performance has been poor and we have missed our targets.

Appendix one contains more details about how outperformance payments and financial penalties work, and appendix two shows how they affect customers' bills.

Outcome description	Number of performance commitments
1. Your drinking water is safe and clean	5
2. You have a reliable supply of water now and in the future	11
3. The natural environment is protected and improved in the way we deliver our services	9
4. You're highly satisfied with our service and find it easy to do business with us	5
5. We will improve the way we work to keep bills down and improve services	8
6. Collect and recycle wastewater	2
7. The risk of sewer flooding for homes and businesses is reduced	6
Total	46



Year-two overview

This year we have built on our strong foundations, delivering services that customers value through sector-leading levels of customer satisfaction and further improving our operational performance. We are making investments to deliver performance improvements that can be maintained in the future, delivering better service to customers. In year two we achieved or beat more than 78% of our performance commitments.

Here are some of our highlights.

- We achieved our target for reducing leaks for the 16th year in a row and are on track for a 15% reduction across AMP7.
- We have replaced lead pipework at over 3,500 customer properties, helping to improve the water quality at customers' taps.
- We continued to roll out our Pollution Incident Reduction Plan, achieving our best ever performance.
- The number of customers registered for our Priority Services scheme has gone up from 128,000 to over 186,000.
- Our extensive affordability schemes have provided support to over 200,000 households who are struggling to pay their bills, helping more than 77,000 customers out of water poverty (see page 9).
- 79% of customers say we offer value for money.
- Our dynamic network management model is helping us identify possible problems on the sewer network before they affect the service customers receive.

There are still some areas where we would like to improve our services. Over the next few pages we describe the performance commitments where we did not achieve our targets – such as internal sewer flooding – and we outline our plans for how we aim to provide an improved service for customers and stakeholders in the North West.





1. Your drinking water is safe and clean

What do customers want?

Customers have told us they want a reliable and high-quality water supply that they can trust for quality, taste, appearance and smell. Our water-quality ambition is to meet current and future drinking-water quality standards, providing a reliable supply of safe, clean water for future generations.

We have made five performance commitments about safe, clean water and we have achieved our target, or are on track with delivery, for three of these in year two.

What have we done?

We supply a very high level of water quality and we have continued to deliver a water-quality improvement programme this year, focusing on training and behavioural change for our staff, improving our processes and targeting investment. There are, however, some other areas we will look to improve further in the future, including our performance against the Compliance Risk Index (see below) and the number of contacts we receive from customers about the taste, smell or appearance of their water.

The water industry measures whether water companies are meeting water-quality standards using a measure called the Compliance Risk Index (CRI), which is defined by the drinking-water quality regulator, the Drinking Water Inspectorate. We aim to achieve a perfect score of zero for this measure, but in year two of AMP7 we missed this target with a score of 3.02. We are confident that our improvement plan will deliver further benefits in future years and we will continue to aim for the zero target.

We also missed our target for reducing the number of contacts we received from customers about the taste, smell or appearance of their water. Our performance in year two was 17.9 contacts per 10,000 people, against a target of no more than 16.0. More of the contacts we received from customers were about the appearance of their drinking water than about the taste or smell. We have a comprehensive action plan to improve our performance

– our Water Quality First Programme – which is monitored through a ‘Taste, Smell and Appearance Board’ made up of senior managers in the business.

The Water Quality First Programme includes a number of short-, medium- and long-term actions to help us improve the way we run our water network to provide a better service to customers across both of these areas. We have expanded our programme of cleaning and flushing water mains and expect to see the full benefits of this in 2022.

We have increased awareness of how customers can improve the quality of the water in their home and also reduce the amount of water they use. In surveys to measure this, awareness improved by 19.5%, beating our target of 4%. To achieve this we used a number of campaigns aimed at customer groups, including those who use a lot of water. We also continued with a wide range of actions to encourage people to save water, such as through sponsoring local ITV weather forecasts, using ‘waterwise’ (our water-efficiency campaign) and leak-detection messages. In summer 2021, we introduced our ‘Get Water Fit’ online tool to gather information from customers about their water usage and provide them with free water-saving devices such as leaky loo strips (to check for leaks in their toilets), tap inserts and shower regulators.

We have two performance commitments that will also help improve water quality.

The first performance commitment relates to the number of properties served by lead pipes. We have replaced lead pipework at over 3,500 customer properties, beating our target of 500 and helping to improve the water quality at customers’ taps.

The second of these programmes of work will reduce the discolouration of water from the Vyrnwy treated-water aqueduct and will require mains to be cleaned or relined. We are currently planning this work, which will further improve water quality later in AMP7.

3/5
measures
achieved





2. You have a reliable supply of water now and in the future

What do customers want?

Our customers want to rely on us to provide enough water to meet their current and future needs. We want to improve the reliability of the water we supply, reducing both short-term interruptions and the risk of longer-term interruptions. We are focusing on reducing leaks and encouraging water efficiency, which research has shown to be high priorities for customers.

We have made 11 performance commitments about the reliability of the water supply and we have achieved eight of these in year two.

What have we done?

In year two we achieved our lowest ever level of leaks, and we are on track for a 15% reduction over AMP7 by using a mix of traditional and innovative techniques.

In year two we did not meet our supply-interruption target of 6 minutes and 8 seconds for the average time that customers were without a water supply. Our performance of 7 minutes and 58 seconds is our second best ever performance under this measure. This year, our performance has been affected by a number of larger events, notably a large mains burst in Liverpool and events in November relating to Storm Arwen. Despite the scale of the storm and the resulting loss of power to our network, we were able to minimise the effect on customers. We also faced issues in restoring customers' supplies, due to fallen trees and debris on the roads making it difficult for our vehicles to get to where they were needed.

We continue to focus on events that lead to a loss of supply and restoring water supplies to minimise interruptions to customers.

We were successful in reducing the number of mains repairs. We also improved our performance against our resilience measures. These measure how well we take steps to maintain essential services in a range of circumstances. The number of properties on the low-water-pressure register was 0.513 per 10,000 connected properties, beating out target of no more than 0.720.

The average amount of water each person in our region uses each day is measured as 'per capita consumption'. We continue to work with customers to help them understand how to use water efficiently and make informed choices where possible. This includes sending out information on using water efficiently and promoting the use of water meters, including through our 'lowest bill guarantee'. In year two, the amount of water used, on average, per person reduced compared with the previous year. However, this did not meet our target, which was to reduce reported usage by 2.6% compared with a starting position (set at the start of the AMP) of 144 litres per person per day. Our year-two performance was calculated to be 1.5% higher than this.

We will continue to work hard to encourage customers to save water through our campaigns and water-efficiency programmes, helping them to protect this precious resource and save money on their bills.

8/11
measures
achieved





3. The natural environment is protected and improved in the way we deliver our services

What do customers want?

Customers, stakeholders and regulators expect us to improve the quality of the environment. We are delivering a programme of environmental improvements and, where possible, achieving this in a more sustainable way which can be maintained over the long term and protects resources for future generations. We aim to run and maintain assets such as wastewater treatment works, water sources and pipelines in an effective way which avoids polluting the environment. We are also looking to adapt to the effects of things that are outside our control, such as climate change and population growth, and encourage customers to make changes to their behaviour so we can reduce the amount of water we need to take from environmentally sensitive sites where water is sometimes scarce.

We have made nine performance commitments about protecting and improving the natural environment through the way we provide our services. We have achieved our target, or are on track with delivery, for seven of these in year two.

What have we done?

We have continued to roll out our Pollution Incident Reduction Plan. This plan contains a number of strategic initiatives and targeted approaches for our staff, covering topics such as culture, systems thinking (understanding how individual parts of a system such as the wastewater network interact, in order to identify patterns of behaviour and so predict behaviour in different circumstances), training and maintenance. As a result of this effort, we have achieved 17.71 pollution incidents per 10,000 kilometres of sewer. This is our best ever performance and a reduction from 18.1 last year.

We have also continued with our overall improvement plan so that our wastewater treatment works meet the conditions of their Environment Agency permit, and have put in place individual intensive care plans for sites we consider to be at high risk of failing to meet these in the future. This year, 98.98% of treatment works met the conditions of their Environment Agency permit, against a target of 100%. This means that four treatment works did not meet all the conditions of their permit.

Our performance commitment on protecting the environment from growth and development measures the extra capacity that we build at our wastewater treatment works to allow for the future growth in population. This year we have delivered a single project at Greystoke Wastewater Treatment Works. With the agreement of the Environment Agency, the other projects we had originally planned to deliver in year two have either been delayed (for example, due to COVID-19 restrictions) and will now be delivered later in the AMP or have been stopped because the extra capacity is no longer needed. We expect to deliver the delayed projects by the end of the AMP.

We failed our target in year two, but the penalty or reward for this commitment will only be calculated at the end of AMP7 when our final performance level for the five-year period will be known. This is known as 'end of period' (see page 16).

This year we treated and successfully recycled all of our biosolids, which is the final product from our bioreources operations. This meant we delivered a 100% performance for the year. We put in place several measures to improve our processes and procedures to further reduce the risk of failures. These included improved training at our bioreources sites and a focus on sampling practices. As a result, we expect to maintain 100% performance over the rest of the AMP.

To improve air quality, we want to reduce the environmental effect of emissions from bioreources sites where we use sewage sludge to produce energy. We continued a programme of work which meant we released less nitrous oxide per unit of energy produced from our facilities. This programme of work, along with continuing to maintain our assets well, meant we were able to reduce the amount of nitrous oxide released per unit of energy produced to 1.19 NOx/GWh (nitrous oxide per gigawatt hour), beating our target of no more than 1.42 NOx/GWh.

7/9
measures
achieved





4. You're highly satisfied with our service and find it easy to do business with us

What do customers want?

We are committed to delivering the best possible service for customers. We work to offer customers the services that they want and value. We promote support for customers in vulnerable circumstances and make sure that the support we provide is of an excellent standard by achieving and maintaining a British Standards Institution accreditation for inclusive service.

We have made five performance commitments about customer satisfaction and being easy to do business with. We have achieved four out of the five commitments in year two.

What have we done?

Our Priority Services scheme is for customers who need extra support or who are in vulnerable circumstances. It offers services such as providing bills in Braille or large print, our staff using passwords when visiting customers' homes, and extra support during supply interruptions.

We have maintained our accreditation from the British Standards Institution (BSI) following their assessment of the quality of this service. The number of customers registered for our Priority Services scheme has gone up from 128,000 to over 186,000. We continue to work with other utilities in order to provide the best level of service.

C-MeX is the measure used across the water industry to assess customer service and experience. We expect to achieve seventh place out of 17 companies. This year we received our lowest ever number of written complaints, with a 14% reduction on last year. We want to make it as easy as possible for customers to be able to get in touch with us, and offer ten ways for customers to contact us, including traditional contact methods, such as by phone or post, as well as email, social media and live chat.

D-MeX is the measure of service and experience provided to developers such as housebuilders. It measures the speed of the service we provide to developers for things such as providing quotations for connections, responding to enquiries before development work starts, and site inspections. It also measures customer satisfaction with those services. We expect to achieve sixth place out of 17 companies.

Improving streetworks is a measure of our performance in delivering high standards in the quality of roadwork sites and reinstatements (filling in excavations). We failed our target in this area with 12.67% of completed work failing to achieve the required standard. This was against a target of no more than 10.5%. We are working with our partners to improve our performance and have introduced a new app to help with the construction process.

4/5
measures
achieved





5. We will improve the way we work to keep bills down and improve services

What do customers want?

Customers want bills that are fair and affordable, with support available for those who are struggling to pay, and for money to be spent on programmes of work that will bring real improvements to services and the region as a whole. We also aim to make sure that we are sending bills to all customers who are receiving our services.

We have made eight performance commitments about the way we work to keep bills down and improve our services. We have achieved our target, or are on track with delivery, for eight of these in year two.

What have we done?

We continue to involve customers in many different aspects of the services we offer, including 'stop the block' messages, water-efficiency measures, the winterwise scheme, our leaks service and promoting our app and My Account services. We are very pleased that 79% of customers who took part in a survey say we offer value for money. This is better than our target of 72% of customers. We look forward to restarting our face-to-face activities to involve our customers when it is safe to do so.

Water poverty remains a key area of focus for us. A customer is considered to be in water poverty if they spend more than 3% of their household income on their water bill. This year we have improved on last year's performance and helped 77,312 customers out of water poverty. This was better than our target of 59,800. We have continued to promote all of our customer support schemes and have helped 200,000 household customers with our range of affordability schemes. This AMP we expect to deliver £280 million of help. We are also working with money advice agencies, such as Turn2Us and Stepchange, to promote the support they can provide.

So that all bills are fair and customers are charged the correct amount, we must make sure that the information we hold about customers is correct. As well as the app we developed last year to identify properties where the occupants may not yet be registered with us, this year we have introduced a new change-of-tenancy portal using industry-leading technology and data sources.

8/8
measures
achieved





6. Collect and recycle wastewater

What do customers want?

Customers recognise that removing wastewater is one of our main responsibilities. There is strong customer and stakeholder support for reducing both flooding and pollution incidents associated with wastewater. We aim to achieve this through innovative technologies and planned programmes of work to manage risks before they affect customers.

We have made two performance commitments about collecting and recycling wastewater and met one of these targets in year two.

What have we done?

Sewer collapses can cause blockages and other issues in the sewer, including pollution and unpleasant smells. Our target was that there should be no more than 14.90 sewer collapses per 1,000 kilometres of sewer, and in year two we beat this by achieving a rate of 13.70. Our positive performance on sewer collapses is a result of our early investment programme, improved technical checks of each incident and an active approach to investigating problems on the sewer so that we can stop repeat events. This has helped us to identify collapses and other problems on the sewer network before they affect customers or the environment.

We also have performance targets which specify a maximum number of sewer blockages that should happen on our network. To reduce the number of sewer blockages, we are continuing with increased sewer cleaning programmes and customer campaigns such as 'stop the block', and we are employing dedicated blockage teams to respond to incidents faster. We are also continuing to roll out our dynamic network management programme, which makes innovative use of monitors in the sewer network to help us identify changes. This approach means possible issues can be identified and dealt with before they affect our service to customers.

Our performance in year two was 20,368 blockages, meaning we failed to meet our target of no more than 20,328 incidents. However, this shows a 9% improvement on the previous year so we are confident that the strategies we have put in place should help improve our performance in future years.

1/2
measures
achieved





7. The risk of sewer flooding for homes and businesses is reduced

What do customers want?

Sewer flooding is one of the worst service failures that customers can experience and we understand the significant long-term effect flooding can have. Customers want us to reduce flooding. We are committed to reducing the number of sewer flooding incidents that happen, whether these are outside homes and businesses (external flooding) or inside them (internal flooding).

We have made six performance commitments about reducing the risk of flooding to homes and businesses. We have achieved five of these in year two.

What have we done?

Sewer flooding incidents can happen inside or outside the home. We continue to develop and put into practice a wide variety of schemes and initiatives to reduce the number of sewer flooding incidents. Measures include increasing customer involvement and awareness campaigns, providing more protection for properties, managing surface water and developing and using dedicated blockage teams to respond to incidents faster.

Flooding can be caused by hydraulic issues, which is when the sewer network can't cope with the volume of water during heavy rainfall, or other things such as blockages or collapses. We aim to deal with incidents the first time they happen, limiting the number of repeat incidents and developing a greater understanding of the cause. Understanding what caused an incident helps our teams to take action to prevent future incidents. This has helped us to reduce the number of flooding incidents this year.

Although our performance improved this year, we failed to achieve our year-two target for internal flooding, achieving

2.98 incidents per 10,000 connections against a target of no more than 1.63. For external flooding we recorded 6,223 incidents and achieved our target of no more than 6,599 incidents.

We are continuing to roll out our dynamic network management programme, and we expect it will help us improve our performance against our flooding targets. A network of monitors in our sewers will help us identify changes from usual conditions and tackle issues before they affect our service, and help us to reduce the number of incidents on our network.

We have continued to promote messages to customers, such as through our 'stop the block' campaign which aims to educate customers about the problems that are caused through sewer misuse, such as flushing baby wipes down the toilet and pouring fat, oil and grease down the drain. We measure the effects of this work through performance targets which measure the level of customer awareness. For this performance commitment we achieved an increased awareness of 17.4% above our baseline, which beat our target of a 4.0% increase.

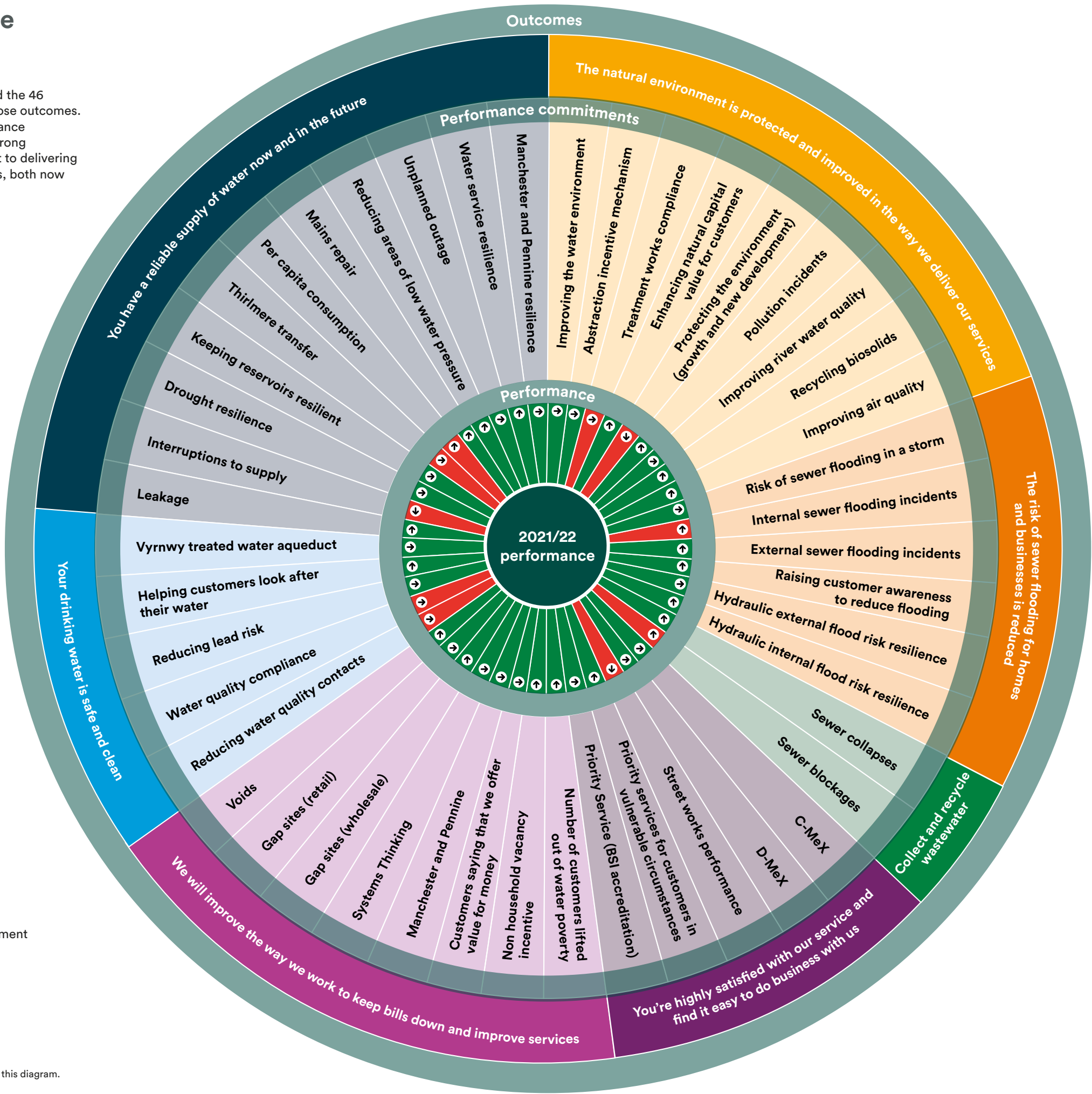
We have also completed a range of programmes of work which contribute to our performance against our two hydraulic flood-risk commitments. These include small and major capital schemes to increase the amount of wastewater the sewers can carry. These projects will help reduce the overall hydraulic risk, which means that fewer customers will experience flooding at their properties as a result of the sewers not being able to cope with the volume of water in them.

5/6
measures
achieved



Year-two performance

This diagram shows our seven outcomes and the 46 performance commitments that make up those outcomes. We have met or beaten 36 of these performance commitments in year two (over 78%). This strong performance demonstrates our commitment to delivering what matters to customers and communities, both now and in the future.



Plain English Campaign's Crystal Mark does not apply to this diagram.

Appendix one – How do underperformance and outperformance payments work?

In AMP7 we have agreed to deliver 46 different performance commitments. Each performance commitment is based on what matters to customers and stakeholders and will mean that we need to improve the level of service we provide. Each of these commitments has an incentive placed against the performance targets. For some performance commitments we can earn an outperformance payment (or reward) for great performance or have to pay an underperformance payment (a penalty) if we don't perform well. Outperformance and underperformance payments will be reflected in customers' bills. Some commitments have no financial incentive but can have a positive or negative effect on our reputation. The table below shows the different types of incentives.

Incentive	Description
Underperformance	If our performance is worse than our target or deadband level (see below), we will pay an underperformance payment.
Outperformance	If our performance is better than our target or deadband level, we will receive an outperformance payment.
Non-financial	Although we will not pay any underperformance payments or receive any outperformance payments for this type of incentive, poor performance could damage our reputation, while good performance could improve our reputation.

Note: A deadband is a buffer which means we don't pay a penalty or receive a reward as soon as we beat or fail targets. This helps make sure that we receive rewards for great performance and that we are not penalised for small underperformances which might be beyond our control.



Appendix two – How our performance affects your bill (bill impact)

In period adjustment – For most of our performance commitments, the penalties and rewards that apply as a result of our performance will be added up at the end of each financial year and reported in our Annual Performance Report. If we receive an overall reward, we can make a small increase to customer bills in the following financial year. If we are in an overall penalty position, we will reduce customer bills in the following financial year.

End of period – For a small number of our performance commitments we will measure and report our performance across the full five years of AMP7 and then work out whether we have met or failed our targets. Any penalties and rewards generated from these performance commitments will be added to or taken off customers' bills in the last year of AMP7 and the first year of the next AMP.

We have met or beaten over 78% of the targets in year two, improving the services that we provide to customers. Our performance has generated financial penalties of -£19.132 million and outperformance payments of £44.565 million. Ofwat (the economic regulator for the water industry) has decided that the underperformance payments that relate to the per capita consumption target should be deferred until year five of AMP7.

This means that the net outperformance payment for year two of AMP7 is expected to be £25.433 million. Ofwat will now review our calculations and reported performance and will decide the final value of these payments for year two of AMP7. These will then be reflected in customers' bills for the 2023/24 charging year.

The total level of customers' bills in 2023/24 will also depend on a number of other factors which have yet to be decided or reported. These include the level of inflation recorded for November 2022 (which is not reported until December 2022). This means that we cannot publish final information about changes to bills in 2023/24 until late 2022 and early 2023.

However, if Ofwat confirms our estimate of an outperformance payment of £25.433 million, we estimate that this will represent an increase of approximately £10 to £11 in the average household bill in 2022/23, reflecting the level of performance we have achieved. This is approximately £3 to £4 higher than in 2021/22, when average bills were £424.



Useful links

United Utilities Annual Performance Report 2021/22

unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2021-22

United Utilities Final Assurance Plan for our Annual Performance Report 2021/22

unitedutilities.com/corporate/about-us/performance/assuring-our-performance-2020-25

United Utilities Group PLC Annual Report and Financial Statements for the year ended 31 March 2022

unitedutilities.annualreport2022.com

Historic United Utilities Group PLC Annual Reports

unitedutilities.com/corporate/investors/results-and-presentations/annual-reports

Our Final Business Plan for 2020–25

unitedutilities.com/corporate/about-us/our-future-plans/our-current-business-plan/

Pollution Incident Reduction Plan

unitedutilities.com/globalassets/documents/pdf/pollution-incident-reduction-plan_september-2020.pdf

YourVoice Customer panel

unitedutilities.com/corporate/about-us/performance/yourvoice

YourVoice statement 2021/22

unitedutilities.com/globalassets/documents/pdf/apr-yourvoice-statement-2021-22

Discover Water – United Utilities performance compared with other water companies

discoverwater.co.uk