

JULY 2023

# United Utilities: Bespoke Performance Commitments



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# Who we are

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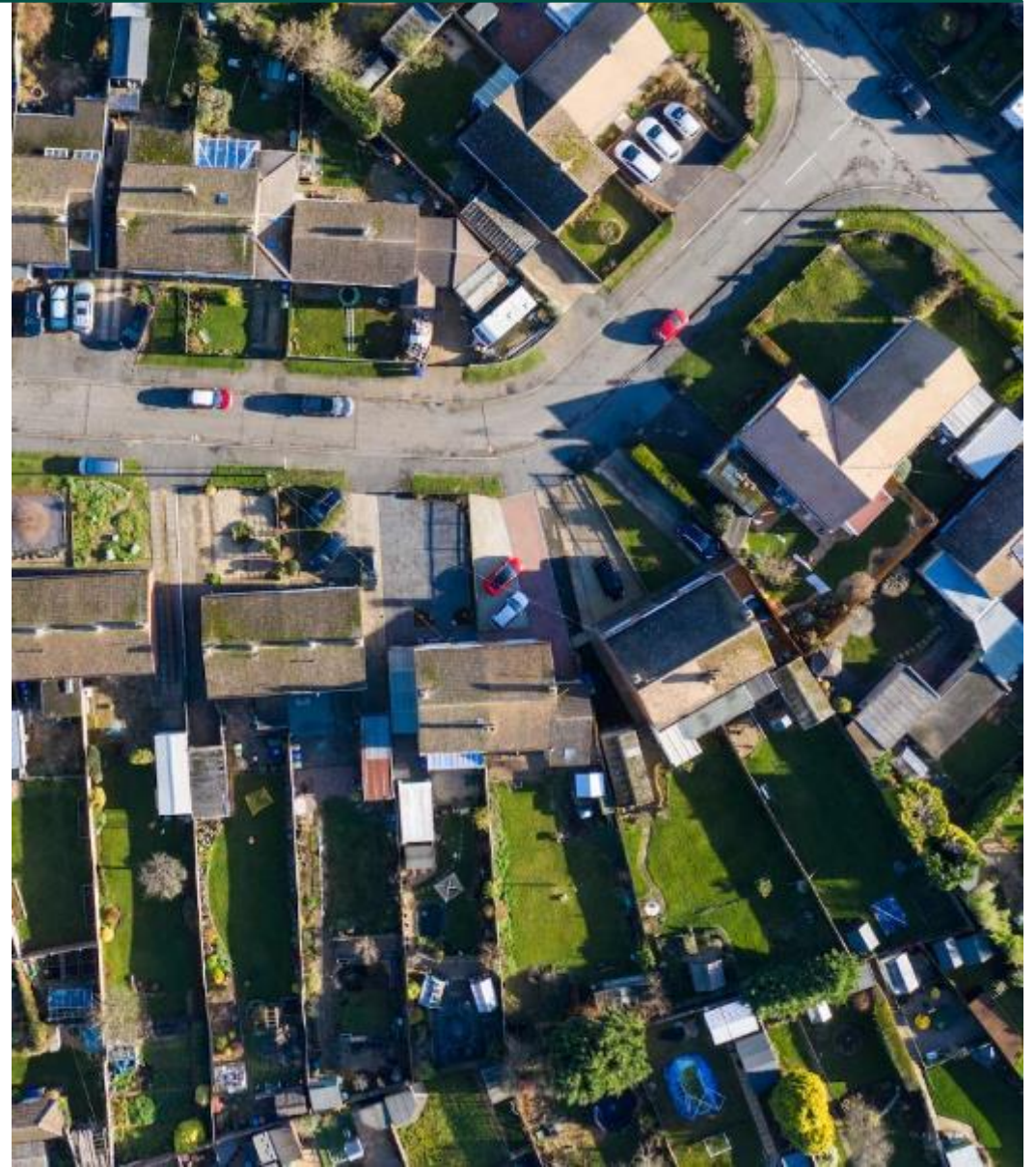


## United Utilities is responsible for water and wastewater services in the North West of England.

Our purpose is to provide great water, and more for the North West. We deliver 1.8 billion litres of water a day to more than 3 million homes and businesses in the North West, as well as treating all the wastewater which disappears around the U-bend.

Keeping the region flowing relies on a vast behind the scenes operation, involving hundreds of reservoirs, treatment works and pumping stations; thousands of kilometres of water pipes and sewers and a 5,000 strong workforce.

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# Our performance commitments

United Utilities, like all water companies, is regulated by an organisation called Ofwat. Ofwat sets service targets called ‘performance commitments’.



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These are based on what customers have told water companies they would like them to do and on Ofwat’s assessment of what companies should deliver. Ofwat monitors water company performance against each performance commitment every year. These performance commitments have financial rewards and penalties associated with them:

- If a company performs better than the performance commitment level, it may get a financial reward
- If a company performs worse than the performance commitment level, it may incur a financial penalty

In this way, water companies aim to deliver what customers want. United Utilities will get payments for doing well; and will incur financial penalties if it does not meet these commitments.

# Types of performance commitments

**There are two different types of performance commitments – there are ‘common’ performance commitments, and ‘bespoke’ performance commitments**



There are some Performance Commitments (PCs) set by Ofwat across all water and wastewater companies, that United Utilities have to use as a common target and these are called common performance commitments.

However, there are also some further PCs specific to each water company. These are called ‘Bespoke Performance Commitments’. Ofwat invites each water provider to create their own bespoke PCs, because there is a need to address the different circumstances that exist within each region of England and Wales (e.g. the physical geography is likely to be different from one region to another, or there may be different levels of affluence and deprivation). These different circumstances can impact what the priorities are for customers and as a result, what they believe the water company needs to deliver.

United Utilities will propose these bespoke PCs to Ofwat, who ultimately decide whether they are acceptable.

# Bespoke performance commitments

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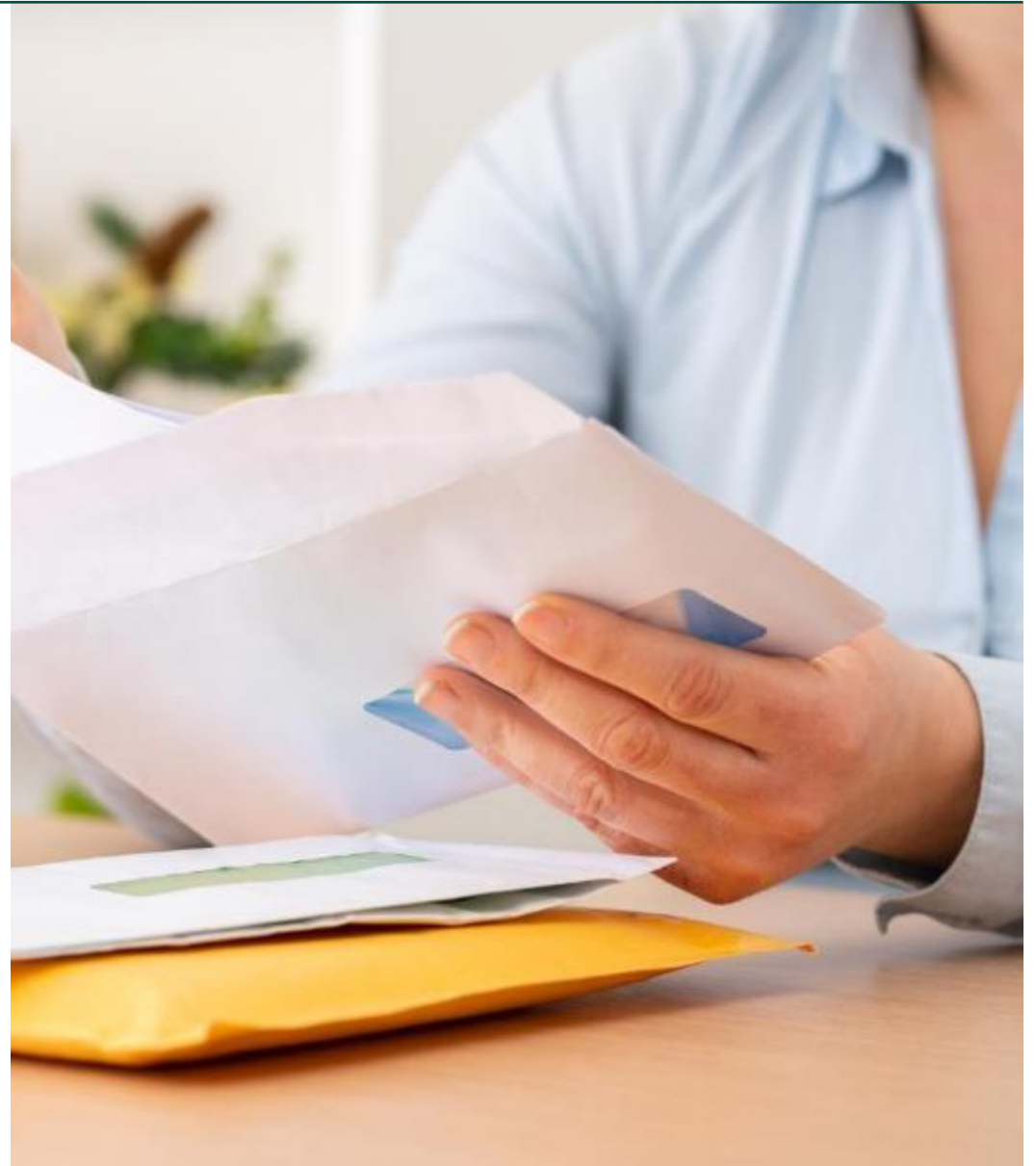


**United Utilities is in the process of creating these bespoke targets and want to talk to customers like yourselves to see if you support them.**

We would like to know whether the commitments are important to you and align with your expectations of United Utilities. There may be important targets in this list which you think are missing. In this case they are likely to be in the Ofwat 'common' PCs (the PCs that already apply to all water and wastewater companies)

This is just one stage of creating the bespoke PCs – UU have already carried out research into customer priorities and have consulted Ofwat and the CCW, as well as collaborating with a group of independent subject experts to help develop the PCs. This process has helped UU get from a longlist of 20+ bespoke PCs, down to just 7 PCs that we will run through today

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Let's take a look at the **Performance Commitments** Ofwat has set United Utilities, and other water and wastewater companies first – then we'll look at the bespoke performance commitments in more detail.

# Ofwat performance commitments (1)



## 1) Customers receiving excellent service every day

Business Experience	How satisfied business customers are
Customer Experience	How satisfied household customers are
Developer Experience	How satisfied housing developer customers are
Compliance Risk Index	Limiting water quality failures
Water Quality Contacts	Reducing number of contacts related to water quality (taste, odour, appearance)
Water Supply Interruptions	Ensuring water is supplied continuously without stopping
Internal Flooding	Minimising flooding of buildings
External Flooding	Minimising flooding of outdoor areas of customer properties

# Ofwat performance commitments (2)



## 2) Environmental

Biodiversity	Conserve/ enhance biodiversity, including reducing chance of extinction of animals & plants, increase resilience to climate change and increase air quality
Business demand	Promoting water efficiency to businesses and encouraging reductions in usage
Leakage	Reducing leakage across the network
Per capita consumption	Working with all household customers to help them reduce their water use
Operational greenhouse gases	Reducing the carbon emissions involved in operational activities
Bathing water quality	Improving water quality at areas designated for swimming, by enhancing coastal and inland waters
Discharge permit compliance	Making sure wastewater discharge is kept within agreed limits
River water quality	Ensuring rivers are kept clean



# Ofwat performance commitments (3)



## 3) Maintaining pipes and pumps

Mains repairs	Ensuring the main pipes in our water supply system are in good condition
Unplanned outage	Minimising incidents which lead to water services being temporarily stopped
Sewer collapses	Ensuring sewers are in good condition

# Now let's take a look at the bespoke performance commitments in detail

The Bespoke Performance Commitments are designed to address customer priorities specific to the North West region.

## Help for households



### Reduced bills for those struggling to pay their water bill

It is estimated that 16% of households in the United Utilities region are on very low incomes (income deprived) and may struggle to pay their water bill.

United Utilities has existing schemes to support many customers who are struggling financially. However, they recognise that there are some who may not qualify for their existing social tariff and affordability schemes, either because they don't meet the existing eligibility criteria or the discount tariff is fully subscribed.

United Utilities would like to work with organisations such as the Department for Work and Pensions (DWP) to proactively identify customers who are income deprived, but don't currently qualify for bill discounts, to offer additional support of at least £50 per year off their bill.

# Help for non-household customers



## Extra help with water bills for schools and groups important to your community

United Utilities would like to do more to support customers who are important to your local community.

Reducing water usage reduces water bills, and United Utilities could help schools and community groups increase their water efficiency and reduce their bills. These could be schools, libraries, charities or community centres which benefit the local area.

United Utilities can help reduce water bills by offering free water efficiency audits, including fitting water saving devices, offering internal leak repairs and fitting modern smart meters.

# Improving Windermere



## Working with the community to improve the health of Windermere and surrounding areas

Windermere is the heart of the Lake District National Park and an integral part of North West tourism. United Utilities aims to further improve the quality of the water and maintain the heritage of the lake and surrounding catchment areas.

Due to the rising temperature and the presence of a chemical called phosphorus, the lake is suffering from increasing amounts of algae. This organism blooms on the surface of the lake and causes aquatic life to struggle due to lack of oxygen. Phosphorus comes from many different sources including rainwater runoff from roads, farming, industry, private septic tanks, drainage and sewage.

United Utilities will work to improve the lake by using its own expertise in wastewater treatment and working with others in the community to help improve how they operate and maintain their networks and systems.

# Rainfall management



## Building a stronger defence to rainwater flooding

The North West has one of the highest rates of rainfall in the country, and also has a large number of combined sewers. This means sewage wastewater (including from households) and rainwater enters into the same network, which results in wastewater treatment works having to treat more water. There is also an increased chance of customers experiencing sewer flooding and storm overflows due to sewers being full.

In order to tackle this problem, United Utilities will aim to reduce or slow the flow of rainwater entering the wastewater system, taking pressure off the sewer system.

It will install water butts and other sustainable ways of slowing rainwater going into the sewer system at customers' properties, on a larger scale than anything it has previously done. For example, by looking to install 'permeable pavement', which allows rainwater to be absorbed into the ground rather than run off into the sewer system.

## Lead pipe replacement for deprived areas



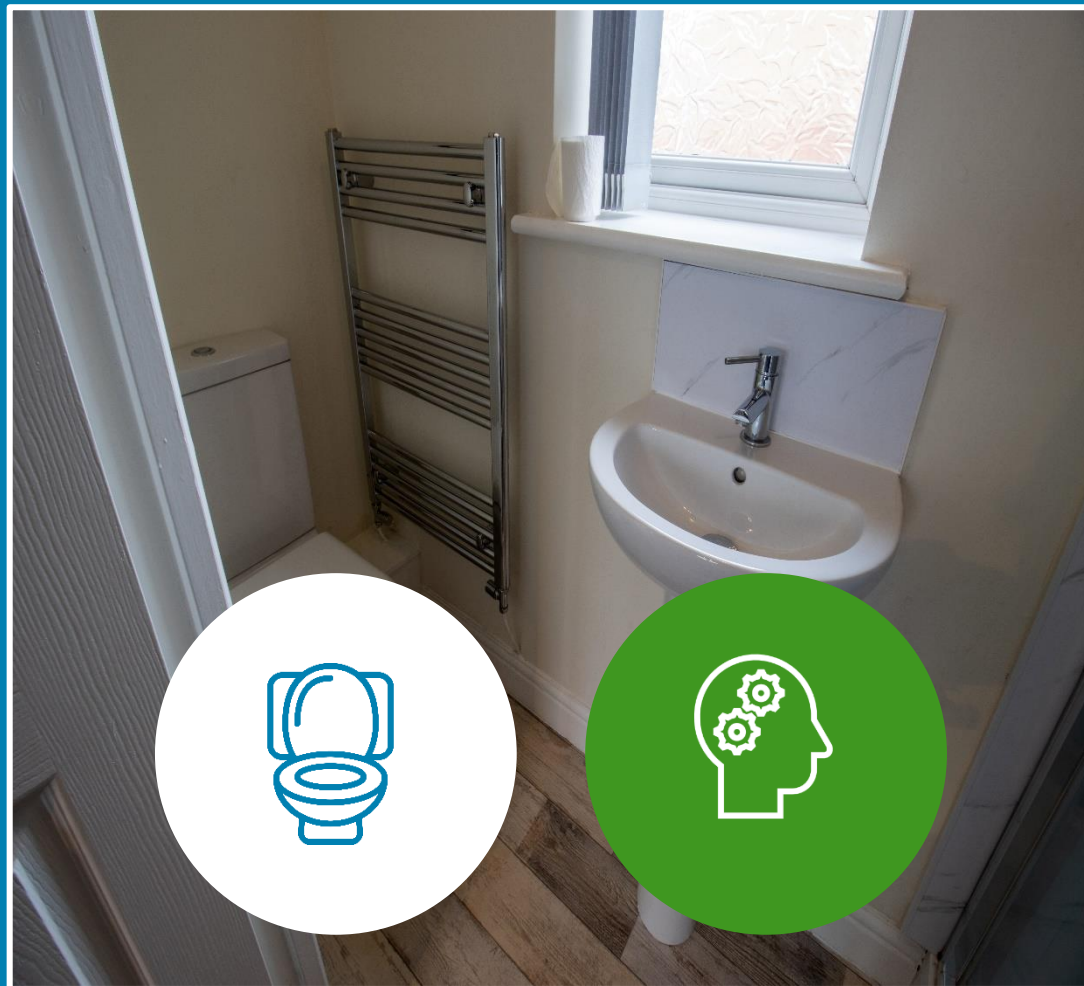
### Expanding the United Utilities lead pipe replacement scheme to help those in deprived areas

Before it was banned in 1970, lead was used for everything from plumbing to electronics. It is now known that exposure to lead can affect health. The Government advises that we should minimise our exposure to lead from all sources, including drinking water, though houses built prior to 1970 may still have some lead piping on their private property.

United Utilities has removed all lead piping from their water mains. It also currently offers a lead pipe replacement scheme for customers in the North West. Under the lead pipe replacement scheme, United Utilities replaces all the pipes from your boundary to the water main in the road or footpath, and additionally may be able to offer a grant payment to cover the cost of replacing the pipes underneath your property as well.

United Utilities recognises that some customers are not able to pay these costs upfront and wait for a reimbursement. Therefore under an expanded lead pipe replacement scheme, United Utilities will adopt a partnership approach by working with social housing landlords and councils to target support to those in low-income areas who are most in need, this will enable us to help more customers who may not own the property or have the upfront funds to replace their lead pipe.

# What not to flush



## Educating people on, and improving flushing habits

The North West has one of the highest rates of rainfall in the country and large number of combined sewers. This means that United Utilities has to work hard to prevent blockages and flooding on our network.

United Utilities would like to build on their existing customer education campaigns to raise awareness among customers and future generations on issues that our wastewater systems face, such as blockages and extreme weather, and how we can overcome them by making small changes in our daily lives.

For example, United Utilities will help educate customers to stop 'unflushable' items from being put down loos and preventing blockages, by initiating community partnerships and targeting hard to reach customers.



# Embodied carbon emissions



## Reducing carbon emissions created as a result of building and construction on United Utilities’ sites

United Utilities, like all organisations, generate greenhouse gas emissions (commonly known as ‘carbon emissions’) by delivering their services. These can be split into ‘operational’ and ‘embodied’ emissions.

‘Operational emissions’	‘Embodied emissions’
<p>These are the carbon emissions which are created by undertaking daily activities such as running wastewater treatment works and fuelling vehicles.</p> <p>These are already covered in the Ofwat ‘Common’ PCs.</p>	<p>These are the carbon emissions which are created when building new things.</p> <p>As part of the government’s target to achieve Net Zero by 2050, United Utilities aims to reduce these emissions when undertaking building and constructing in the North West, for example by using less fossil fuels.</p>

# Summary of all bespoke PCs

Help for households



Help for non-household customers



Improving Windermere



Rainfall management



Lead pipe replacement for deprived areas



What not to flush



Embodied carbon emissions

