



Playing our part in the North West:

Our revised business plan for 2015-2020





What's changed since December 2013?

Good news - we're proposing to reduce average bills even further.

In December last year we presented our business plan to Ofwat, the water industry regulator. We developed that plan with customer interests and priorities at its heart after extensive research to understand those views. At the time we said we would be able to reduce average bills by £6.53 over the five years 2015-2020 by working smarter and cutting our costs.

Since then, after further feedback from our customers and discussions with Ofwat and other key stakeholders, we've been able to make some positive changes.

What has changed?

Here are some of the highlights:

- Average bills for households will reduce by £8.91 before inflation - a bigger reduction than the £6.53 reduction we told you about in December. This means that bills will rise by less than inflation across the decade from 2010 to 2020.
- We now have an improved set of performance targets, supported by rewards and penalties that offer better value for money and reflect customers' priorities.
- The total level of investment in our water and wastewater business remains roughly the same, which we believe will benefit customers, the environment and the regional economy.

- Our plans to link the West Cumbria area to the rest of our network have also been improved, meaning that we can bring forward the date when this new water pipe will be completed, which will improve security of water supplies and help prevent long-term damage to the environment.

We've also changed some of the assumptions in our plan including reducing the assumed cost of finance over the next few years and whether we should get rewarded when we do exceptionally well, where customers value this exceptional performance.

Our plan includes new penalties to protect customers if we should fail to deliver against our commitments, along with rewards which we researched with more than 600 customers in April and May this year.

We've involved our Customer Challenge Group (CCG), and asked for its opinions about our revised plan. The CCG has offered advice and challenge, which we've taken on-board, and is supportive of our final position. You can read what the CCG thinks about the detail changes to our plan [here](#).

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**“I think it's great
- I'm sick of prices
going up and up.”**

Customer - Sainsburys, Penrith

**“It's good to be aware, so
you can budget for all
your household bills.”**

Customer - Ikea, Ashton-under-Lyne



Top: Langden valley - part of our catchment land

Above: We will continue to work with others to make the North West's beaches better

What does this mean for you?

The promises and commitments we made in our business plan will still be delivered, with some of them improved, but the good news is your bill should be even lower than we said in December. For business customers, our plans are virtually unchanged so there won't be any obvious difference.

We can't control inflation, but we can control our costs...

Our revised proposals mean that average bills, before inflation, will reduce by around £9 in total over the whole five years between 2015/16 and 2019/20.

For example, average bills of £418 at the beginning of 2015, will have reduced to around £409 before inflation by the beginning of 2019/20. This is bigger reduction than we promised when we published our original plan in December last year by around £2.50 in total.

Bills will still be affected by inflation however, and this is outside of our direct control. For example inflation at 3% per year would add £53 to the average bill by 2019/20. We will continue to update you about any impact on bills as we get nearer to agreeing our final plan with Ofwat.

How will you know how well we are doing?

You will be able to judge for yourself how well we are performing through a new, simple report, which will show how successful we have been in delivering our promises each year. That way, you'll know that we are doing our best to keep giving you the things that you've told us are a priority.

We will also discuss how well we are doing with a new, extended independent review panel that will build on the existing Customer Challenge group (CCG). We are proposing to call the group 'YourVoice' – Customer Panel, and it will help by providing advice and challenging us to deliver our commitments in the best way that we can.

What happens next?

Our revised plan is now being considered by Ofwat, so that it can decide whether it approves of the way we've responded to its suggestions. We'll hear back in August, with final details announced by December. Our business plan would then come into effect from April, 2015.

We'll keep you updated as we go through the year.



**We promise to...
Provide you with great water**

Our water network is one of the newest in the country, thanks to lots of investment over recent years. But we've still more to do to meet your expectations!

Safeguard supplies:

Providing reliable and uninterrupted supplies, in the face of long-term issues such as climate change and day-to-day problems such as leaks, is a top priority. We expect to have enough water in the future to keep the taps flowing. However, we need to take steps to ease the pressure on local water supplies in West Cumbria, in order to prevent damage to vital wildlife habitats there. We'll do this by linking this area to the rest of our network.

**“
You don't realise how much you rely on just turning the tap on - I hate not having water, even for a few hours.”**



**“
Well we expect clean drinking water in this day and age.”**

Maintain tip-top quality:

We'll continue to provide high quality drinking water by maintaining our existing standards of service, carefully managing costs and reducing the need for you to contact us.

Tweaking appearance, taste and smell:

You have no quibbles with quality but you'd like your water's appearance, taste and smell to be improved. We'll make changes at some of our water treatment works and clean parts of our network to make sure your water tastes, smells and looks like you expect it to.

Keeping on top of leakage:

We'll use the latest technology, such as remote monitoring equipment, to help us detect leaks. With customers support, we are proposing to maintain leakage levels at the current level - which we believe strikes the right balance between saving water and keeping bills affordable.

**“
Focus on the long term - make sensible decisions and be innovative.”**

Looking after the land:

We'll continue to work with partner organisations to look after our catchment land. This will improve the quality of the water that flows into our reservoirs and boreholes, and make our treatment process more cost-effective.





We promise to... dispose of your wastewater

We have one of the largest sewer networks in the UK. It needs a large amount of investment to bring it up to date, so it can best serve our customers and meet new legal obligations.

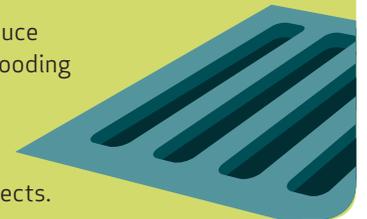
Keeping the region flushed with success:

We'll invest in our sewer infrastructure so it can meet demand from the region's growing population and business sector. We'll also work closely with local authorities and developers to make sure there is adequate sewer capacity to support the development and economy of the North West.

“
Capacity restrictions should not be restricting new developments.”

Reducing flooding:

You want us to do more to tackle sewer flooding but in a cost effective way that doesn't put too much on your bills. We'll reduce the number of customers who suffer from internal property flooding by about 40% and external flooding by almost 20%. We will introduce sustainable drainage schemes to provide protection and mitigation to around 1400 homes and we will work with partner organisations on joint flood prevention projects.



“
When you see it [sewer flooding] on the TV my heart goes out to those people.”

Using the latest technology:

We'll use cutting edge technology to identify problems on our network such as blockages and collapses and tackle them before they have any impact on our customers or the environment.

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The main wastewater issues are more serious than the wider environmental and drinking quality issues.”

Encouraging customers to think before they flush:

We'll continue with our information campaigns to encourage households not to put inappropriate materials down toilets (e.g. baby wipes) and sinks (e.g. fat) in order to reduce pipe blockages. We will run inspiring education and engagement programmes to encourage customers of all ages to be more aware of these everyday issues.





**We promise to...
give you value for money**

The North West has some of the most deprived communities in the UK and many households are struggling to make ends meet. We'll do everything we can to make your water bill one less thing to worry about.

Keeping bills affordable:

We'll only spend money where it's really needed, in order to keep bills affordable. We'll also aim to make our business significantly more efficient by reducing our operating costs and being more innovative in the way we work.

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“Affordability – don't push the pressure of future water resource requirements on to future generations, spread the costs out now.”



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“Helping low income customers to pay is important. Different ways of payment needed, depending on circumstances, flexibility and choice.”

Not leaving you high and dry:

We'll continue to offer a range of financial support, such as investing in our trust fund to help customers who are struggling to pay. We will also help over 100,000 customers meet their bill payments through a range of support options.

Helping you save money:

We'll help customers save money by fitting around 271,000 free water meters and providing water saving advice through educational support and campaigns. We'll also keep working closely with our business customers to help them make efficiency savings.



Investing in the region:

We'll create jobs, training and wealth here in the North West by continuing to offer graduate and apprenticeship schemes, working with local suppliers and teaming up with like-minded organisations to make our investments go further.



**We promise to...
deliver customer service
you can rely on**

Whether you're calling us about a burst pipe, tweeting about roadworks or web chatting about your bill, you deserve a great service every time you get in touch.

Getting it right first time:

You've told us you expect us to resolve problems quickly and professionally, and to share information proactively, especially if an issue can't be resolved straight away. That's why we're proposing to increase our target for first time resolution of issues and complaints from 76% to 85%.

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“It's a service you take for granted, until you haven't got it.”

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“We went on the UU website and there was a live update feed – it was useful.”

Being available in a way that suits you:

We'll keep listening to your needs and improving our contact channels so we are easy to do business with in whichever way suits you - whether that's online, over the phone or via social media.



Offering specialist business support:

Business customers will be able to choose who they buy their water from, as competition increases. We welcome competition, and we'll provide a great service so that North West customers stick with us. We'll provide specialist support for our business customers and work on their behalf to deliver a continuous supply with minimum disruption to their activities.

Using the latest technology:

We'll use technology such as automated water meter reading (AMR) to improve the accuracy of bills and spot issues such as hidden leaks. By 2020 around 82% of water meters will have AMR technology.





We promise to... protect and enhance the environment

We work in some of the region's most beautiful landscapes, which are a haven for wildlife and a major driver of tourism. We are committed to continuing to look after and improve these wonderful spaces.

Keeping our catchment land open:

We live in a region with some of the most beautiful rural areas in the UK, important to both the agricultural and tourist industries. We own around 57,000 hectares of that land and we will work hard to maintain it whilst ensuring public access for recreation and leisure is retained.

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“The rivers are part of the eco system – if they're all polluted there's no fish, no living things, they've got to be maintained and kept in a clean condition.”



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“To me it should be better because I've got a little boy and I can't afford to go abroad, so I like to take him to the sea, and I want to know he's not going to catch an infection.”

Working beside the seaside:

We'll continue to invest in our network and work with a range of partners to drive up the quality of North West bathing waters and meet challenging new legislation being introduced in 2015.

Reducing our carbon footprint:

We'll limit the environmental impact of our operations by continuing to reduce the amount of electricity we use and by generating more of our own with by-products of our wastewater processes and other renewable sources.

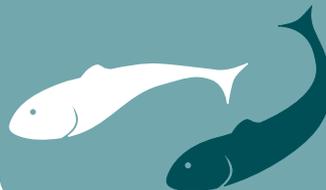
Planning for the future:

We'll make sure our services are resilient to climate change, especially the intensive periods of rainfall and long dry spells which are becoming an increasingly common feature of modern weather patterns.



Delivering cleaner rivers:

We'll improve the quality of nearly 400km of rivers and meet strict European environmental legislation by investing in our wastewater service and by looking for opportunities to work with other organisations.



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“I think it's important to see the river flowing nice and clean, even though you might not be going in there.”

Thanks for your help

Thanks for reading this leaflet.

And if you are one of the thousands of customers who have helped to shape our plans by giving us your views over the past three years, an especially big thanks to you!

We are also grateful to the members of the Customer Challenge Group (CCG) for working so closely with us as we have developed our proposals. To the right is a message from the CCG chair.

Our business plan for 2015-2020 has now gone to Ofwat, the water industry's regulator. We'll find out later in 2014 if our proposals have been accepted.

We'll keep you posted.

"Since early 2012 the CCG has scrutinised and challenged United Utilities' approach to customer and stakeholder engagement to inform the development of the company's business plan. It has been an informative journey and our regular meetings have provided an opportunity for constructive debate and challenge from all parties.

Throughout the process the CCG has looked for United Utilities to strike the right balance between efficiency and investment and between the needs of customers and stakeholders.

We have welcomed the hard work United Utilities has put into engaging on many different levels to get a sound understanding of views and opinions. Most importantly its business plan reflects customer priorities and will result in bills that are affordable to the majority.

I would like to record my thanks to the members of the CCG and to the staff of United Utilities for their efforts to ensure that the voice of customers has been heard."

Andrea Cook, Chair of CCG