

UUW77

Board Leadership of the business plan

October 2023

Chapter 10 supplementary document

This document describes the board's ownership of the business plan, and its engagement with, review of and challenges to the submission during its development.

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1. Overview of board structure

- 1.1.1 The board of directors of United Utilities Water Limited (UUW or the company) has been fully engaged in the oversight of the PR24 planning process and is mindful of the company’s role as a provider of an essential public service. The board, supported by the executive team and the wider governance structure, is committed to UUW achieving the best possible results for the region, the customers we serve and our full range of stakeholders as we look forward to addressing the needs of the 2025-2030 asset management period and our long-term delivery strategy out to 2050. The group operates a structure that allows directors to be members of the boards of both UUW and its ultimate holding company, United Utilities Group PLC (UUG), and these arrangements have been in place since March 2011.
- 1.1.2 The boards of both UUW and UUG fully support Ofwat’s drive for the highest standards of board leadership, transparency and governance in the industry, and are satisfied that current practices and the application of the UK Corporate Governance Code (“the Code”) at both holding company and regulated company levels are entirely consistent with or exceed requirements of the corresponding Ofwat principles. Biographies of board members can be found on pages 122-125 of the United Utilities Group PLC 2023 Annual Report and Financial Statements¹. Each year we publish a skills matrix of board members. The 2022/23 matrix is set out in Figure 1 below, showing the range of skills and experience that the Board has been able to bring to its consideration of UUW matters, including the approach to PR24 and the associated Long Term Delivery Strategy.

Figure 1: Skills matrix of board directors

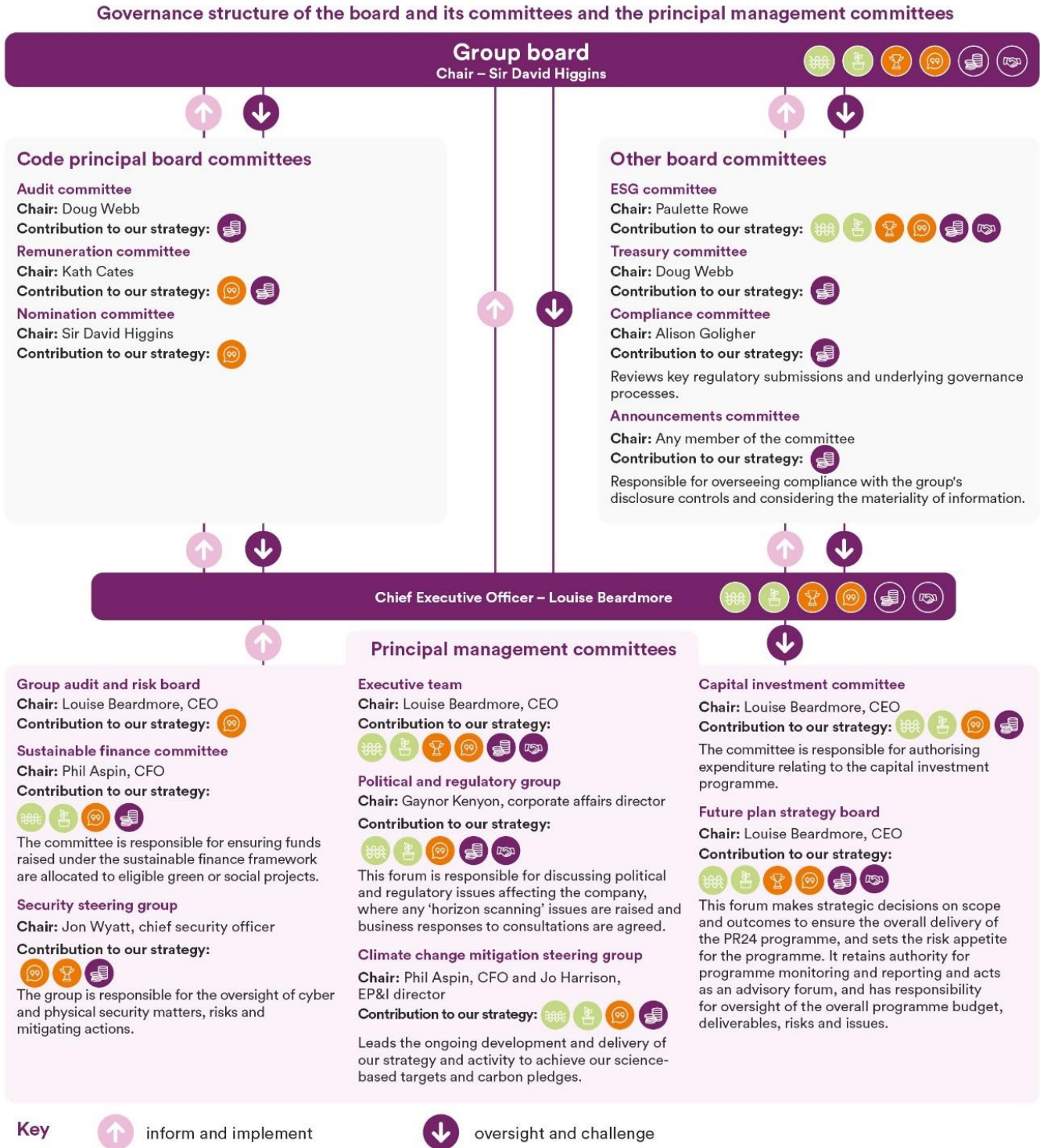
	Sir David Higgins	Steve Mogford	Louise Beardmore	Phil Aspin	Alison Goligher	Liam Butterworth	Kath Cates	Michael Lewis	Paulette Rowe	Doug Webb
Finance/accounting				👤			👤			👤
Utilities		👤	👤	👤				👤		
Regulation	👤	👤	👤	👤			👤	👤	👤	👤
Government	👤			👤						
Construction/engineering	👤	👤			👤	👤		👤		
Industrial					👤	👤				👤
Customer-facing		👤	👤	👤			👤	👤	👤	
FTSE companies		👤	👤	👤	👤	👤	👤		👤	👤
Digital/technology		👤	👤			👤	👤		👤	
ESG		👤	👤	👤	👤	👤	👤	👤	👤	👤
Current CEO/CFO FTSE 350 ⁽¹⁾						👤				
Former CEO/CFO of FTSE 350	👤									👤

Source: United Utilities Group PLC Integrated Annual Report and Financial Statements y/e 31 March 2023

¹ unitedutilities.annualreport2023.com/media/2monspzj/31404-united-utilities-ar-2023-fully-linked-singles.pdf

- 1.1.3 The UUW board holds eight scheduled meetings per year. In addition it has held multiple supplementary deep-dive sessions dedicated to the PR24 planning process and the constituent parts of the process including the DWMP, WRMP and WINEP.
- 1.1.4 UUW does not duplicate board committees already in operation at the UUG level (the board committees). The activities of the board committees, as required in accordance with the the code, whose members are made up entirely of independent non-executive directors (in accordance with provisions 9 and 10 of the code, and who are also directors of the company) are necessarily targeted towards UUW matters, given that UUW represents 99 per cent of UUG's revenues. The alignment of the interests of UUW and UUG ensures that the interests of UUW and its customers are safeguarded, and avoids unnecessary duplication. The UUW board has delegated specific powers, subject to certain limits, relating to the capital investment programme to the UUW Capital Investment Committee and in relation to financing by way of power of attorney, to the Chief Financial Officer and/or the Treasurer. Board committees are often supported by specialist resources in attendance at meetings.
- 1.1.5 The group's board committee structure (shown in Figure 2 below) enables non-executive directors to apply their particular expertise, skills and interests to the matters being discussed. It also allows time for more in-depth discussions, sharing ideas and suggestions, and challenging the executive team and management more widely, prior to further discussions during full board meetings. Biographies of the board can be found on pages 122-125 of the United Utilities Group PLC 2023 Annual Report and Financial Statements.

Figure 2: Governance structure of the board and its committees and the principal management committees



Source: United Utilities Group PLC Integrated Annual Report and Financial Statements y/e 31 March 2023

1.1.6 Board directors are expected to attend all board meetings, and devote sufficient time for the fulfilment of their duties. Figure 3 below shows the number of scheduled meetings attended and the maximum number of scheduled meetings that the directors could have attended during the year ended 31 March 2023. Only in exceptional circumstances would directors not attend board and committee meetings.

Figure 3: Scheduled meetings attended during financial year to 31 March 2023

	Boards meetings ⁽¹⁾	Audit committee	Remuneration committee	Nomination committee	ESG committee	Treasury committee
Sir David Higgins	8 / 8	–	–	3 / 3	–	–
Steve Mogford	8 / 8	–	–	–	4 / 4	–
Louise Beardmore	7 / 7 ⁽²⁾	–	–	–	–	–
Phil Aspin	8 / 8	–	–	–	–	3 / 3
Mark Clare	4 / 4 ⁽³⁾	–	2 / 2 ⁽³⁾	1 / 1 ⁽³⁾	–	–
Alison Goligher	7 / 8 ⁽⁴⁾	–	4 / 4	3 / 3	4 / 4	–
Liam Butterworth	8 / 8	4 / 4	–	3 / 3	2 / 3 ⁽⁷⁾	–
Stephen Carter	4 / 4 ⁽³⁾	1 / 1 ⁽³⁾	–	1 / 1 ⁽³⁾	1 / 1 ⁽³⁾	–
Kath Cates	8 / 8	3 / 3 ⁽⁵⁾	4 / 4	3 / 3	–	–
Paulette Rowe	8 / 8	1 / 1 ⁽⁶⁾	–	3 / 3	4 / 4	–
Doug Webb	8 / 8	4 / 4	4 / 4	3 / 3	–	3 / 3

● Meetings attended ● Possible meetings

⁽¹⁾ Actual number of meetings attended/maximum number of scheduled meetings that the directors could have attended during the financial year ended 31 March 2023.

⁽²⁾ Louise Beardmore was appointed to the board on 1 May 2022.

⁽³⁾ Mark Clare and Stephen Carter stepped down from the board at the conclusion of the AGM in July 2022.

⁽⁴⁾ Alison Goligher was unable to attend one board meeting due to a personal matter.

⁽⁵⁾ Kath Cates was appointed as a member of the audit committee in July 2022.

⁽⁶⁾ Paulette Rowe stepped down from the audit committee in July 2022.

⁽⁷⁾ Liam Butterworth was unable to attend a committee meeting due to a commitment arranged prior to his appointment.

Source: United Utilities Group PLC Integrated Annual Report and Financial Statements y/e 31 March 2023

2. Engagement of board members in the PR24 plan and related business

- 2.1.1 Table 1 below sets out examples of the board’s involvement, engagement, leadership and challenge throughout the processes that led to the creation of the PR24 business plan submission and the LTDS.
- 2.1.2 Much of the documented input took place during board meetings, committee meetings and deep dive sessions arranged for the specific purpose of engagement and challenge by the Board. It is important to note that the evidence presented in the table is a sample of the types of engagement that the Board has had with the plan and its contents during its creation. It is not an exhaustive list of every interaction and, further, some recursive actions have not been repeated multiple times in the summary table. Likewise, the table is not an exhaustive account of all the issues the Board will have discussed during the time period covered; the Board will have had multiple further interactions with management as it monitors, supports and challenges business performance and strategy.
- 2.1.3 Furthermore, the examples of how the Board’s engagement contributed to, or is reflected in, the business plan chapters is not exhaustive and is intended to provide some evidential highlights which show the link between board engagement and the ultimate business plan that has been submitted. The Board’s input and engagement has been felt and reflected throughout the entire business plan as a whole.

Table 1: Examples of board engagement and leadership of the plan

Date and Meeting	Areas covered	Example links to business plan chapters
April 2019 UUW Board	PR19 Draft Determination The Board reviewed the points emerging from Ofwat’s recently published Draft Determination (DD) for UUW and the next steps in the process. In terms of next steps, there were a number of meetings planned to seek clarification on a number of issues with a deadline for UUW to submit representation on the DD by the May 2019 deadline.	Assurance and track record
May 2019 UUW Board	Ofwat Board Leadership, Transparency and Governance Principles The Board reviewed Ofwat’s revised Board Leadership, Transparency and Governance Principles (‘BLTG’) and the related change to UUW’s Instrument of Appointment and accepted the proposed change to UUW’s licence.	Assurance and track record Resilience (Corporate)

Date and Meeting	Areas covered	Example links to business plan chapters
<p>June 2019 UUW Board</p>	<p>Annual Performance Report – comments from the Chair of YourVoice A verbal update was provided by the chair of YourVoice, noting the key points from their review of the company’s annual performance report. It was noted that in the view of Your Voice the APR accurately reflected the performance of the Company.</p> <p>Assurance of the Annual Performance Report The Board reviewed the reports from the Head of Audit and Risk and the Technical Auditor, setting out the findings arising from their reviews of the APR process, noting their conclusions were satisfactory. The Board approved publication of key documents on the Company’s web site, in particular the Summary Performance Report, the Board Statement and the Risk and Compliance Statement;</p> <p>Reconciliation and adjustments from PR14 The Board reviewed the content of the paper and approved the PR14 reconciliation submission and corresponding Board assurance statement.</p>	<p>Assurance and track record</p> <p>Risk, return and responsible behaviour</p> <p>Resilience (Corporate, Financial)</p>
<p>September 2019 Corporate Responsibility Committee</p>	<p>Surface water strategy The Committee reviewed key elements of the surface water strategy including SuDS adoption and training, influencing sustainable development and lobbying on the national planning policy framework, targeted separation of surface water, charging incentives and partnership working.</p> <p>The Committee noted the strategy for managing surface water was broad ranging to address the number of sources and responsible authorities involved. SuDS and other surface water interventions offered effective opportunities for natural capital and the Company continued to drive improvements to systems, processes and culture to support natural capital and green infrastructure solutions.</p> <p>In the longer term, SuDS opportunities would be identified from the Drainage Wastewater Management Plan (DWMP) framework, which would be underpinned by natural capital and Catchment systems thinking (CaST).</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p>
<p>October 2019 UUW Board</p>	<p>PR19 representations The Board was provided with an update following the final representations meeting with Ofwat which had taken place on 17 October 2019. Amongst the issues discussed were:</p> <ul style="list-style-type: none"> • the performance targets the company would face in AMP7 and their impact on the overall risk and return range; • the direct procurement scheme to build the replacement to the Haweswater Aqueduct; • late changes to the EA’s WINEP programme; • cost adjustment cases on reservoir safety and drainage costs; • proposals to increase the robustness of C-Mex.; and, • the approach to the WACC and financeability. 	<p>Assurance and track record</p> <p>Delivering at efficient cost</p> <p>Risk, return and responsible behaviour.</p>

Date and Meeting	Areas covered	Example links to business plan chapters
December 2019 UUW Board	<p>PR19 final determination</p> <p>The Board was briefed on the Final Determination which had been published on Monday 16 December 2019 and the timetable for a decision on whether to make a referral to the CMA. All relevant materials would be provided to the Board at the January 2020 meeting to support the decision.</p>	Assurance and track record
January 2020 UUW Board	<p>PR19 final determination</p> <p>The Board discussed the key features of the FD, noting that it embedded a stretching set of performance commitments, alongside challenges to allowed costs.</p> <p>It was noted that Ofwat had responded to financeability concerns by approving UUW's proposal to transfer to a 100% CPIH-based indexation approach to the RCV, bringing forward cashflows to AMP7 which would have otherwise accrued to future periods.</p> <p>The Board discussed the factors in favour of or weighing against a referral of the determination to the CMA and resolved not to refer the matter. This decision was taken on the basis that it was in the best interests of all stakeholders and would be most likely to promote the success of the Company for the benefit of its members as a whole as required by s.172 Companies Act 2006.</p>	<p>Assurance and track record</p> <p>Risk, return and responsible behaviour</p>
March 2020 Audit Committee	<p>Long term viability reporting</p> <p>The committee reviewed developments in long-term viability reporting and as a result, consideration was given to updating the group's long-term viability statement noting feedback received from Ofwat on the same.</p> <p>In particular, the Committee considered the merits of increasing the viability period from seven to ten years. In light of the COVID-19 pandemic, a recommendation to retain a period of seven years was accepted after taking into account the liquidity position, insurance cover, principal risks and ability to take mitigating actions to support the company as a result of both the pandemic and long-term challenge of climate change.</p>	<p>Resilience (Corporate, Financial)</p> <p>Risk, return and responsible behaviour</p>
May 2020 Audit Committee	<p>UK Corporate Governance Code and Climate Change Adaptation</p> <p>The committee considered an update on the results of the corporate audit review of compliance with the UK Corporate Governance Code and associated disclosures for the year to 31 March 2020. The Committee's concluded that the necessary evidence existed to support the declaration of application and reporting of the provisions Code how the Company met the objectives the explanation given in relation to Ofwat's BLTG principles.</p>	<p>Resilience and Asset Health</p> <p>Risk, return and responsible behaviour</p>

Date and Meeting	Areas covered	Example links to business plan chapters
<p>May 2020 Corporate Responsibility Committee</p>	<p>Climate Change Adaptation</p> <p>The Committee received an update on the approach to climate change adaptation including information on: climate change future planning, embedding climate change risk into the corporate risk framework, and the use of projections into future planning. It was noted that adaptive plans would be embedded into AMP7 thereby ensuring climate change was also embedded into the PR24 business plan. In addition, the Committee explored what interaction the Company's work on climate change adaptation would have with the price review cycle.</p> <p>The Committee took into account that the Company had reached a conclusion on the 2050 and 2100 impacts, but challenged management as to whether any conclusions had been reached for 2030, where there was more variability of climate impacts in the short term modelling. It was noted that actual climate change impacts were expected to be fairly consistent to 2030, irrespective of which scenario was selected. The design criteria used for longer life assets was critical with decisions made now and in the short term would impact assets with an expected 50-80 year lifespan. Climate changes risks would be factored into the engineering design decision-making process, particularly for long-term assets.</p>	<p>Resilience and Asset Health</p> <p>Risk, return and responsible behaviour</p> <p>Delivering at efficient cost</p> <p>Delivering greater environmental and social value</p> <p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p>
<p>June 2020 UUW Board</p>	<p>Annual Performance Report</p> <p>The board approved the board assurance statements supporting the submission of the 2020 Annual Performance Report (APR). The board considered the assurance process that had been reviewed by the Corporate Audit team and by Jacobs. The Chair of YourVoice, the customer challenge group provided their view of the content of the APR. Corporate Audit confirmed to the Board that a robust governance framework for the production of the APR was in place and the sample testing of data had not identified any issues.</p> <p>Statutory and regulatory accounts</p> <p>KPMG presented their memorandum to the Board on the statutory and regulatory accounts. The Board approved the 31 March 2020 statutory and regulatory accounts, and the ring fencing certificates under Conditions I and K of the licence.</p> <p>Digital strategy</p> <p>The board received a presentation on digital strategy exploring key differentiators - machine intelligence and cloud & mobile being key technologies that would enable delivery of the operating strategy, either by cost saving or through improving AMP7 ODI operational performance. The board challenged management to consider the appropriate risk appetite for the protection and sharing of data with third parties and/ or via online platforms.</p>	<p>Assurance and track record</p> <p>Risk, return and responsible behaviour</p> <p>Resilience and Asset Health</p> <p>Delivering at efficient cost</p>

Date and Meeting	Areas covered	Example links to business plan chapters
September 2020 Corporate Responsibility committee	<p>United Supply Chain ESG initiative</p> <p>The Committee approved the proposed digital launch event of United Supply Chain with the aim to embedding ESG, in particular the inclusion of responsible sourcing principles into the UUW supply chain. The Committee also welcomed and endorsed the company's ESG guide for investors.</p>	<p>Delivering at efficient cost</p> <p>Delivering great service</p> <p>Risk, return and responsible behaviour</p> <p>Delivering greater social and environmental value</p>
September 2020 Audit committee	<p>Review of Business Unit Risk Assessment process</p> <p>The Committee considered and ratified the proposed Business Unit Risk Assessment process and the format of reporting on risk management to the November group board. The Board questioned the categories of Principal Risks which the Risk team agreed to review.</p>	<p>Risk, return and responsible behaviour</p> <p>Resilience and Asset Health</p>
October 2020 UUW Board	<p>Consideration of proposals for Open Banking</p> <p>The board endorsed the proposed Open Banking proof of concept project, supported by Equifax.</p> <p>Strategy for delivering against performance targets</p> <p>The board also considered and endorsed the approach to delivering against the taste and odour performance commitment through to end of the AMP.</p>	<p>Driving affordability</p> <p>Delivering great service</p> <p>Delivering at efficient cost</p>
January 2021 UUW Board	<p>Leakage deep dive</p> <p>An in-depth session on the strategic context of leakage, how leakage was calculated and managed, and techniques operated to predict and prevent leakage occurring, the current performance and long-term target to halve leakage by 2050.</p> <p>Green recovery investment proposals</p> <p>An overview of the proposed green recovery submission was received and the supporting board assurance statement was approved with assurance provided by UU Corporate Audit and Deloitte.</p>	<p>Delivering great service</p> <p>Resilience and asset health</p> <p>Delivering at efficient cost</p>

Date and Meeting	Areas covered	Example links to business plan chapters
February 2021 UUW Board	<p>Dynamic Network Management Programme investment proposals Approval of the Dynamic Network Management programme to transform the operation of the wastewater network by the installation of sensors on the network providing near real-time performance information using machine intelligence.</p> <p>Haweswater Aqueduct Resilience Programme approvals Approval of the board assurance statements for Control point D in relation to the direct procurement for customers approach for the Haweswater Aqueduct Resilience programme .The board highlighted the risks and issues that needed to be managed, whilst recognising the need to adhere to DPC principles and the need to deliver the project on time for the integrity and resilience of the drinking water supply to Great Manchester.</p> <p>Water Trading Update An update was provided on the Water Trading Gateway 1 submission and an early indication of the board statements required in relation to the WRMP to secure a long-term resilient water supply.</p>	<p>Delivering great service</p> <p>Resilience and asset health</p> <p>Providing great water for a stronger, greener, healthier North West</p> <p>Risk, Return and Responsible behaviour</p> <p>Long term delivery strategy</p> <p>Delivering at efficient cost</p>
February 2021 Corporate Responsibility Committee	<p>Update on retail and customer support activities The Committee considered updates in relation to household retail cash collection, bad debt, and affordability performance.</p>	<p>Driving affordability</p> <p>Delivering great service</p>
May 2021 UUW Board	<p>Haweswater Aqueduct Resilience Programme An update was provided on progress with the HARP DPC scheme on a number of key issues regarding financing and stakeholder management. The Board considered the approach and endorsed the same.</p>	<p>Resilience and asset health</p> <p>Delivering at efficient cost</p> <p>Risk, return and responsible behaviour</p>
May 2021 Corporate Responsibility Committee	<p>Clean air policy The Committee considered and endorsed the recommended approach to clean air was provided, noting the progress made to date including the plan to the end of AMP8. The Committee also discussed the operation of a cross-business clean air working group had established in 2019 to co-ordinate the development of a consistent understanding and management of the Company’s approach to clean air.</p>	<p>Delivering greater environmental and social value</p>
May 2021 Audit committee	<p>Long term viability statement The Committee was satisfied with management’s view and endorsed the provision of a going concern statement and endorsed management’s recommendation to retain a 7 year period for the long-term viability statement.</p>	<p>Delivering at efficient cost</p> <p>Risk return and responsible behaviour</p> <p>Assurance and track record</p>

Date and Meeting	Areas covered	Example links to business plan chapters
June 2021 UUW Board	<p>Water resource trading/transfer</p> <p>The Board reviewed progress on the Water Trading Gateway 1 submission, further information was sought with a deep-dive on the Water Transfer programme to be delivered to the board in January 2022.</p>	<p>Long term delivery strategy</p> <p>Resilience and asset health</p> <p>Providing great water for a stronger, greener, healthier North West</p>
July 2021 UUW Board	<p>Drinking water “Taste, Smell and Appearance” undertaking</p> <p>The Board considered an update relation to the DWI enforcement notice requiring an improvement in performance in terms of ‘taste, smell and appearance’ before the end of AMP7. The board were appraised of the proposed improvement programme, including longer-term plans and the AMP8 predictions. The board were encouraged by the proposed improvement programme to deliver a solution to address all aspects of the notice which was duly approved.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Resilience and asset health</p> <p>Delivering great service</p> <p>Long term delivery strategy</p>
September 2021 UUW Board	<p>Haweswater Aqueduct Resilience Programme</p> <p>An update was provided on progress with the HARP DPC programme in relation to Control points D and E, and the commercial procurement approach.</p>	<p>Resilience and asset health</p> <p>Delivering at efficient cost</p>
October 2021 Board Strategy day	<p>PR24 and AMP8 strategy</p> <p>The Board Strategy day was dedicated to the Price Review 2024, focussing on the key elements of price review submission and the mechanics of the process. The session covered the building block approach and revenue setting, inputs to revenue, the impacts on bills, and the overall price review process.</p>	<p>Entire business plan submission</p>
October 2021 Corporate Responsibility Committee	<p>Climate change adaptation</p> <p>An update was provided to the Committee on the Company’s approach to climate change adaptation. Carbon was still the focus of discussions at Water UK - the committee challenged management to ensure that adaptation received greater focus given the risk that it created for the sector.</p> <p>The adaptation report addressed global warming of around two degrees whilst a more extreme but plausible scenario of up to four degrees was being considered in the approach for PR24 and beyond to stress test the plan.</p>	<p>Delivering greater environmental and social value</p> <p>Resilience and asset health</p> <p>Long term delivery strategy</p>

Date and Meeting	Areas covered	Example links to business plan chapters
November 2021 UUW Board	<p>Haweswater Aqueduct Resilience Programme</p> <p>The Board considered an update on the progress of HARP and the associated governance for the Control Point E submission. The board assurance statement was approved, formally designating HARP as a DPC. The outline business case had been prepared in line with Ofwat’s guidance and showed that the DPC had the potential to offer best value and would be tested through the market procurement exercise.</p>	<p>Resilience and asset health</p> <p>Delivering at efficient cost</p>
January 2022 UUW Board	<p>Deep dive sessions into Water Resource Management Plan and Water Trading</p> <p>In these extended sessions the Board considered the company strategy for water resources, the role of water trading and the company’s recommended approach, and WRMP processes. The Board reviewed the future timeline and key decision points.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Resilience and asset health</p> <p>Long term delivery strategy</p>
February 2022 Corporate Responsibility Committee	<p>Carbon strategy</p> <p>The Committee reflected on whether, looking ahead to PR24, there was scope to be more ambitious in the company’s delivery on ESG criteria, especially in relation to carbon. Whilst keen to pursue the adoption of new treatment technologies the company was mindful that, given its statutory duty to guarantee the performance of treatment solutions, new innovations and technologies had to be well proven, and the company’s constraints through the regulatory funding mechanism. It was noted that a longer-term carbon reduction perspective was being included in the HARP DPC process, although with the Haweswater Aqueduct being predominantly gravity fed, it was viewed as a low carbon solution.</p> <p>In looking ahead to PR24, the Committee expressed the need for conversations to be held with regulators to enable low carbon solutions to be implemented, highlighting the choice between solutions driven by traditional totex and those with a higher amenity value.</p>	<p>Delivering greater environmental and social value</p> <p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p>

Date and Meeting	Areas covered	Example links to business plan chapters
<p>March 2022 UUW Board</p>	<p>Drainage and Wastewater Management Plan The Board held an extended deep dive session to consider the Drainage and Wastewater Management Plan, including reviewing the key uncertainties and next steps.</p>	<p>Delivering greater environmental and social value</p> <p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p> <p>Resilience and asset health</p> <p>Delivering at efficient cost</p>
<p>April 2022 UUW Board</p>	<p>Storm overflow discharge reduction plan The board were appraised of the Defra combined storm overflow discharge reduction plan, noting the targets in the Environment Act 2021 and Defra's consultation.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p> <p>Resilience and asset health</p> <p>Delivering at efficient cost</p>
<p>May 2022 UUW Board</p>	<p>Drainage and Wastewater Management Plan The Board considered a number of risks and issues regarding the DWMP and its delivery through the strategic planning frameworks. The Board approved a draft version of the board assurance statement to support the DWMP.</p>	<p>Delivering greater environmental and social value</p> <p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p> <p>Resilience and asset health</p> <p>Delivering at efficient cost</p>

Date and Meeting	Areas covered	Example links to business plan chapters
June 2022 UUW Board	<p>Annual Performance Report</p> <p>The board approved the board assurance statements supporting the submission of the 2022 Annual Performance Report. The ‘three line of assurance’ approach had been followed in conjunction with the Corporate Audit team and Jacobs and with YourVoice reviewing the customer content.</p> <p>Water quality deep dive session</p> <p>The Board held an extended deep dive session considering Water Quality. The Board reviewed the structure and regulation of water, the supply systems, water quality metrics and progress with the company’s drive for enhancing water quality through its ‘Water Quality First programme’.</p>	Assurance and track record Providing great water for a stronger, greener, healthier North West Delivering great service Long term delivery strategy
July 2022 UUW Board	<p>PR24 and AMP8 business plan update</p> <p>The Board reviewed the key points and challenges arising from the PR24 methodology.</p> <p>Capital expenditure approvals on Vyrnwy aqueduct</p> <p>The Board considered and then approved capital expenditure on the Vyrnwy aqueduct, with a regulatory date of 31 December 2028, to reduce the number of discolouration events experienced by customers and improve the quality and appearance of the drinking water supply.</p>	Providing great water for a stronger, greener, healthier North West Delivering great service Resilience and asset health Long term delivery strategy Delivering at efficient cost
July 2022 Corporate Responsibility Committee	<p>Air quality</p> <p>The Committee considered early analysis of the PR24 methodology and its impact on air quality. There was discussion about how the Company’s efforts would continue through existing programmes such as its carbon pledges to plant trees and restore peatland rather than a specific air quality programme. This accorded with the Committee’s suggestion to prioritise clean air interventions.</p>	Delivering greater environmental and social value

Date and Meeting	Areas covered	Example links to business plan chapters
September 2022 UUW Board	<p>Draft Water Resources Management Plan</p> <p>The Board considered the position on the DWRMP and approved the board statement supporting the submission.</p> <p>Water Trading</p> <p>An update was provided on the progress with the Water trading Gate 2 submission and the board reviewed the supporting board assurance statement. The board commented on the need to highlight the key assumptions and uncertainties underlying the project in the submission, and in particular, the inter-dependencies between water consumption and leakage and the outstanding funding and commercial arrangements, subject to which the North West Transfer board assurance statement was approved</p> <p>Haweswater Aqueduct Resilience Programme</p> <p>The board established an independent committee to review the integrity of the procurement process for the HARP DPC.</p> <p>AMP8 metering strategy</p> <p>An update was provided on the meter installation plan under the AMP8 strategy, with the installation of approximately 500k new domestic meters increasing meter penetration to 70 per cent. Looking forward, AMP9 plans would be bold and ambitious, building on a trial currently underway in Manchester, and noting that an Ofwat consultation on tariffs provided an opportunity to explore new approaches.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p> <p>Resilience and asset health</p> <p>Delivering at an efficient cost</p> <p>Driving affordability</p>
September 2022 Board strategy session	<p>PR24 and AMP8 strategy</p> <p>The Board Strategy session considered the AMP8 strategy and the challenges and opportunities presented by the PR24 process. The issues considered included:</p> <ul style="list-style-type: none"> • Company ambitions and challenges • Environmental ambitions being set by Government and the EA • Cost and efficiency challenges and the approach to delivering on them • Customer support, acceptability and affordability of the plan • The likely incentive structures that would apply to performance in AMP8 • Ofwat’s expected approach to attracting and remunerating new investment • The implications for future investment in Bioresources • The PR24 process and assessment of plans • The expectations of the Board and its role in the process <p>The Board considered the issues and provided strategic guidance to management regarding the approach to the plan.</p>	<p>Entire business plan submission</p>

Date and Meeting	Areas covered	Example links to business plan chapters
October 2022 UUW Board	<p>WINEP update</p> <p>The Board considered and provided feedback on the progress of the WINEP submission, the submission programme and key activities in support of this.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Delivering greater environmental and social value</p> <p>Resilience and asset health</p> <p>Delivering at an efficient cost</p> <p>Long term delivery strategy</p>
November 2022 UUW Board	<p>WINEP progress review</p> <p>The Board reviewed the latest information regarding the expected WINEP, noting its significant size and expected costs. There was a review of the likely impact on the associated increase in operating costs and how this would translate, ultimately, into customer bills. The impact on communities was considered along with the challenge to the business of delivering such an extensive programme. The Board endorsed the board assurance statement to accompany the phase one WINEP submission.</p>	<p>Long term delivery strategy</p> <p>Delivering greater environmental and social value</p> <p>Resilience and asset health</p> <p>Delivering at an efficient cost</p> <p>Driving affordability</p>
November 2022 Corporate Responsibility Committee	<p>Cost of living review</p> <p>The Committee considered the current cost of living pressures and feedback on the same from customers calls to the contact centre. The Committee noted several actions by the company in relation to the regulatory bad debt charge including increased efforts to support customers bill payments, the use of data to identify customers showing signs of struggling to pay, supplementary campaigns to raise awareness and the proper targeting of collection activities on customers who could afford to pay their bill but appeared to choose not to do so. There would also be further focus by the team on the commercial entities that collect water charges on behalf of the company.</p>	<p>Risk, return and responsible behaviour and</p> <p>Driving affordability</p> <p>Delivering at an efficient cost</p> <p>Delivering great service</p>
December 2022 UUW Board	<p>Review of PR24 final methodology</p> <p>The Board considered the PR24 final methodology. Amongst the key changes that were considered were the approaches to plan financeability, deliverability, cost assessment, financial resilience, future monitoring of company performance and the overview of sector performance overview.</p>	<p>Entire business plan submission</p>

Date and Meeting	Areas covered	Example links to business plan chapters
January 2023 UUW Board	<p>January WINEP submission</p> <p>The Board considered the proposed January 2023 WINEP submission. The supporting board assurance statement was endorsed taking into account the third party independent scrutiny and challenge process in relation to the PR24 WINEP Programme. The Board were mindful of the uncertainties raised as to the risks, cost, contingency and deliverability of the WINEP programme as well as the carbon footprint of some of the 'grey' solutions, and the impact on customer bills. It was agreed that all of these would be kept under review going forward.</p>	<p>Long term delivery strategy</p> <p>Delivering greater environmental and social value</p> <p>Resilience and asset health</p> <p>Delivering at an efficient cost</p> <p>Driving affordability</p>
February 2023 UUW Board	<p>Deep dive session on combined storm overflows</p> <p>The Board held an extended deep dive session on the history, issues and current status of combined storm overflows. The Board considered the broad implications of the operational and policy environment and the interactions with the WINEP, AMP8 and the company's own "Better Rivers: Better North West" programme.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Long term delivery strategy</p> <p>Delivering greater environmental and social value</p>
March 2023 UUW Board	<p>Environmental Performance update</p> <p>The board were provided with an indepth update on in-year EPA performance. Several measures for the 2022 performance year did not conclude until 31 March 2022. The year-end performance outturn indicated that existing high performance had either been maintained or improved further although the risks to the 2022 performance rating was also considered.</p>	<p>Delivering greater environmental and social value</p> <p>Delivering great service</p>
April 2023 UUW Board	<p>Pollution incident reduction plan</p> <p>The Board were provided with an update on progress relating to the delivery of the Company's first Pollution Incident Reduction Plan (PIRP) submitted in 2020. The Board approved the submission of the second Pollution Incident Reduction Plan to the Environment Agency.</p>	<p>Delivering greater environmental and social value</p> <p>Delivering great service</p>

Date and Meeting	Areas covered	Example links to business plan chapters
April 2023 Compliance Committee	<p>Annual performance report</p> <p>The Committee discussed the proposed approach for the production and assurance for this years' APR which included two assurance statements from the Board.</p> <p>As well as the two assurance statements, the Committee noted that the Board was required to highlight any areas where it was aware that the company had not been in compliance with its obligations; this was presented as a "table of departures."</p> <p>The Committee discussed the Table of Departures and made suggestions to improve the clarity of the information presented. This would be reviewed again by the Committee in June prior to sign off by the Board.</p> <p>Price review assurance</p> <p>The Committee were provided with an update of the Board Assurance Statement requirements and the proposed proof point evidence that would enable the Board to have confidence that each requirement has been delivered. The Committee provided feedback on the way in which assurance was being provided opposite Ofwat's requirements.</p>	Assurance and track record
May 2023 ESG Committee	<p>Customer services update</p> <p>The Committee was provided with update on performance for household retail cash, debt and affordability performance, including the low income dashboard and discussed current approaches in the context of the cost of living situation.</p> <p>Carbon pledges and Net Zero</p> <p>The Committee were provided with an update on carbon pledges and emissions reduction and reviewed a summary of performance against the six carbon pledges as at 31 March 2023.</p> <p>The Committee also reviewed the carbon impact of PR24, commenting that this would quantify scope 4 emissions. The Committee were advised on the long term adaptive plan to achieve NetZero by 2025 was in the process of being finalised and included a detailed plan for carbon management in AMP8.</p>	<p>Driving affordability</p> <p>Delivering great service</p> <p>Delivering greater environmental and social value</p> <p>Long term delivery strategy</p>
May 2023 Audit Committee	<p>Long term viability reporting</p> <p>The Committee reviewed the going concern and long term viability statement and tested with management the severe but plausible stress-tested scenarios. Further to the discussion, management would review the scenarios and consider whether to align the assumed amounts of totex overspend used in the stress tests for going concern and long term viability statement.</p>	<p>Risk, return and responsible behaviour</p> <p>Assurance and track record</p>

Date and Meeting	Areas covered	Example links to business plan chapters
<p>May 2023 UUW Board</p>	<p>Drainage and Wastewater Management Plan The Board reviewed the update on the DWMP and approved final version of the Board Assurance Statement for submission.</p> <p>Water Resources Management Pan The Board reviewed the proposal and approved the final version of the Board Assurance Statement supporting the submission of the revised draft WRPM. The draft WRPM had been submitted for consultation to all regulators in December 2022 and the feedback from stakeholders had been taken account of in the final version of the plan.</p>	<p>Providing great water for a stronger, greener, healthier North West</p> <p>Delivering greater environmental and social value</p> <p>Long term delivery strategy</p>
<p>June 2023 Compliance Committee</p>	<p>Annual Performance Report The Committee reviewed the APR23 submissions and confirmed that the ‘three line of assurance’ approach had been followed in conjunction the Corporate Audit team and Jacobs, and with YourVoice reviewing the customer content. Copies of the reports from Jacobs (independent Technical Auditor) and Corporate Audit were noted along with the customer summary document, and the satisfactory conclusions to their reports, provided by Jacobs and Corporate Audit. The Committee made a recommendation to the Board for approval. The Committee discussed the Risk and Compliance statement and considered if any additional text could be used to enhance the commentary in the table of departures. The Risk and Compliance Statement was subsequently updated.</p> <p>Review of assurance framework The Committee reviewed the findings of the Deloitte assessment of the UUW assurance framework highlighting: Ofwat expected that the strategic regulatory submissions would be accompanied by a Board Assurance Statement signed off by the full UUW Board. In order to give confidence to the UUW Board, Deloitte was commissioned to review the assurance framework which underpinned this process. Following its review Deloitte stated, “The assessment noted numerous strengths and benefits of the existing Assurance Framework. These should continue to be leveraged so that the framework provides effective and practical assurance to business teams, the Executive Group and the UUW Board”.</p> <p>The Committee discussed the circumstances under which the Framework should be reviewed and updated and recommended that any such updates were documented and presented to the Committee at a future meeting.</p>	<p>Delivering great service</p> <p>Assurance and track record</p>

Date and Meeting	Areas covered	Example links to business plan chapters
<p>June 2023 UUW Board</p>	<p>Annual Performance Report</p> <p>The Board were provided with a summary of the APR23 submissions which had been reviewed and endorsed for approval by the Board at the Compliance Committee, with YourVoice reviewing the customer. The Board noted the approach to assurance including arrangements for sign offs by senior management and executives and assurance activities across economic regulation, corporate audit and external assurance from Jacobs (independent technical assurance) and KPMG (independent financial assurance).</p> <p>The Board discussed the Board Statement and the Risk and Compliance Statement.</p> <p>Deep dive on clean energy</p> <p>The Board undertook a detailed deep dive session on clean energy. The Board considered the potential opportunities to maximise value from UU's land bank and waste processing capabilities, creating significant value for customers and the environment through a new clean energy strategy. The Board requested that further proposals be tabled at a later date once the strategy had been further refined.</p>	<p>Assurance and track record</p> <p>Delivering great service</p> <p>Delivering greater environmental and social value</p> <p>Long term delivery strategy</p>
<p>July 2023 UUW Board</p>	<p>Combined Storm Overflows</p> <p>The Board received an updated presentation on progress with the CSO programme and discussed the next steps for the CSO and Better Rivers strategy.</p>	<p>Delivering greater environmental and social value</p> <p>Long term delivery strategy</p> <p>Delivering great service</p>

Date and Meeting	Areas covered	Example links to business plan chapters
<p>July 2023 Board strategy day</p>	<p>PR24 submission and AMP8 strategy</p> <p>The Board discussed and undertook a detailed review of the proposed PR24 submission and AMP8 strategy. The Board provided feedback and guidance to management about the areas still requiring greater focus as the plan was finalised. Particular emphasis was placed on the need for the plan to be deliverable and financeable. The Board considered that approach to securing deliverability of the plan and the need to ensure robust plans were in place for AMP8 preparedness. The Board also discussed the various options and recommendations regarding the financeability of the plan, the constraints that might apply and the approach to securing financial resilience over the long term. Amongst the other areas considered and discussed by the Board were:</p> <ul style="list-style-type: none"> • The opportunities and challenges presented by the plan • The level of stretch and ambition in the plan and the associated performance commitments • Developments in stakeholder and customer engagement around the plan • Affordability, acceptability and the approach to providing increased financial support • How the “5 counties” approach had been developed • The adaptive nature of the long term delivery strategy and how this build on previous planning exercises such as WRMP, DWMP, Water Trading and WINEP • Critical areas of the plan such as the CSO programme and metering • The approach to carbon and the challenges of growth • Totex efficiency • Assurance approach and findings • The process for plan completion, submission and assessment • Changes and developments that were anticipated before finalisation of the plan 	<p>Entire PR24 submission</p>
<p>September 2023 Compliance Committee</p>	<p>PR24 submission and Board Assurance Statement</p> <p>The Compliance Committee discussed and reviewed the proposed PR24 Board Assurance Statement and supporting materials. The committee required certain changes to be made to both the statement and supporting materials in order to better reflect risks and assurance.</p> <p>Deloitte LLP attended the meeting and discussed the assurance that had taken place to date and the plans to ensure that assurance and outstanding actions would be satisfactorily completed prior to submission.</p> <p>The Compliance Committee recommended the draft Board Assurance Statement and supporting materials be submitted to the full UUW Board for consideration.</p>	<p>Entire PR24 submission</p>

Date and Meeting	Areas covered	Example links to business plan chapters
September 2023 UUW Board	<p>PR24 submission and Board Assurance Statement</p> <p>The Board discussed and reviewed the proposed PR24 Board Assurance Statement. Amongst the points discussed by the Board were:</p> <ul style="list-style-type: none"> • Changes to the submission since the July 2023 meeting. • Discussions on the recent changes to the WINEP programme. • The approach company management were taking on deliverability, with particular reference to the supply chain. • The financing approach both for AMP8 and the long term and consideration of both actual and notional company metrics. <p>The Board reviewed and discussed assurance reports from Deloitte LLP and financeability letters from Deutsche Bank and JP Morgan.</p> <p>Deloitte LLP attended the meeting and confirmed assurance work was satisfactory and complete.</p> <p>The full UUW Board approved;</p> <ul style="list-style-type: none"> – the submission of the plan subject to resolution of the remaining points that had been discussed; – the Board Assurance Statement in support of the plan; and – the PR24 Long Term Viability Statement. 	Entire PR24 submission

Source: UUW records

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Water for the North West