

# To provide great water for a stronger, greener and healthier Lancashire

## Summary of the event



United Utilities is developing its business plan for 2025-30 and we want our customers and stakeholders to have their say on how we shape those plans.

We recently held a 'Your water, your say' online open challenge session on 27 June 2023 and invited household customers, businesses as well as those representing regional and national interest groups to attend.

The session is part of the Price Review process known as PR24. It is designed to enable people in Lancashire to hear about our proposed draft plan, including the challenges we are facing as a sector and the different ways we're working with communities and stakeholders, to deliver more for customers and the environment.

It was an opportunity to put questions directly to the company's Chief Executive and other senior directors and highlight the issues they want us to focus on in the future.

The event was hosted by independent facilitator Bernice Law, Chair of Your Voice panel, the independent challenge group representing United Utilities' customers and stakeholders across the North West.

Members from our Executive Team included:

- Louise Beardmore, Chief Executive
- James Bullock, Strategy, Policy and Regulation Director
- Jo Harrison, Environment, Planning & Innovation Director
- Mike Gauterin, Customer Service Director

This is a summary of the discussion which centred on the three themes of our plan, which is to make the North West **stronger, greener, and healthier**.

When we submit our draft 2025-2030 plan to Ofwat in October 2023, it will have to set out how it is addressing the issues raised. Following a welcome and introduction by the independent chair, Chief Executive Louise Beardmore gave a 15- minute presentation on the company's proposed draft plan for 2025-30 and what it means for customers and stakeholders in Lancashire.

### Overview of plan for North West and Lancashire

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

We are also a huge employer in the region, employing over 22,000 skilled jobs, both in terms of delivering our services, but also in terms of improving our infrastructure across the 5 counties, including Lancashire, Cheshire, Merseyside, Cumbria and Greater Manchester.

We want to ensure it delivers a plan for the North West that improves the services for customers and for the environment.

It is time for a step change to deliver an ambitious plan that benefits everyone. We are embarking on the largest infrastructure investment in the company's history to help reduce the use of storm overflows. We have already taken action and have delivered a 39% reduction in spills since 2020 – but we know that's not enough.

## Across the North West we plan to:

- Reduce the amount of water leakage – by at least a 20% improvement\*
- Reduce interruptions to customers' water supply – by at least a 40% improvement\*
- Reduce the number of pollution incidents – by at least a 30% improvement\*
- Reduce the number of water quality issues customers experience – by at least a 50% improvement\*
- Reduce the number of properties affected by sewer flooding inside their property – by at least a 30% improvement\*
- Reduce the impact of storm overflows – 60% improvement\*
- Provide £500m of affordability support for customers struggling with their bills\*

*\*% performance improvement from 2021/22 to 2030*

## Through our plan for Lancashire we will be:

- Investing £1.75bn to maintain supplies from the Haweswater Aqueduct and to ensure great quality drinking water
- Investing £850m to enhance water quality by improving 82 storm overflows and protecting 55km of rivers and 4 shellfish waters
- Spending £226m to improve treatment of used water at 25 WwTWs
- Improve 4 bathing waters at Morecambe North and South, St. Annes and Fleetwood
- We're investing to improve 3,770 hectares (equivalent to 5,280 football pitches) of catchment land to improve raw water quality

## Summary of main topics of discussion during Q&A section

### Long-term water supply

Water is a vital but limited natural resource. The pressures of population growth, climate change and environmental considerations mean that it's now more important than ever to plan how we will manage water resources. With careful planning we can continue to deliver a reliable supply of water for customers in the future, while protecting the environment.

With increasing pressure on water resources across the UK, our Water Resources Management Plan (WRMP) defines our strategy to achieve a long-term, best value and sustainable plan for water supplies in the North West.

We produce a WRMP every five years, and this sets out how we intend to achieve a secure supply of water for our customers. When testing the plan, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, and the amount of water needed, population growth and environmental changes.

This helps us to understand what the risks are in the short, medium and long-term to our water supplies across the region.

As part of our plans being put forward for the Price Review, we are looking at how to drive improvements in leakage, how to reduce customer demand so people are using less, and how to develop new sources of water.

### Reducing Leakage

We're increasing our efforts to find and fix leaks, using new technology where possible to help us reduce the level of leaks faster.

Water is a precious resource, and we plan to reduce the level of leakage by at least 20% and have set targets to reduce leakage by 50% by 2050.

To reach these targets, we are driving innovation and taking a holistic technology led approach.

We are installing a series of sensors across the North West to understand how our pipe work is performing and where those leaks may be happening, and, more importantly, get out to fix them quicker.

We've developed and deployed artificial intelligence which uses rapid machine-learning to interpret the unique data trail left by leaks, tracking them down to pinpoint their exact location and identifying their size, just by the sound they make.

We work with customers to identify leakages in their homes and businesses too.

We know we have to do more. We continue to innovate and work closely with partners to reduce leakage and strive to deliver a great service to customers across the North West.

### **Reducing customer demand**

Making the best use of our water is a major part of our plan to ensure there is a sufficient supply of water for the decades ahead. To address challenges around future supply we need to lower demand and create new water sources.

We are working closely with customers to help support them to use less water by raising customer awareness about the importance of saving water.

We know customers genuinely care about how much water they are using and would like to understand more.

As part of our plan, we will install 670,000 new smart meters that will give customers information about their water use, giving them confidence to move to a water meter and become more water efficient.

Customers who are on a water meter typically use 21% less than other customers. If customers have visibility and usage information, it can help drive down the reduction in water usage.

### **New water sources**

Most of our water in the North West comes from reservoirs, with over half coming from Cumbria and Wales.

Reservoirs can fill quickly when it rains and empty quickly when it's bright and sunny. Therefore, we need to put in place plans to ensure that we are resilient in the long-term.

Our plan involves developing a number of additional sources of water.

We look at the resilience of all our local networks, our local storage reservoirs and pumping stations. We plan to improve resilience in any areas that are deemed vulnerable by building new pipes, putting new pumps in place so that we can protect customer supplies in the long-term.

In addition, we're part of the Water Resources West regional planning group (along with Severn Trent Water, Welsh Water and South Staffs Water and other stakeholders), and we have developed our WRMP with input from the group, so it is aligned with an overall regional plan.

Together we have considered the needs of other, more water stressed, areas of the country too and the scope to transfer water from the North West to the South.

We will develop new groundwater sources to improve the resilience of supplies in the North West and to support any potential transfer in the future. In considering any potential transfer, we will ensure it does not affect the reliability of the water supply in our region or cause any significant harm to the environment.

### **Bills and affordability**

Customers want us to ensure that the North West is a great place to live and work, and, more importantly, that we have the infrastructure to support that.

Customers want us to spend money wisely and efficiently, so we can make sure that we keep bills affordable.

The average annual bill today is £417. Going forward that bill will increase, before inflation, to £512 by 2030, a £20 increase each year for the 5 years.

Of that £20, approximately £5 to £6 will go towards the new infrastructure that we need to deliver to improve drainage and to reduce storm overflows.

Affordability is also a hugely important issue for many people in the region and lowering bills and helping customers out of water poverty is a priority.

We recognise the social and economic challenges of a region that includes some of the most deprived areas in the country, so it is more important than ever that we are doing what we can to help those customers who are struggling with payments.

We currently offer six different help to pay schemes, depending on their needs.

In Lancashire we currently support 55,300 customers through affordability schemes and 66,000 people with additional needs through Priority Services.

### **Supporting jobs and local economy**

As we embark on our largest ever investment programme to deliver environmental improvements, this will stimulate greater employment opportunities directly, and through our supply chain, contributing to local economies across the North West.

We're proud to invest in young people, offering several opportunities including graduate, apprenticeship and intern schemes.

We have the only Ofsted accredited training centre in the sector where we are training people for jobs for the future.

For example, we have recruited Green Apprenticeships to help achieve our plans to go carbon neutral by the end of this decade.

### **Infrastructure investment**

We understand that our customers and stakeholders want us to do much more to protect our natural environment.

In response, we are embarking on the largest investment programme since privatisation to ensure our plan makes the North West stronger, greener, and healthier.

In Lancashire, we are investing £850m to enhance water quality by improving 82 storm overflows and protecting 55km of rivers and 4 shellfish waters.

We are investing £226m to improve treatment of used water at 25 wastewater treatment works and we are investing £81m to improve 4 bathing waters at Morecambe North and South, St. Annes and Fleetwood.

## **Protecting the environment**

As a trusted company, we're committed to improving the environment across the region.

We understand we need to invest in our system, and work closely with customers, stakeholders and partners to protect and enhance the long-term resilience of the environment for future generations.

## **Combined Sewage Overflows (CSOs)**

Storm overflows are an important part of the sewerage network and include combined sewer overflows (CSOs) and storm tank discharges.

They act as a pressure relief valve when there is too much rainfall, allowing rainwater, mixed with sewage, to rise inside the sewer and eventually enter a separate pipe which flows into a river or the sea.

Sewers operate this way to help prevent the flooding of streets, homes and businesses. When we do need to use them, they can sometimes affect river and bathing water quality, albeit temporarily.

We want to remove combined sewer overflows from the North West in terms of the way that they operate.

The plan that we are putting forward for the next 5 years is going to see the company reduce storm flow activations by 60% (*compared to the 2020 baseline*).

The challenges won't be fixed overnight, similar to the transition of electric cars from diesel cars, as the infrastructure needs to be put in place first.

That means re-plumbing the North West region and building new infrastructure so that our systems can cope with future population growth and challenges arising from climate change.

## **Reducing the risk of flooding**

A partnership approach to tackling flooding is crucial to ensure we can respond quickly and thoroughly.

We have reduced sewer flooding in people's homes by short of 39%. We've been investing in technology across the North West and installing a series of sensors in our network so we can monitor and understand how our sewers are performing.

More importantly, this will help to identify problems with blockages or issues sooner, so that we can get to customer's homes quicker, and fix the problem before it occurs.

We've got some of the biggest and most ambitious targets across the sector to drive down sewer flooding. This is going to be one of the key targets that we put forward in the next 5-year Asset Management Plan (AMP).

## **Executive Pay**

Our executive pay continues to be firmly aligned to the performance of the company with respect to delivery for customers.

The senior team is incentivised on the issues that are important to customers including reducing leakage, reducing combined sewer overflows, and pollution events for example.

## Full Q&A and our responses

### STRONGER

***Q. A lot of people are worried about paying bills and general living costs. What are you doing to help those customers? It's a really worrying time for us.***

We really don't want our customers to worry about their bill and we have lots of ways we can help.

To date we have supported over 330,000 customers through a range of different affordability schemes. They include discounted tariffs, payment matching schemes and a hardship fund. In the current period we have provided £280 million worth of support.

We recognise that with a plan that sees an increase in water bills, it is important that we strengthen and double the affordability support. That will see us provide £500m worth of affordability support to help over 600,000 customers.

That is a big step change in the number of people that we can support and help. We are already doing great work in Lancashire, particularly in hot spot areas.

We work with many organisations including debt advice charities to ensure that help and support is available. Anybody can find themselves in a situation where they are struggling, and we want to make sure there is an open dialogue and communication so that customers are not worrying.

We would advise customers to always give us a call and we can go through a range of innovative ways of deciding what the best affordability tariff is for yourself as we understand each circumstance can be different.

We also have the most ambitious plan for rolling out smart meters in the next AMP (Asset Management Plan) period. It's always cheaper on a metre so you can access a meter and have a meter installed in your house.

***Q. In your presentation you referenced new and additional water sources. Does this address new reservoirs and where would these be?***

Every five years we produce a [Water Resources Management Plan \(WRMP\)](#) which sets out how we intend to achieve a secure supply of water for our customers. When testing the plan, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, and the amount of water needed, population growth and environmental changes.

This helps us to understand what the risks are in the short, medium and long-term to our water supplies across the region.

The primary objective is to reduce the amount of water that goes out into our network whether that's through reducing consumption by individuals or reducing leakage on our network.

We also look at the overall resilience of our water supply network and make sure that we've also got enough water supplies going into the system.

***Q. Is there any consideration being given to tapping into water supplies in other regions?***

We take part in regional water resources planning along with water companies across the West and North to explore all the different requirements that different areas have.

There is a lot of housing growth in the South East and more water needs, so we are looking at how we might import water and export water as well.

We are looking at how some of our Welsh reservoirs might help support people further South and similarly we are looking at how we might access water from further North.

There is an enormous volume of water that far exceeds the needs of Northumbria and so we are having some initial conversations about the feasibility of importing some of that water in the future.

This is part of a much longer-term activity that we are looking at.

## **GREENER**

### ***Q. What is the company doing about storm overflows and river water quality? How is it improving bathing waters and adapting to the challenges that are coming along with climate change?***

Storm overflows have been a feature of the system for the last 150 years, but that doesn't make them right and we are clear that we want to reduce their activations.

Storm overflows work by acting as a pressure release valve when the system is at capacity.

Essentially, that sewage has to go somewhere. We have a high level of combined sewers in the North West, and therefore a huge amount of both sewage and rainwater mixing together.

At times of heavy rainfall, the combined sewer system risks becoming overloaded. Storm overflows act as a safety valve to prevent the mix of lots of extra water and sewage backing up and flooding people's homes and businesses.

The plan we have put forward will see us start to re-plumb the region's sewers.

We will also construct new storage tanks to hold the extra rainfall we get in the region because sudden downpours overwhelm the system. That means we need to be able to store that water.

We are also looking at green solutions to tackle the current challenges.

This includes creating reed beds and installing sustainable urban drainage to capture that rainfall before it enters our systems.

In Lancashire we have been trialling industrial sized water butts at schools. These water butts are solar powered with technology that links back to our control rooms. It allows us to understand how much rainwater has been collected and in addition, we can signal when to release the water too, for example before a storm.

This frees up more room to collect the amount of rain that's forecast and prevent any excess from entering the sewage system.

The government did a piece of work asking how much it would cost to improve storm overflows across England and Wales. The cost of that was £56 billion, of which £20 billion fell to the North West. That's because we've got more of those combined sewer overflows than anywhere else together with more rainfall across the region.

We have a lot of work to do. This is an ambitious plan because we want to reduce storm overflow activations by 60%.

But this is going to take time and it won't happen overnight, similar to the transition from diesel cars to electric, because we need to put in place the infrastructure.

We want to accelerate this investment because we don't want to wait until 2025, we want to get going now.

***Q. We've all heard about what's happening down South with hosepipe bans. How far off is the hose pipe ban here in the North West?***

We have experienced very dry weather in April, May and into June.

Here in the North West, we haven't reached any of our triggers. But what we are doing is increasing communication with customers about their water use and what they can do to make a difference such as turning off the tap when we brush our teeth or only putting the washing machine or the dishwasher on when it's full. Together, these changes make a huge difference.

We have an integrated system in the North West. That means we have a series of connected pipes which allows us to move water from Wales into Merseyside and into Cheshire. We move water from Cumbria into Lancashire. That means we have the ability to move water to areas that may have a supply issue.

Water is a precious resource, and we need to make sure that we are not wasting any and that we are preserving supplies.

## **HEALTHIER**

***Q. How many lead pipes are still left in the North West? I thought we'd pass the stage when we still had our water coming to our homes through these dangerous conduits.***

As a water provider we do not install lead pipes but many of our homes that were built during the Victorian times do have lead pipes.

We have an aggressive plan that's been helping and supporting customers to remove lead pipes from their homes.

We're going to remove around 14,000 of those pipes during this regulatory period and we have an ambitious plan to take out 30,000 in the next regulatory period between 2025 and 2030.

We also offer a grant up to £550 pounds for customers to access to remove that lead piping. If you believe or you suspect you've got a lead pipe, then please get in contact or visit our [website](#) to book a visit.

***Q. I'm based up in Burnley, East Lancashire. We have some lovely reservoirs around my area. I'd like to know more about what goes on with the water and what you do at the reservoirs, and what you do at the sewage treatment plants. Where do I find that information out?***

There are lots of customers that don't understand what we do, and we want to make that information accessible.

Later this year, we're going to be opening a scheme called 'See for yourself.'

In each county we're going to have a water treatment works and a wastewater treatment works that you can visit, see what we do and how we treat that water and how we return it to the environment safely.

In addition to that, we've also introduced initiatives where our colleagues can come out and talk to community groups. That might be to parish councils or local authorities so people can talk to us directly about what we are doing in Lancashire as it's important that we make our services more accessible for people to see and understand.



There's a lot we can do to help people understand issues around flooding, what causes flooding and blockages. We talk a lot about why you shouldn't flush wipes down the toilet, and why fats, oils and greases shouldn't be put down the sink.

They have a real impact on our system and can cause flooding.

There is work to do around demystifying all of those issues and we want to play our part.

That also means we have to make this investment so that the infrastructure is fit for the future.

We are seeing the changes in climate and changes to rainfall patterns. We will have to think about how we manage future water patterns and therefore how we manage water differently.

There's a real opportunity for us all, as communities, to come together and do that together.

***Q. I live in the Ribble Valley. I tend to walk past 7 streams and rivers. I wondered what powers United Utilities has to successfully monitor and/or enforce regulations over pollution in rivers, streams, homes, lakes?***

Those enforcement powers sit with the Environment Agency. If you were to see something such as a discharge from a business, you should always report that to the Environment Agency.

We do want to see cleaner, healthier rivers and that's why we now have a team of River Rangers that are out working on our riverbanks, they're talking to local communities, and understanding what's going on and what more we need to do. That could be doing river clean ups or looking at how they can work with businesses on pollution because it is important, we all play our part.

But we don't have an enforcement responsibility or remit. That firmly sits with the Environment Agency.

***Q. If you don't do the things that you are promising, do we get your rebate as bill payers?***

When we propose our business plan, it is looked at by the Environment Agency and Ofwat. They ensure that the plan we are putting forward is both good value for money and that the costs are as low as possible but also that we're really stretching ourselves in terms of the targets that we are proposing. They insist that there are really strong customer protections about how we perform against those targets.

Firstly, if there is a significant piece of investment on a project that we have committed to spend money on, and then subsequently we don't deliver that project, that money is taken away from the company and returned to customers.

Secondly, if we don't hit our performance targets such as our leakage target or if supplies were interrupted more than we promised they would be, there's a financial penalty. That then rolls through into customer bills, and they will see a discount on the bill.

However, if we do beat those targets, the company gets a positive financial incentive.

The plan we have put forward is ambitious and good value because we want to provide the best service possible.

***Q. How do you plan to improve relationships with local councils and Lancashire County Council for example, to address some of the more localised issues such as blocked drains? It's a complex issue because if the council doesn't unblock the drains, we get flooding when it rains hard. We've had instances where United utilities have had to spend money to come and sort it all out, so it seems counterproductive.***

We spoke to local councillors last week along with the chief executives of the local authorities in Blackpool, Fylde and Lancashire County Council. We understand that we have got to work together, and we've had strong partnerships in the past including Turning Tides.

We are now looking to set up a Flood Working Group because we have got the same concerns you have got. There are parts of Lancashire that are 'flashy' with high levels of combined sewers, and which are prone to surface water flooding.

We have spent nearly £120 million to install a series of sensors across the wastewater network. This will help us to understand how the sewers are operating and how they operate during rainfall.

We sat down last week because with the data and information that we have, we want to come together to create a flood partnership for Lancashire and look at what we can do together.

One of the challenges we have in the North West is that over time, gardens that have previously acted as natural drainage, have been concreted for driveways, patios, and extensions. There is more concrete and less green space to absorb that sudden rainfall.

We work with local authorities to fund them to put in sustainable urban drainage. That might be street tree planting or creating new drainage solutions.

We have been doing that in Salford, Greater Manchester where there are similar issues to Lancashire, and it's worked brilliantly.

We are determined that we need to come together and work together. There aren't easy fixes because these are complex issues, but we can come together in partnership to develop a flood authority focusing on Lancashire.

Those conversations started last week and as we go forward, we are determined that we need to bring everybody together to tackle some of these flashy areas.

***Q. From what I've seen when planning permissions are put in for new builds, whether it's 1 or 2 houses, there never seems to be any consideration given to the impact of that building to the surrounding areas in terms of drains and pipes. It seems to be a missed opportunity to address some of the long term existing local issues.***

One of the challenges we have is that we are not a statutory consultant for planning. We cannot refuse anybody to connect to the sewer and by law, we have to take every connection.

But we are working more closely with developers and incentivising them with a 90% discount to put in sustainable urban drainage, so they are not putting their water into our sewers.

However, we need to push the government, so that by law, no development should be built without sustainable urban drainage such as grey water recycling and permeable driveways.

We also have new stakeholder managers in each county including Lancashire to work closely with local authorities. That means working with planning departments to talk about the systems that can be put in place.

With a population that is growing, we need to do things fundamentally differently.

We have spent time with customers who have experienced flooding. It is awful, we recognise that, and we've got to come together and work differently to look at how we can recycle that water.

***Q. There was reference earlier to the use of wet wipes, and how they were causing a lot of problems with blockages. Is United Utilities taking the initiative and working with manufacturers to address the issue?***

We have been working with manufacturers across the industry to see if we can develop biodegradable wipes. Currently, wet wipes don't degrade, they're full of plastics, and they have a long life in the sewer and cause blockages.

We know that a lot of families do rely on them. So, we've developed a new standard mark to identify those that are safe to be flushed. But our preference is for them not to be flushed at all. We are talking to supermarkets and retailers including Boots to encourage alternative and sustainable ways of washing and removing makeup, such as using a flannel.

***Q. United Utilities spends a lot of money in this region as a company and you employ a lot of staff. What are you doing to ensure you carry on spending money in the region and employing local people?***

We are excited about this plan because this is going to deliver a level of infrastructure investment into the North West like we have never seen. This will create some brilliant jobs and opportunities for people across the region. We have a great apprentice and graduate programme, and this year's UK Apprentice of the Year works at the company.

We have the only Ofsted registered training academy in the sector where we are training people for jobs for the future.

We are one of the biggest employers and it is fundamentally important that we provide local jobs.

With this plan comes the opportunity for great engineering jobs, construction jobs, service jobs, and the opportunity to provide new skills and new capabilities.

This plan gives us an opportunity and a scale to both attract investment but create some brilliant jobs in our region and that's an important legacy.