

Your Voice meeting via Teams

20 January 2025

Minutes

Your voice members	United Utilities
Bernice Law – Independent Chair Dave Thompson – Independent member Jo Lappin – Independent member Steve Cullen – Independent member Dr Tayo Adebowale – Independent member Peter Fitzhenry – Support to the Panel	Mike Gauterin Chris Matthews Gaynor Kenyon James Bullock Jo Harrison Graeme Mooney
Apologises	

1. Previous minutes: actions arising.

- GK advised that Jan Felton is currently leading a Windermere communication strategy review. This was an agenda item at the last stakeholder group.
- MG offered to provide YourVoice with a Smart Meter update once the new procurement contracts are agreed (post December 2024). This was flagged at last week's ESCG meeting for future agenda item.
- MG offered to share the results of the water efficiency project with YourVoice which was flagged at last week's ESCG meeting for future agenda item.
- DT asked if MG could arrange for his team to explain to the Affordability and Vulnerability Panel how they tackle water leaks. This had been flagged at last week's A&V meeting for future agenda item.
- Sam Fox agreed to provide a deep dive into UU's long term sustainable approach to tackling flooding and that this would be added to agenda items log for ESCG meeting in 2025.

2. Your Voice Chair Feedback & Ofwat's remuneration letter.

Bernice Law (BL) recently attended meetings as part of the Cunliffe Review and the NAO's consumer engagement review.

BL received a letter entitled 'Publication of Executive Pay & Monitoring Financial Resilience' from David Black, CEO at Ofwat. The letter referred to UU bonus payments to executive employees and raised an issue about how a legal matter had been reflected within the bonus scheme payments.

To aid this discussion, Graeme Mooney (GM), UU's Head of Reward, took the Group through a presentation about how the remuneration scheme works and the scheme's governance.

Q. BL asked which employees are covered by the bonus scheme.

A. GM advised that the scheme referred to by Ofwat applies to the CEO and CFO. It does not apply to any of the Board's Non-Executive Directors. A subcommittee of independent non-executive directors oversee the bonus scheme. The parent company funds the present scheme.

Q. Tayo Adebowale (TA) asked about the bonus scheme's scrutiny arrangements.

A. GM confirmed that a Subcommittee of United Utilities Board meets between four and six times a year to scrutinise performance against the scheme's criterion. UU's Head of Reward provides professional support to the Subcommittee. When evaluating performance against the bonus scheme criterion, the Subcommittee apply a mixture of a formulaic process alongside an element of discretion.

Q. Jo Lappin (JL) asked about any implications arising out of this letter for other employee bonuses.

A. GM advised that the Executive bonus scheme decision making did not have wider application across the company.

Q. Steve Cullen (SC) asked if there are any public reputation implications arising out of Ofwat's intervention.

A. GM advised that the company's public reputation is always considered as a factor within the Subcommittee's deliberations.

Q. BL stated that Ofwat's view seems to be that to pay Executive bonuses from the Parent Company was designed to avoid any potential claw back.

A. GM advised that the decision to pay Executive bonuses from the Parent Company was taken over two years ago.

Q. TA asked what role YourVoice had in relation to remuneration.

A. BL advised that Your Voice had never been involved in the company's pay and remuneration plans. It is unclear why Ofwat has decided to involve ICGs in the process. BL agreed to take soundings from other ICG chairs. **(Action)**.

3. Reflections on the Final Determination

James Bullock (JB) had previously taken Your Voice members (16 January 2025) through Ofwat's final determination. United Utilities' Board is due to consider the Final Determination in detail before deciding to accept it or to seek to appeal against Ofwat's decision.

Q. BL asked when the Board need to make its decision.

A. JB advised that the final date for responding to Ofwat is 18 February 2025. This is the last date when UU can ask for the determination to be referred to the CMA. In the event of an appeal, the Final Determination remains effective, and water

companies work towards these investment figures, pending the outcome of any appeal.

Q. Dave Thompson (DT) and BL raised the Affordability & Vulnerability Panel’s concerns about the new support scheme (£50 discount) being restricted to social housing tenant customers.

A. Mike Gauterin (MG) agreed to review this scheme and to feedback to this challenge. **(Action)**.

Q. JL stated that now that the Final Determination had been received (pending any appeal), that the spotlight shifts to programme delivery. JL asked if UU has the capacity and capability in place to deliver the Business Plan’s investment and if there are monitoring mechanisms in place to ensure that the programme is on track.

A. JB agreed that investment delivery is the key, and that UU is confident that it has the building blocks in place to ensure effective programme delivery. JB advised that Ofwat has put additional reporting mechanisms in place to monitor programme delivery and that UU will provide YV with a breakdown of this new reporting regime. **(Action)**.

4. Water sector overview and political engagement

Gaynor Kenyon (GK) provided an update about UU’s external operating environment. This presentation highlighted six broadly similar themes to those discussed at the October 2024 meeting.

October 2024 landscape update	January 2025 landscape update
Changing political landscape	Water Industry Commission – launch February 2025 report in o6/25
Water (Special Measures) Bill	Water (Special Measures) Bill – royal assent 03/25
Pending: PR24 Final Determination	Flooding & freeze-thaw -very busy period
Storm overflows	Bathing water results – share report (Action)
Windemere	Windemere – state of the lake report pending
Social tariff	Half year & seven hundred interventions

Q. SC highlight some effective flood incident partnership working (Environment Agency, Local Authorities, Peel Holdings) producing quick and effective responses.

A. GK agreed and pointed to positive local government partnerships with Greater Manchester authorities. These joint working lessons are being embedded across Merseyside and are being used as a template for joint work with Cumbria, Lancashire, and Cheshire authorities.

UU is becoming embedded within the North West Local Authority umbrella group (chaired by Warrington’s CEO). Joint working is a key theme within UU’s internal working

groups. The North West is planning for a significant surge in housing building and joint working will be key to ensuring this happens effectively.

Q, DT pointed to the positive contribution that the North West's voluntary sector can make when responding to flooding or other significant incidents.

A. GK agreed and promised to provide further information about how the local resilience forums are operating across the North West. **(Action)**.

Q. JL highlighted the need to achieve a better communications balance between the water industry and other commentators.

A. GK pointed to Water UK's positive communication work in explaining the water sector's position across a range of themes. UU has a communication plan for the whole of the North West. This is complemented by the five counties communication plans and hyper local communication plans. The key to presenting a more balanced picture is to deliver the investments agreed in the Final Determination. This will allow the water sector to "earn the right" to promote a more positive message.

GK suggested a separate meeting to consider the Water Industry Commission findings, **(Action)**.

5. Social Tariff verbal update

Mike Gauterin (MG) outlined the company's plans for maintaining the existing customer support schemes and the extra support planned within the new business plan. UU is planning to provide information about the customer support schemes in the April 2025 Bill correspondence. The new proposals include Water Plus and a fixed £50 discount for certain low-income households.

Alongside the help schemes, UU is planning to roll out one million smart water meters. A water meter remains the most reliable mechanism for reducing a customer's water use and resultant water bill. UU has recently signed a new contract for the delivery of its Smart Water Meter programme. This will be a topic of a future YV report. **(Action)**.

Q. DT welcomed the continued support for Water Bill payers, and he acknowledged UU's water industry leading customer support schemes. DT highlighted that the Affordability & Vulnerability Panel had offered its support in defining the relevant Water Plus medical costs. DT asked for an update about UU's work around helping the Just About Managing (JAMs) households.

A. MG advised that UU continues to monitor the JAMs segment of its customer base on a weekly basis.

6. Managing consultations

Gaynor Kenyon (GY) explained to the Group about the nature and extent of UU's involvement in consultation exercises. The agencies conducting the consultations include: Ofwat, Defra, EA, CCW etc. These consultations cover a wide range of topics and

themes. Currently, there are around twenty-nine consultations in play and UU has recently been involved with a further forty-five consultation exercises.

Q. BL asked if there is a mechanism for Your Voice to participate in some of these consultation exercises in its own right or as part of a wider UU response.

A. GK advised that this could be a welcome addition to UU's own consultation responses and that UU officers will give this matter further consideration. **(Action)**.

7. 2024 performance update

UU officers provided a performance update focusing upon areas of concern or worthy of further debate and consideration.

Q. TA asked if a rise in surface water flooding was impacting upon UU's performance results.

A. Jo Harrison (JH) advised that increasing rainfall is affecting the number of pollution incidents but that there remains a reduction in overall water spills. UU's joint work with other agencies is bearing fruit when dealing with these incidents.

Q. JL asked if the reduction in the UK's Water Testing capacity is having an impact on UU's ability to manage water quality.

A. JH advised that UU is aware of the laboratory testing capacity issue, but that JH will take this matter away for a more detailed response. **(Action)**.

Q. JL asked about how UU is planning to respond to the longer-term weather changes brought about by climate change.

A. JH advised that UU's Integrated Water Management Plan (IWMP) take an integrated approach to managing water and waste across a longer timeframe (25 years). UU will provide the Group with an update about the IWMP work. **(Action)**.

8. Feedback from sub group chairs on the issues emerging from their group.

8.1 E&SCSG key issues:

The Sub Group spent time reflecting on a range of issues including: PFAS, storm overflows, the North West & national portals, WINEP, rainwater management and PR29.

8.2 SESG key issues:

The Sub Group spent time reflecting upon water demand management, Streetworks ODI, lab testing capacity and a water industry landscape report.

8.3 A&V Panel key issues:

The Panel's work focused upon the proposed AMP8 Affordability schemes, the potential new jobs arising from the new investment, an increase in North West residents registering with PSR, the increasing reach of the Water Bill Support Schemes and the upcoming Vulnerability Summit (20 March 2025). The Panel also provided updates about

how North West Households are being affected by the cost-of-living crisis and the emerging sustainability of customer support organisations.

8.4 CESG key issues:

The Sub Group reviewed a number of customer research projects alongside an in depth look at how UU is tackling lead pipe replacements. The Sub Group also considered some recent CCW research programmes alongside a quarterly performance review.

9. AOB

With no further matters, the meeting ended.