

Dear [REDACTED]

Thank you for your request for environmental information. We appreciate your interest, and we want to let you know that your request has been carefully considered in accordance with the Environmental Information Regulations (EIR). As the request contained a number of specific questions, this response, restates each part of the request (in bold) and then follows this with our response:

I am making this request under the Environmental Information Regulations 2004 (EIR).

Please treat this as a request for recorded environmental information. If any part of this request is unclear, please contact me promptly so it can be refined. If you consider any part of this request to be exempt, please specify the exact EIR exception relied upon and provide the associated public interest test where required.

**Request 4: Wastewater Investment – Capital, Maintenance, and Catch-Up Spend**

Please provide the following information relating to wastewater network and wastewater treatment investment by United Utilities during AMP7 (2020–2025) and planned for AMP8 (2025–2030):

1. For AMP7 (2020–2025), a breakdown of actual spend on wastewater assets, split into:
  - Capital enhancement investment (new or upgraded assets)
  - Capital maintenance / asset health (replacement, refurbishment, life extension)
  - Operational expenditure (maintenance, repairs, routine operation)

This information is publicly available in table 4E (page 182) of the [Annual Performance Report](#), which is published on our corporate website. For ease, we have also included a summary of this information for each of the five years in the table below.

Line description	FY21*	FY22*	FY23*	FY24*	FY25*	Total*
Base operating expenditure	292.04	298.08	346.35	431.64	433.48	1801.59
Enhancement operating expenditure	5.12	2.17	4.92	19.44	24.48	56.13
Base capital expenditure	168.31	157.83	150.42	199.23	243.29	919.10
Enhancement capital expenditure	179.20	240.96	270.87	279.85	436.46	1407.34

\*Figures are £ million.

Additionally, section 1.4 of the Annual Performance Report (Wholesale Totex) provides a detailed explanation of this expenditure over the five-year period and includes any variances to the originally allowed expenditure that was determined through the 2019 price review.

2. For AMP8 (2025–2030), a breakdown of planned spend on wastewater assets, split into the

same categories as above.

Our planned spend on wastewater assets was agreed with the Water Industry Regulator (Ofwat), as part of the price review process. Ofwat published its Final Determination for the price review for the 25-30 period on 19 December 2024.

The expenditure allowances can be found here on Ofwat's website: [9.-PR24-final-determinations-Expenditure-allowances.pdf](#). This Final Determination now forms the basis of our delivery plan, and customer bills will reflect the expenditure allowances set by Ofwat. Key figures for wastewater network plus are as follows:

- Table 53: Base expenditure allowance – £2,919m
- Table 54: Enhancement expenditure allowance – £4,509m
- Table 55: Total expenditure allowance – £7,428m

Table 53 provides a total base expenditure allowance. This is a total totex allowance and does not distinguish between capital maintenance and operational expenditure within the base allowance.

How these costs are then allocated is for each company to manage through its internal business planning processes. To ensure customers receive the service levels they are paying for, Ofwat has set Outcome Delivery Incentives (ODIs) to incentivise performance, and Price Control Deliverables (PCDs) to ensure customers do not fund improvements that are not delivered.

- 3. For both AMP7 and AMP8, please identify which elements of spend are:**
- **Required to address permit non-compliance or repeated breaches**
  - **Required to address over-capacity or hydraulic under-performance**
  - **Required solely to meet new or tightened legal / regulatory requirements**

Our investment and operational programmes are designed to minimise the risk of permit non-compliance. Most of our expenditure relates to proactive, routine maintenance and day-to-day operational activity to prevent issues arising. When unforeseen events occur – such as asset failures or severe weather – we carry out reactive maintenance and service recovery activities to return assets to compliant operation as quickly as possible.

These reactive activities are part of our normal operational expenditure. However, they are not reported or tracked as a distinct cost category within the Annual Performance Report, as this level of disaggregation is not required. Consequently, we do not hold a separate numerical breakdown for service recovery costs.

Spend to address over or under capacity is funded in two ways. Spend incurred to address existing risks at existing assets, without any increase in the flow to the works, would be funded from our base expenditure allowance, and is not set out as a specific subset of this investment. Any work that is required to address potential hydraulic risks as a consequence of growth or other increased flows to UU assets is funded through a specific enhancement programme. This growth-related investment



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increases capacity ahead of forecast demand, ensuring that the works remains compliant as the catchment grows. Spend to comply with new or tightened legal / regulatory requirements is funded through UU enhancement programmes.

For AMP7, information on the wastewater enhancement programmes is set out within the [Annual Performance Report](#). Table 4M shows all AMP7 enhancement wastewater spend, split by programme type (including growth), as presented in column AB (i.e. totalling £1,085m). In addition, advanced AMP8 spend is presented for accelerated spend (col O, totalling £78.7m) and AMP8 transition costs (col P, totalling £55.6m).

For AMP8, our total AMP8 allowance for this growth-related capacity provision is £97.4m, with the breakdown of all the wastewater network plus enhancement allowances being available on Ofwat's website here: <https://www.ofwat.gov.uk/wp-content/uploads/2024/12/PR24-FD-CA14-Enhancement-costs-aggregator-model-2.xlsx>.

The relevant detail showing total enhancement expenditure for all companies is set out on the "Waste post adj & FS total" tab. This tab includes draft determination allowances in column H, and final determination values that were assessed by Ofwat as part of the price review process in column K. The total allowances that were derived as part of the final determination are included in column L. This table includes the allowed values for all water and wastewater companies, with UU being referred to as "NWT" in column E.

The top section of this table (rows 7-21) includes all allowed wastewater expenditure, including bioresources spend, as well as for wastewater network and wastewater treatment expenditure.

The expenditure allowances associated with delivering our environmental statutory and regulatory obligations under the Water Industry National Environment Programme (WINEP) are listed on rows 23-401 under the separate drivers of expenditure, totalling £4,213m.

Rows 491-503 show the allowed expenditure for growth in the network, as well as other enhancements that will be undertaken. The total expenditure on wastewater network and wastewater treatment assets is shown in the "Wastewater network+" summaries on rows 663-675.

**4. Copies of, or links to, any internal business cases, investment appraisals, or prioritisation documents that explain why specific wastewater schemes were required, including whether they were driven by:**

- **Historic asset condition**
- **Environmental harm or risk**
- **Growth and capacity pressures**
- **New statutory standards**

Every five years, Ofwat resets the regulatory framework for the water sector through the Price Review. The process begins with companies developing and submitting detailed Business Plans for the forthcoming Asset Management Period (AMP). These plans set out how each company intends to



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deliver services, improve performance, invest in infrastructure and protect customers, alongside the revenue required to do so.

We submitted our Business Plan in October 2024, which can be found at this location (<https://www.unitedutilities.com/corporate/about-us/our-future-plans/our-business-plan-submissions/our-business-plan-submissions-for-2025-2030/pr24-proposed-plan-supplementary-documents/>).

We have provided a summary of our representation and guide to our submission at this location ([https://www.unitedutilities.com/globalassets/z\\_corporate-site/pr24/august-2024/executive-summary/uuwr\\_01\\_summary-of-our-representation-and-guide-to-our-submission.pdf](https://www.unitedutilities.com/globalassets/z_corporate-site/pr24/august-2024/executive-summary/uuwr_01_summary-of-our-representation-and-guide-to-our-submission.pdf)). From page 6, you will find an index of all our submitted documents.

Once submitted, Ofwat undertakes a detailed review to understand whether companies' plans are ambitious enough for customers, efficient enough compared to peers, and robust enough to be delivered. The outcome of that review is the Draft Determination (DD). This is Ofwat's provisional decision on what it believes the company should be allowed to spend and earn over the next five years. Following publication of the DD, companies are given the opportunity to submit representations, which are a formal response to the provisional settlement.

Ofwat's draft determinations for all water companies can be found at this location (<https://www.ofwat.gov.uk/regulated-companies/price-review/2024-price-review/draft-determinations/>).

We submitted our response to Ofwat's Draft Determination in August 2024, which can be found at this location (<https://www.unitedutilities.com/corporate/about-us/our-future-plans/our-business-plan-submissions/our-business-plan-submissions-for-2025-2030/pr24-proposed-plan-supplementary-documents/>).

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After considering representations (and any wider consultation feedback), Ofwat issues the Final Determination (FD). This is the binding regulatory settlement for the AMP and sets the regulatory contract for the next five years.

- 5. Please confirm whether United Utilities has identified any wastewater assets where:**
- **Planned AMP8 investment represents catch-up for deferred maintenance or historic under-investment, or**
  - **Assets have operated beyond their intended design life prior to upgrade**

**If so, please provide the asset type (e.g. treatment works, network, pumping station) and a brief**

## **description.**

Ofwat's PR24 determinations were set following its own independent assessment of efficient costs, and Ofwat has been clear throughout the price review process that companies must not be funded twice for the same activity. In its published material <https://www.ofwat.gov.uk/wp-content/uploads/2024/07/PR24-draft-determinations-Delivering-outcomes-for-customers-and-the-environment.pdf> Ofwat states that its approach is designed to prevent "customers paying twice for the same improvements", and this principle is embedded in the way final determinations are constructed. As a result, the allowances for AMP8 were set in a way that consciously avoids any recovery of costs that have previously been funded, including historic maintenance.

In developing our enhancement programme for AMP8, we applied the same principle. Our enhancement cases were carefully scoped to ensure that we did not seek to recover costs associated with deferred maintenance or historic under-investment. For example, in the storm overflows programme, we explicitly separated the incremental cost of delivering the required improvements from any maintenance required on existing assets. Only the cost of delivering new or improved outcomes was included in our enhancement submissions; maintenance costs remain funded through base allowances.

As a result, no wastewater assets included in our AMP8 programme represent catch-up for deferred maintenance or historic under-investment. Both Ofwat's determinations and our internal planning processes were designed to prevent any such costs from being recovered from customer bills.

United Utilities does not identify wastewater assets as having "operated beyond their intended design life" in a way that triggers automatic replacement. Our accounting asset lives represent an average expected life across an entire asset class, meaning some individual assets will naturally operate for longer and some for shorter periods. This variation is inherent across all categories of wastewater assets and does not, in itself, indicate under-performance or the need for replacement.

Our approach to asset intervention is based on risk-based maintenance, not the expiry of an assumed design life. We consider a range of factors including age, utilisation and condition, alongside performance data and failure probability, when determining the need to intervene. We undertake proactive maintenance where condition, performance data, or failure probability indicate a material risk of failure—rather than simply because an asset has reached a particular age. Conversely, we do not proactively replace assets that continue to perform in line with expected standards, with no elevated failure risk, even if they have exceeded their typical expected lifespan.

Where appropriate, some specific asset types are replaced on a more predictable work-life cycle, but these cases are exceptions rather than the norm. Broadly, replacement occurs only when:

- assets fail and require reactive replacement, or
- proactive risk assessment shows that failure is sufficiently likely to warrant planned intervention.



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- 6. Copies of, or links to, any summary reports or submissions provided by United Utilities to Ofwat or the Environment Agency that describe wastewater investment needs in terms of asset condition, resilience, or historic performance.**

Please see the answer to question 4 for submissions to Ofwat.

We do not submit investment needs to the Environment Agency; we do however make a five-yearly submission to Defra called the Drainage and Wastewater Management Plan (DWMP). This is a long-term, 25-year strategic plan that sets out how we will maintain, improve, and expand our drainage and wastewater systems, to ensure resilient and robust infrastructure for the North West. You can find our current DWMP at this location (<https://www.unitedutilities.com/corporate/about-us/our-future-plans/Our-long-term-plans/dwmp-publication-may-2023/>). This is published every five years, with the next DWMP (DWMP28) due to be published in November 2027.

We hope that this response answers your request. However, if you're not satisfied with how we've handled it, you can request an internal review. To do this, please write to us at Environmental Information Office, Haweswater House, Lingley Mere, Warrington, WA5 3LP or email us at [EIRRequests@uuplc.co.uk](mailto:EIRRequests@uuplc.co.uk), addressing your request to [REDACTED], and explaining why you're unhappy with our response. We'll be very happy to review your request and ensure we've done everything we can to assist you.

Any request for an internal review should be made within 40 working days of receipt of this response, and we will reply within 40 working days from receipt of the request for internal review.

Many thanks



We'd love to hear your feedback on how we handled your request! If you have a moment, please complete our short survey [here](#) – your input helps us improve our service.