

**UUW76**

# Confidence and assurance of the submission

**October 2023**

Chapter 10 supplementary document

This document provides the detail on the specific processes, controls and assurance that has been applied to each element of our business plan. It also provides a full list of the independent assurance reports that have been undertaken to support the business plan and provides a reference showing where these reports are located within the submission.

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# 1. Confidence and assurance of the submission

## 1.1 Key messages

- **Comprehensive board assurance statement and robust assurance process:** The board has owned and driven the strategic direction of the PR24 business plan and we have applied a rigorous assurance framework.
- **Strong track record of transparency and good governance:** We publish trusted information and have a proven track record of providing open, transparent and high-quality information about our performance to customers, stakeholders and regulators.
- **Structured evidence of robust assurance:** We have followed our risk based assurance framework and applied assurance at the appropriate levels throughout the development of the plan.
- **Expert review and challenge:** We have used internal and external expert reviewers to support and challenge the development of the plan.
- **High quality submission:** We have commissioned high quality independent assurance experts to assure the quality of our submission.
- **High quality external assurance:** The quality of our assurance has been applied through our published risk based assurance framework, reviewed by external assurance experts, Deloitte LLP.

## 1.2 Structure

- 1.2.1 This supplementary document evidences the assurance undertaken to support the plan. This, together with a strong track record, gives us confidence about the quality of our plan to make the North West stronger, greener and healthier.
- 1.2.2 We set out by chapter how the assurance framework has been applied, the governance, challenge, review and assurance that has taken place and confirmation that we have met the requirements set out in the final methodology. This includes a summary which highlights areas of both quality and ambition embedded in our submission.
- 1.2.3 To further enhance the quality and ambition we have commissioned externally recognised industry experts to review, challenge and make recommendations in the development of the submission.
- 1.2.4 The remainder of this document is structured as follows:
- **Section 1.3** provides a summary overview.
  - **Section 1.4** outlines the PR24 methodology assessment criteria.
  - **Section 2** provides a summary of the assurance undertaken on Chapter 2: Great water for the North West.
  - **Section 3** provides a summary of the assurance undertaken on Chapter 3: Customers and communities shaped our business plan.
  - **Section 4** provides a summary of the assurance undertaken on Chapter 4: Driving affordability.
  - **Section 5** provides a summary of the assurance undertaken on Chapter 5: Delivering great service.
  - **Section 6** provides a summary of the assurance undertaken on Chapter 6: Delivering greater social and environmental value.
  - **Section 7** provides a summary of the assurance undertaken on Chapter 7: Resilience and asset health.
  - **Section 8** provides a summary of the assurance undertaken on Chapter 8: Delivering at efficient cost.

- **Section 9** provides a summary of the assurance undertaken on Chapter 9: Risk, return and responsible behaviour.
- **Section 10** provides a summary of the assurance undertaken on Chapter 10: Assurance and track record

1.2.5 A list of key associated assurance artefacts are also provided for each chapter.

## 1.3 Overview

1.3.1 We have confidence in all areas of our business plan. We have undertaken a robust process to develop each area of our plan utilising appropriate independent specialist assurance, in line with our published assurance framework<sup>1</sup>. We have applied this comprehensive assurance framework to the submission.

1.3.2 We set out our plans for the assurance of this submission in our final assurance plan which we published on our website, implementing a risk based three lines of assurance approach<sup>1</sup>. This approach provides proportionate assurance to all areas of the business plan submission. The output of this confidence and assurance process were presented to, challenged and reviewed by the board, and the full board signed a comprehensive board assurance statement to support our business plan. The full board assurance statement can be found in document *UUW11 - Board Assurance Statement*.

1.3.3 Whilst chapter 10 of our business plan provides a full description of the application of the assurance framework to our plan, governance and control activities, this document outlines how the UUW Board has satisfied itself that the systems, approach to risk management, and internal controls and processes in place to develop the data and information on which it based its decisions was appropriate and effective. The board is confident that the overall strategy for data assurance and governance processes delivers high-quality data across all aspects of our plan and long-term delivery strategy. We have made decisions based on historic and expected performance, reflecting future uncertainties and believe that this submission is high quality in the round.

1.3.4 The board has a broad range of skills and expertise across a number of disciplines. This allows the whole board to apply its skills to test the impact of the assumptions on the wider stakeholder base. Evidence of the board's engagement and challenge throughout the lifecycle of the plan's development can be found in supplementary document *UUW77 - Board leadership of the business plan*.

## 1.4 PR24 methodology assessment criteria

1.4.1 This supplementary document is aligned to our business plan submission on a chapter by chapter basis, describing how we have met the criteria set out in Ofwat's final methodology, what assurance has been applied and the outputs of that assurance, where relevant. Table 1 below sets out the quality and ambition requirements provided by Ofwat. Whilst not all areas will be tested for both quality and ambition, we believe we demonstrate quality and ambition beyond those areas specified. We have also considered customer engagement as part of this assessment.

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<sup>1</sup>[unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework\\_updated-31012022.pdf/](https://unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework_updated-31012022.pdf/)



## 2. Great water for the North West

### 2.1 Summary of chapter two

2.1.1 The North West is an exciting and diverse region and our plan has been shaped by customers and stakeholders and adapted to meet these needs. The region has unique factors which create both opportunities and challenges for operating water and wastewater services. Within chapter two we describe our level of ambition, aligned to our purpose and vision for the next 25 years, and the context of our AMP8 plans within this longer term landscape. Building on our strong track record, our future plan is ambitious and protects the health and wellbeing of communities and the environment, underpinning the economy as a key enabler for sustainable growth. We set out below the key assurance activities undertaken in support of this chapter.

### 2.2 Activities undertaken against assessment criteria

#### Chapter 2 Great water for the North West

Criteria	How have we addressed this in our business plan?
Checks, controls and other activities undertaken to provide confidence in our plan	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies (LTDS) as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>2</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
Quality	<p>The UUW Board is responsible for setting the strategy of the company, ensuring the long-term success of the company, including delivery for customers, the environment and other stakeholders, including investors. The board is responsible for challenging and encouraging the executive team in its interpretation and implementation of how it manages the business, and that it is doing so in accordance with the strategic goals the board has set. This is evidenced in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p> <p>The long-term delivery strategy has been approved for submission by the UUW Board. Each of the component parts of the LTDS have followed the appropriate regulatory methodologies and external statutory guidance including, for example, the Water Resources Management Plan and Drainage and Wastewater Management Plan processes. Component parts of the long-term delivery strategy have been presented to and approved by the UUW Board for submission. We have sought support and scrutiny from experts both from within the company and from external sources (such as Arup) to help develop a high quality plan. In addition to meeting statutory and regulatory requirements our plan delivers additional value to the environment and society.</p> <p>We have listened and responded to feedback from customers, having understood what they value most. A key source of feedback has been through our customer research programme and through the comments received in response to our draft plans. We have presented this feedback from customers, stakeholders and regulators in our statements of response to statutory plans. We received strong support for the discretionary elements of our plan.</p> <p>Delivering an efficient plan is fundamental to the quality of our submission. Our approach to costs is specific to the relevant programme or project, utilising a number of methodologies and tools to</p>

<sup>2</sup> [unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework\\_updated-31012022.pdf/](https://unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework_updated-31012022.pdf/)



## Chapter 2 Great water for the North West

### Criteria

### How have we addressed this in our business plan?

ensure the creation of optimal programmes of work. We commissioned Mott McDonald to inform cost estimating. This common methodology for scope development and estimating has been applied across a number of programme submissions, including but not limited to the WINEP. The discretionary elements of the preferred plan for DWMP were identified using an optimisation engine developed by Copperleaf, which prioritised interventions based on costs and monetised benefits so that optimal programmes of work could be created.

Another key element of a high quality plan is collaboration, in order to optimise solutions and maximise benefits. We believe partnerships are critical to meet long-term goals. Throughout AMP8 and over the long term we will work with others to unlock benefits, influence to manage issues at source and promote sustainability through others. This builds on a strong track record of attracting, engaging and sustaining partnership approaches.

### Ambition

We believe our plan presents our most stretching ambitions with step changes delivered quickly and a new refreshed lens on the long term. We have developed robust and adaptive plans to seize opportunities and manage risks over the long term and deliver on our purpose to provide great water for a stronger, greener and healthier North West.

In order to ensure that the plan achieves value for money, the company has utilised a number of approaches. A value assessment tool was developed to assess the monetised benefits for each proposed project for wider environmental outcomes such as catchment resilience (in line with Environmental Agency guidance) to develop the best value AMP8 programme.

Our ambitions for both the long term and short term have been set out in our plan. Amongst our shorter-term aims, we are helping to support customers who need it most, doubling the support available through the 2025–2030 period by delivering sector leading affordability and priority services schemes, keeping bill increases as low as possible, delivering efficient and best value plans for the long-term and making use of markets to drive efficiency and provide customers with great water quality which is 100 per cent compliant with drinking water quality standards.

In the longer-term we will improve the taste, smell and appearance of water, aiming to reduce contacts by 80 per cent by 2050 through a continued focus on our ‘water quality first’ culture and planned investments across our system, aiming to eliminate lead pipework, enhance the network and use cutting edge innovation to manage the challenges posed by climate change, aiming to halve sewer flooding incidents by 2050.

Crystal marked summaries of our DWMP and WRMP submissions have been published on our website providing a platform for customers to understand the plans and provide feedback if required. A customer focussed summary of our PR24 plan has also been published.

We have a culture of continuous improvement and our rolling customer research programme gives us excellent insights into the needs of customers. This is a continuous programme which responds to the changes of customer, stakeholder and business requirements.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan.

In line with our overall AMP8 plan, chapter two, LTDS and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls on the accuracy of data and information presented in the submission documentation.



## Chapter 2 Great water for the North West

### Criteria

### How have we addressed this in our business plan?

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- Jacobs was appointed to assess gaps in statutory plans against requirements and provide challenge and insight on how the LTDS compares to regulatory expectations.
- Lexington was appointed to support stakeholder engagement in LTDS.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- Existing assurance providers were utilised for data that is common with business as usual submissions, such as the DWMP and WRMP submissions.
- Deloitte LLP undertook targeted external assurance of the chapter and the LTDS submission and reported findings and any material actions back to the executive sponsor.
- PwC undertook targeted assurance of data tables.
- External assurance of the value assessment tool was provided by Deloitte LLP.

Recommended actions from these assurance activities were addressed prior to submission.

#### *Assurance summary*

*Chapter two - Great water for the North West*, the LTDS and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

The chapter was subject to a number of reviews by external industry experts. Arup undertook independent scrutiny and challenge on the WINEP scrutiny and challenge independent review report.

## Chapter 2 Great water for the North West

### Criteria

### How have we addressed this in our business plan?

External targeted assurance aligned to the risk based assessment was undertaken by Deloitte LLP that additionally provided aggregate assurance across the breadth of the programme.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 2.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 2 Great water for the North West	✓	✓	✓	✓	n/a	✓

## 2.4 Assurance artefacts

2.4.1 Key assurance artefacts for chapter two include:

- UUW published assurance framework
- *UUW77 - Board leadership of the business plan*
- Corporate Audit report
- Independent review and challenge by industry experts
- Customer insight and research library (research on DWMP, WRMP and discretionary elements of plan)<sup>3</sup>
- YourVoice report
- Arup WINEP scrutiny and challenge independent review report
- Jacobs targeted assurance report
- Lexington targeted assurance report
- Mott McDonald estimating assurance report
- Deloitte LLP targeted assurance on affordability
- Deloitte LLP targeted assurance of the value assessment tool
- PwC targeted assurance of data tables
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023

<sup>3</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/)

## 3. Customers and communities shape our business plan

### 3.1 Summary of chapter three

- 3.1.1 Customers and communities support the improvements and strategies proposed in our plan. Our proposed service improvements and long-term aspirations and strategies to adapt to new challenges are aligned to customer preferences. There is wide ranging and robust evidence that both current and future customers back our proposed investment to deliver better levels of service.
- 3.1.2 Ongoing research and engagement with customers and communities has informed our planning process from the start. There is a clear link between customers' views and our business plan proposals. In many places customers and communities have helped us design future solutions.
- 3.1.3 Our research is high-quality and has been subject to rigorous challenge and assurance. Our research programme meets requirements set out by Ofwat, CCW and third-party experts. The approach and results have been challenged and assured, including by the board and the North West's independent customer challenge group (YourVoice). We set out below the key assurance activities undertaken in support of this chapter.

### 3.2 Activities undertaken against assessment criteria

#### **Chapter 3 Customers and communities shape our business plan**

<b>Criteria</b>	<b>How have we addressed this in our business plan?</b>
<i>Checks, controls and other activities undertaken to provide confidence in our plan</i>	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies (LTDS) as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>4</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
<i>Quality</i>	<p>Our research programme is conducted in line with both Ofwat and CCW's principles of high-quality research, avoiding duplication and ensuring each engagement has meaningful impact. We have gathered effective insight on both short-term and long-term priorities. This is important as investments in our AMP8 business plan will deliver on aspirations for the long-term. In the supplementary document <i>UUW21 - Customer Research Methodology</i> we detail our approach to customer research and how we achieve this excellent quality insight.</p> <p>Our customer research methodology ensures we achieve high quality research and results. Table 2 below outlines the principles we work to and how we carry this out.</p>

<sup>4</sup> [unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework\\_updated-31012022.pdf/](https://unitedutilities.com/globalassets/documents/pdf/2020-25-assurance-framework_updated-31012022.pdf/)

## Chapter 3 Customers and communities shape our business plan

### Criteria

### How have we addressed this in our business plan?

**Table 2: Our customer research methodology ensures:**

Research is neutrally designed	To avoid selection and order bias, we ensure content is not leading, allows inclusivity and accurately represents the views of customers.
Research is useful and contextualised	Our scoping exercise and approach ensures research is timely, relevant and designed to ask meaningful questions, which will inform impact when it comes to business planning, taking into account a wider evidence base for our findings.
Research is fit for purpose	Research materials are piloted, with content designed to ensure questions and materials are easily understood so customers feel they can provide meaningful answers. The sample and methodology are appropriately selected with research objectives in mind.
Research is continual	Our research programme builds on multiple and continuous sources of insight. We have conducted over 75 research projects from 2020–2023, using a wide variety of mechanisms for customer insight to help us understand changes to customer sentiment over time, both in relation to UUW and wider factors affecting customers' lives.
Research is inclusive	Our customer research is representative of the UUW operating area. Sample sets and recruitment methods are designed to ensure all customers, including those that are vulnerable, hard to reach or digitally excluded, can participate.
Research is shared in full with others	We have, wherever practicable, published our research projects including full reports, methodology, screeners, stimulus, questionnaires and research guides on a dedicated area of our website since July 2022. This is an open data source that anyone can use and demonstrates our extensive and transparent approach to sharing research. We were the first water company to drive industry awareness of our published research through a customer research newsletter called, 'The Source'. We share reports and knowledge with other water companies and regulators. We are an active member of cross company forums, such as Water Resources West where we regularly share research.
Research is independently assured	Where appropriate, our research and usage of results is peer reviewed and independently assured. Research is completed by independent research agencies and is always in line with third-party best practice, such as Market Research Society guidelines.
Research is ethical	All research is conducted in line with ethical standards, including the Market Research Society and the Social Research Association.

We work closely with the independent challenge group YourVoice, in order to demonstrate to them that our research is high quality and is demonstrating best practice. We have sought independent assurance that our customer research is in line with Ofwat and CCW guidance. We received substantial contributions from YourVoice around the design and execution of research to ensure it remained neutral, representative and adhered to high-quality research best practice. YourVoice provides continual check and challenge of our engagement. Feedback and critique of our projects are recorded in a tracker with a response on why we have, or have not, addressed the feedback. This is published on the YourVoice website<sup>5</sup>.

Our research and decision making has been independently challenged and assured. Supplementary document *UUW21 - Customer Research Methodology* sets out how our challenge process reflects the key qualities of independence, board accountability, on-going challenge, informed, transparent, representative, comprehensive and timeliness.

### Ambition

We believe our plan is stretching and ambitious and customer research has helped to shape this plan. In addition to the prescribed phases of research, we undertook a quantitative pilot phase in April/May 2023 with 500 customers and 100 non-household customers. This allowed us to understand early learnings from the quantitative research to shape our plan and share our

<sup>5</sup> [yourvoiceicg.co.uk/yv-panel/challenge-and-issues-log/](https://yourvoiceicg.co.uk/yv-panel/challenge-and-issues-log/)

## Chapter 3 Customers and communities shape our business plan

### Criteria

### How have we addressed this in our business plan?

learnings on the design of the research with Ofwat, CCW and other water companies. Turner & Townsend reviewed materials to help us refine our approach ahead of the full quantitative testing.

As a central part of developing our PR24 business plan proposals we have engaged customers on their views around the affordability and acceptability of our plans.

In conducting this research, we paid proper regard to joint Ofwat and CCW guidance. We conducted both qualitative and quantitative research across a representative sample of both household and non-household customer groups, with sample proportions in line with guidance. Adherence to guidance was independently assured by Turner and Townsend.

We held the open stakeholder and customer 'Your water, your say' forum, in line with Ofwat and CCW guidance, on 29 June 2023. The online session was open to all, including customers, businesses, environmental groups and other stakeholders, providing an opportunity to ask questions, raise concerns and provide feedback on the business plan for the 2025 – 2030 period directly to the chief executive and members of the senior leadership team.

The event was promoted widely via social media channels including X (formerly Twitter), Facebook, and LinkedIn reaching 10,000 people, our customer research panel 'In the Flow' comprising of 1,000 customers and to 400,000 My Account customers. Attendees represented a range of interest and community groups including Clean River Kent Campaign, Mersey Rivers Trust, Citizens Advice and the Combined Authorities in Greater Manchester and Merseyside.

In addition to the Ofwat and CCW event, we took the opportunity to host five county based 'Your water your say' sessions for Cheshire, Greater Manchester, Cumbria, Lancashire and Merseyside. These were chaired by the chair of the independent challenge group, YourVoice. Each session gave customers and stakeholders in each county the opportunity to address concerns at a local level including around investment, environmental strategies and how we are helping the most vulnerable in society.

This allowed us to publicise important information about our plan and our purpose to provide great water for a stronger, greener and healthier North West in each area, and gauge reaction to our proposals and investment intentions. These sessions attracted 180 customers and stakeholders including several special interest groups around local issues. The meetings were stimulating and constructive and included challenging questions on a wide range of issues. The full response to these sessions can be found on our website<sup>6</sup>.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan. The board confirms that the company's customer engagement and research meets the standards for high-quality research. We have adopted best practice which has been used to inform both our plan and our long-term delivery strategy.

In line with our overall AMP8 plan, chapter three and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and

<sup>6</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/)

## Chapter 3 Customers and communities shape our business plan

### Criteria

### How have we addressed this in our business plan?

assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### First line assurance:

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### Second line assurance:

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission, these included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- Challenge and review was provided by the YourVoice customer research and engagement sub group.
- DJS Research provided content assurance for research on bioresources enhancement, social tariff and acceptability.
- SHED was appointed to undertake research and analysis of our LTDS research

A final report confirming that all material actions raised have been addressed was presented to the September 2023 board meeting.

#### Third line assurance:

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- Turner & Townsend carried out external assurance confirming that the research met the guidance criteria and was in line with best practice.
- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.
- Deloitte LLP carried out external assurance on affordability.
- PwC undertook targeted assurance of data tables.
- Recommended actions from these assurance activities were addressed prior to submission.

### Assurance summary

*Chapter three – Customers and communities shape our business plan* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

## Chapter 3 Customers and communities shape our business plan

### Criteria

### How have we addressed this in our business plan?

The chapter and the underpinning research programme has been developed alongside scrutiny and challenge from the YourVoice customer sub group and we have ensured that the requirements of both Ofwat and CCW were met and best practice was followed.

External targeted assurance aligned to the risk based assessment was undertaken by Turner & Townsend and further external aggregate assurance was provided by Deloitte LLP.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 3.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 3 Customers and communities drive our business plan	✓	✓	✓	n/a	n/a	✓

## 3.4 Assurance artefacts

### 3.4.1 Key assurance artefacts for chapter three include:

- UUW published assurance framework
- *UUW21 - Customer Research Methodology*
- Corporate Audit report
- Independent review and challenge by industry experts
- Your water, your say meetings and feedback <https://www.unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/>
- Customer insight and research library<sup>7</sup>
- YourVoice report
- YourVoice research library <https://yourvoiceicg.co.uk/customer-engagement/agenda-and-minutes/>
- Turner & Townsend targeted affordability and acceptability testing assurance report
- Turner & Townsend targeted customer research methodology assurance report
- Deloitte LLP targeted assurance on affordability
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023
- PwC targeted assurance of data tables
- DJS Research Framework for water company research report
- SHED Research targeted insights analysis

<sup>7</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/](https://www.unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/)



## 4. Driving affordability

### 4.1 Summary of chapter four

4.1.1 Our business plan will deliver services that customers highly value. We also have a strong track record of providing support to customers through financial support and vulnerability support. Bill increases in AMP8 will be significant and would mean that some customers will face affordability challenges. We are therefore proposing to provide unprecedented affordability support to those in need. Building on past success, we will improve our social tariffs and other affordability support offerings to maximise their impact and will look to use this support to avoid increases in water poverty in the region. Our leading capabilities in collaborative partnership working, open data and data sharing (including open banking) mean we can offer frontier stretching affordability support offerings. Tariff innovation in areas such as rising block tariffs will further enhance our ability to support many customers with affordability challenges. We set out below the key assurance activities undertaken in support of this chapter.

### 4.2 Activities undertaken against assessment criteria

#### Chapter 4 Driving affordability

##### Criteria

##### How have we addressed this in our business plan?

*Checks, controls and other activities undertaken to provide confidence in our plan*

We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies (LTDS) as appropriate.

We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>8</sup>.

The data and information submitted is consistent, accurate and assured.

Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document *UUW77 - Board leadership of the business plan*.

*Quality*

Bill impacts both now and in the longer term (to 2050) have been estimated using Ofwat's PR24 methodology. The shorter term AMP8 specific bill impacts have been tested with customers through the acceptability testing methodology guidelines jointly published by Ofwat and CCW.

For assessment of bills and the pace of investment over the longer term we have engaged with customers and stakeholders to understand their views on the appropriate pace and phasing of investment up to 2050.

Recognising the affordability challenges that customers would otherwise face we have sought to develop a leading level of affordability support. Alongside a comprehensive suite of direct financial support offerings, our capabilities in open data and data sharing, our wide package of overall affordability support aims to ensure that increases in average bills do not lead to an increase in water poverty.

We have a robust and consistent track record of investing in affordability support for customers. We have a strong history of providing shareholder backed support to customers alongside effective use of customer supported social tariff cross subsidies.

Using advanced data and analytic capabilities we've been able to focus our efforts on identifying and supporting the customers at greatest financial risk, proactively promoting the support available and encouraging customers to contact us if they are struggling to pay. We've helped over

<sup>8</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 4 Driving affordability

### Criteria

### How have we addressed this in our business plan?

350,000 customer since the beginning of AMP7, and are now supporting over 200,000 customers with payment of their bill representing around six per cent of our household customer base.

External assessments and benchmarks demonstrate that our support for customers is strong. In 2021 CCW published its affordability review, including recommendations of good practice for supporting customers who find their water bill unaffordable. We received a green assessment, no recommendations for improvement, and were one of only two companies to provide the full suite of affordability offerings expected by CCW.

We have consulted with the independent challenge panel 'YourVoice', including its Affordability and Vulnerability sub panel, about the affordability impacts of our plans for both average customers and financially stressed customers. Its views have helped inform our proposals, and have directly led to a number of changes to our future plans.

Support in affording water bills is only one aspect of additional help customers may need from their water company. Our plan will continue to improve on the industry leading support we provide for customers in a range of vulnerable circumstances, including those facing transient vulnerability. We will extend our Priority Services offering to more customers, and ensure that we continue to improve the quality and scale of the support we provide to those most in need.

Our focussed and flexible approach will ensure that all customers, regardless of their specific needs, will find they can engage with their water and wastewater services in a way that works for them. In particular, we will pursue further opportunities for partnership working and scheme promotion, meaning that vulnerable customers find it easier to access support, and to remove the need for customers to engage with multiple service providers to make their needs known.

Working with partners and customers we have put in place a range of enhanced services for customers in vulnerable circumstances. In developing our vulnerability support services we engaged with recognised third sector organisations. Age UK, StepChange and Citizens Advice have all helped us put in place the measures and support that customers value most. We have then worked with a wider community of stakeholders and the YourVoice Affordability and Vulnerability Panel to further improve our Priority Services propositions. We have also considered objectives and recommendations from government and regulators, including Ofwat and CCWater.

Our Priority Services offering recognises that there are a range of reasons why people may find themselves in vulnerable circumstances and seeks to provide targeted support to the right customers at the right time. A key step to achieving this is raising customer engagement and registration. The Priority Services scheme is available to customers who may face vulnerable circumstances due to a range of situations. We have a tiered approach to providing support, ensuring that different groups of customers can access the additional help they need in a manner which matches their circumstances.

### Ambition

We continue to offer a wide range of water industry affordability schemes to customers such as Back on Track, WaterSure and Payment Matching. All of our schemes are in place to make water bills more affordable for customers who might be struggling to pay. These schemes are put in place following consultation with relevant stakeholders including CCW and our Affordability and vulnerability panel and debt advice sector.

The different support options we offer means customers can access a wide range of appropriate support. For those most in need we offer direct financial support through bill reductions and hardship grants via the UUW Trust Fund. For other customers we can help manage the cost of water charges through a wide range of payment options, and providing help and advice on ways customers can reduce their water charges.

We have continued to innovate throughout AMP7, introducing:

- Open Banking assessments, enhancing our affordability assessment process utilising open banking technology improved both efficiency and accuracy of support applications. making us the first water company to utilise this capability

## Chapter 4 Driving affordability

### Criteria

### How have we addressed this in our business plan?

- New Department of Work and Pensions data share provisions to proactively identify customers eligible for Social Tariffs and WaterSure. Again we were the first water company to utilise this capability
- A single affordability support application form and process, which proactively ensures customers are supported via the lowest possible bill and simplifies the application process.

We recognise the importance of looking outside the utilities sectors in identifying best practice vulnerability support offerings. In 2020, we first achieved verification for British Standards BS18477:2010 for consumer inclusion (now ISO22458:2022 kite mark standard).

This has been assured in line with our published assurance framework, with external assurance of our financial model provided by Deloitte LLP.

Our proposed support package in AMP8 will be the largest ever assistance package offered to customers. It includes a significant contribution from shareholders, alongside tariff cross subsidies that are supported by customers. As described in chapter four, we believe that this level of support, together with other initiatives such as work with third party organisations and tariff innovations should be capable of achieving no increase in the levels of water poverty, despite increases in average bills.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan. The board confirms that the company's customer engagement and research meets the standards for high-quality research. We have adopted best practice which has been used to inform both our plan and our long-term delivery strategy.

In line with our overall AMP8 plan, chapter four and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.

## Chapter 4 Driving affordability

### Criteria

### How have we addressed this in our business plan?

- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- The YourVoice “Customer Research and Engagement” and “Affordability and Vulnerability” sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan. Their views have helped inform our proposals, and have directly led to a number of changes to our future plans.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- Turner & Townsend carried out external assurance confirming that the research we undertook was correct and in line with best practice.
- PwC undertook targeted assurance of data tables.
- Deloitte LLP carried out external assurance on affordability.
- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.

Recommended actions from these assurance activities were addressed prior to submission.

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**Assurance summary** *Chapter four – Driving affordability* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

The YourVoice “Customer Research and Engagement” and “Affordability and Vulnerability” sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan.

Taken together, this programme of assurance supports the board’s signed assurance statement provided as part of this submission.

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## 4.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 4 Driving affordability	✓	✓	✓	✓	n/a	✓

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## 4.4 Assurance artefacts

4.4.1 Key assurance artefacts for chapter four include:

- U UW published assurance framework
- *UUW21 - Customer Research Methodology*
- Corporate Audit report
- Independent review and challenge by industry experts
- Your water, your say meetings and feedback<sup>9</sup>
- Customer insight and research library<sup>10</sup>
- YourVoice report
- Deloitte LLP targeted assurance on affordability
- Turner & Townsend targeted affordability and acceptability testing assurance report
- PwC targeted assurance of data tables
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023

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<sup>9</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/)

<sup>10</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/)

## 5. Delivering great service

### 5.1 Summary of chapter five

- 5.1.1 Our overall package of performance commitments provides ambitious levels of service at excellent value for money, demonstrating ambition in our service improvements whilst being mindful of cost pressures on customers and pace of delivery over AMP8 and the long term. We are targeting stretching performance levels based on historical performance and historical targets across the industry, in line with Ofwat's final methodology expectations. We are seeking to move the frontier of performance forward in several areas. We provide compelling evidence to support our proposals. We set out below the key assurance activities undertaken in support of this chapter.

### 5.2 Activities undertaken against assessment criteria

#### Chapter 5 Delivering great service

Criteria	How have we addressed this in our business plan?
Checks, controls and other activities undertaken to provide confidence in our plan	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>11</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
Quality	<p>Our overall approach to delivering great service is to propose stretching yet achievable performance commitment levels, prioritising improvements based on insightful feedback from customers and stakeholders, balancing ambition, priorities and efficient costs for now and the long term. We believe our proposal meets the needs of the region that we serve and the customers and stakeholders within it and is compliant with the requirements of the PR24 final methodology.</p> <p>We have engaged extensively with customers and stakeholders in the development of our plans over a long period of time. In terms of performance commitments, this engagement has had a direct impact on the performance commitment levels we propose and the pace at which we propose to deliver them.</p> <p>This comprehensive approach to customer research means that we constantly test and refine plans and proposals with customers, leading to iterations of our proposed performance levels, for example, from WRMP, DWMP to PR24. Performance levels were also tested through acceptability testing of our PR24 plans. This process was performed with both household and non-household customers allowing for iteration. When analysing the results, we considered key customer segments such as low income and vulnerable customers. It is important to us that the views of these different customer segments are considered, understood and help to form and shape our proposed plans.</p> <p>For bespoke performance commitments we have sought to ensure customers are protected by only proposing those which they see as a priority, outside of the common PC suite. We conducted further research with customers, following on from our customer priorities research, to test customer support for the proposals. Customers support the areas of activity covered by our bespoke PC proposals, seeing them as high and medium priorities. The bespoke PCs have accompanying financial ODIs – thus offering further customer protection for the delivery of the</p>

<sup>11</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 5 Delivering great service

### Criteria

### How have we addressed this in our business plan?

services which customers prioritise. These financial ODIs have been calculated using an externally assured triangulation framework and a combination of customer research, stakeholder insight and data analysis to value the ODIs.

Ofwat provided feedback following an early submission on bespoke performance commitments. We have considered the feedback and updated our plans providing additional evidence and narrative to address this. Our suite of proposed performance commitments were reviewed and challenged by independent industry experts.

### Ambition

Our proposed performance commitment targets for AMP8 common PCs demonstrate our significant ambition, stretching the performance improvement seen during the current AMP to the end of AMP8 in 2030. Our ambitious commitments involve sustainability measures, encourage innovation to improve efficiency and reduce costs and set ambitious goals for responsible resource management. We continue to actively engage with communities involving stakeholders in decision-making, and setting ambitious targets.

The improvements in performance are backed up by carefully considered delivery plans and a strong track record of delivering on our performance commitments in AMP7. We have similar ambitions for our bespoke PCs and the performance related to them.

Our package of performance commitments combine ambitious levels of service whilst being mindful of cost pressures on customers and pace of delivery. We propose ambitious levels of performance, targeting significant improvements in key areas such as storm overflows, sewer flooding and water supply interruptions, alongside frontier performance in pollution incidents by 2030.

We have tested our performance commitment targets against historical and forecast performance, both internally and across the industry, taking into account the longer term and statutory targets. We believe our performance commitments are supported by customers based on the affordability and acceptability research undertaken, delivering on customer priorities for the improvements in their water and wastewater services.

During the development of our plans other stakeholders with whom we have engaged include regulators such as the DWI and the Environment Agency, local authorities, charities, MPs, metro mayors and environmental groups. Further stakeholders from across the North West's five counties also took part in our six "Your Water, Your Say" live forums.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan. The board confirms that the company's customer engagement and research meets the standards for high-quality research. We have adopted best practice which has been used to inform both our plan and our long-term delivery strategy.

In line with our overall AMP8 plan, chapter five and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.



## Chapter 5 Delivering great service

### Criteria

### How have we addressed this in our business plan?

#### First line assurance:

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### Second line assurance:

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- Baringa was engaged to provide expert review and challenge on bespoke performance commitments.
- Frontier Economics supported us in creating a clear framework on triangulation and mapping of customer insight to calculate incentive rates.
- The YourVoice "Customer Research and Engagement" and "Affordability and Vulnerability" sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan. Their views have helped inform our proposals, and have directly led to a number of changes to our future plans.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### Third line assurance:

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- Turner & Townsend targeted assurance of customer research triangulation
- Turner & Townsend externally assured our customer research methodology
- PwC undertook targeted assurance of data tables.
- Deloitte LLP carried out targeted assurance on performance commitments.
- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.

Recommended actions from these assurance activities were addressed prior to submission.

#### Assurance summary

*Chapter five – Delivering great service* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

## Chapter 5 Delivering great service

### Criteria

### How have we addressed this in our business plan?

The YourVoice “Customer Research and Engagement” and “Affordability and Vulnerability” sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan.

The proposed performance commitments were assured externally and customer research triangulation was carried out.

Taken together, this programme of assurance supports the board’s signed assurance statement provided as part of this submission.

## 5.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 5 Delivering great service	✓	✓	✓	✓	n/a	✓

## 5.4 Assurance artefacts

5.4.1 Key assurance artefacts for chapter five include:

- UUW published assurance framework
- *UUW21 - Customer Research Methodology*
- Corporate Audit report
- Industry historical and current annual performance report data
- Baringa independent review and challenge on bespoke performance commitments
- Frontier Economics report on mapping of customer valuations
- Your water, your say meetings and feedback<sup>12</sup>
- Customer insight and research library<sup>13</sup>
- YourVoice report
- Deloitte LLP targeted assurance on affordability
- Turner & Townsend customer research methodology assurance report
- Turner & Townsend customer research triangulation
- PwC targeted assurance of data tables
- Deloitte LLP targeted assurance of performance commitments report
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023

<sup>12</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/)

<sup>13</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/)

## 6. Delivering greater social and environmental value

### 6.1 Summary of chapter six

6.1.1 We have a vital role in making the North West stronger, greener and healthier. This is at the heart of everything we do as a water company that is constantly managing its impacts and dependencies on air, land and water environments. We recognise the great responsibility and opportunity we have to maximise the value we create for society and the environment. Building on our legacy of partnership we are working to further our capability to co-create, co-deliver and co-finance an ambitious plan that drives efficiencies and delivers better value across the North West. We aim to make bold progress on our carbon commitments and contribute to the national legal requirement for net zero by 2050. We will deliver substantial social value by further improving our core performance, supporting c590,000 customers with £525 million of affordability support, creating economic growth in the North West by supporting over an estimated 30,000 jobs and much more. We set out below the key assurance activities undertaken in support of this chapter.

### 6.2 Activities undertaken against assessment criteria

#### Chapter 6 Delivering greater social and environmental value

Criteria	How have we addressed this in our business plan?
Checks, controls and other activities undertaken to provide confidence in our plan	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>14</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in <i>UUW77 - Board leadership of the business plan</i>.</p>
Quality	<p>The interventions we have prioritised in our business plan are those that deliver both social and environmental benefits, and those that represent best value for customers, when taking into account the costs of the scheme. We have a robust and consistent approach to driving best value solutions across our plan which reflects multiple benefits for the North West including protecting public health and wellbeing by ensuring we provide safe drinking water, managing flood risk, keeping reservoirs safe and making our land available for land access and recreation. We aim to support those who most need it including those who are struggling to pay their bills, supporting those in vulnerable circumstances and those on the Priority Services Register and making our services accessible. We are an inclusive company and recruit and develop a diverse and inclusive workforce which represents the communities we serve in the North West.</p> <p>Delivering for customers in the places that mean the most to them is at the heart of what we do and developing plans locally based on the specific needs of the region has formed a key part of our business plan. The North West is diverse and is made up of five distinct counties with different social and environmental needs. In order to meet these needs in the most effective manner and to allow stakeholders and customers to engage in the plans that are most relevant to them we have created an approach that reflects the diverse needs of the five counties.</p> <p>In AMP7 we have trialled the use of place based planning with to engage with other planning authorities and support in the development of integrated spatial plans. This has maximised opportunities to work in partnership and supports cost effective investment and planning within</p>

<sup>14</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 6 Delivering greater social and environmental value

### Criteria

#### How have we addressed this in our business plan?

local areas. We are embedding place-based planning across the region to identify and develop tailored outcomes which deliver for local people and the environment. Place-based planning aims to develop diverse, tailored solutions, including a combination of traditional hard engineering approaches, nature-based solutions and behavioural change initiatives.

Our AMP8 plan is developed with a focus upon what they mean in the five counties that largely comprise the North West service area, as well as adjacent communities. This has allowed us to engage effectively with local stakeholders through the development of the plans and convene groups representing local NGOs, local authorities and regulators to discuss the plans and their impact on local issues as well as identifying opportunities for partnership working.

This approach also facilitates more effective information sharing with customers and through this we have been able to host events to share our long-term plans on a county-by-county basis, facilitating better customer engagement and opportunities to feedback.

We intend to continue this approach to ensure that future plans represent the evolving needs of customers and meet the rightly high expectations they have of the service provided and the environment of the North West.

### Ambition

In order to ensure we deliver greater social and environmental value, we have a targeted approach based upon the five counties in the area which we serve. Our five county level plans make our investment programmes and the benefits that they deliver more meaningful to customers.

In AMP8 we will continue to develop existing partnerships, while seeking to explore and develop new opportunities to deliver even more social and environmental value. We will deliver our partnership ambition through a combination of strategic and tactical partnerships defined as strategic and tactical, strategic is a high level commitment whilst tactical will offer specific delivery benefits within timescale and budget.

We will work with a range of partners, such as regulators, local authorities, land owners, businesses, suppliers, NGOs, community groups, water companies and schools. This list is not exhaustive, and we will look to collaborate with willing partners wherever we can. We will proactively seek out new partners from different sectors, particularly pursuing innovative approaches.

We are committed to providing the best value for money for customers. This means improving performance, delivering on our legal and regulatory obligations and the key priorities of customers, and strengthening the long-term resilience of our services, all at the most efficient cost making best use of innovation and markets to deliver service improvements and new obligations in a way that secures best value for customers and the environment.

Climate change and greenhouse gas (GHG) emissions reduction is a priority to us and stakeholders because the affordability and resilience of our operations and services fundamentally rely on a stable climate and a healthy natural environment. We have an important role in leading the approach to greenhouse gas (GHG) emissions in the sector.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan. The board confirms that the company's customer engagement and research meets the standards for high-quality research. We have adopted best practice which has been used to inform both our plan and our long-term delivery strategy.

In line with our overall AMP8 plan, chapter six and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and

## Chapter 6 Delivering greater social and environmental value

### Criteria

### How have we addressed this in our business plan?

controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- The YourVoice "Customer Research and Engagement" and "Affordability and Vulnerability" sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan. Their views have helped inform our proposals, and have directly led to a number of changes to our future plans.
- Aecom supported the development of our multi-capital approach.
- Arup undertook a review of the total value of benefits generated by the plan.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further details of the assurance undertaken to confirm the quality and ambition of the chapter are summarised below:

- Deloitte LLP carried out external assurance of the value assessment tool.
- Turner & Townsend carried out targeted assurance of the carbon plan.
- Turner & Townsend externally assured the customer research methodology.
- Turner & Townsend undertook assurance on customer research triangulation.
- Turner & Townsend externally assured affordability and acceptability testing.
- PwC undertook targeted assurance of data tables.
- The chapter was subject to independent review and challenge by industry experts.

## Chapter 6 Delivering greater social and environmental value

### Criteria

### How have we addressed this in our business plan?

- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.

Recommended actions from these assurance activities were addressed prior to submission.

### Assurance summary

Chapter six – *Delivering greater social and environmental value* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

The YourVoice “Customer Research and Engagement” and “Affordability and Vulnerability” sub groups provided challenge and scrutiny of the company throughout the development of the plan, with particular focus on the design and implementation of customer research, and the way the outputs of this work have been reflected in the business plan.

Taken together, this programme of assurance supports the board’s signed assurance statement provided as part of this submission.

## 6.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 6 Delivering greater social and environmental value	✓	✓	✓	✓	n/a	✓

## 6.4 Assurance artefacts

### 6.4.1 Key assurance artefacts for chapter six include:

- UUW published assurance framework
- *UUW21 - Customer Research Methodology*
- Corporate Audit report
- Independent review and challenge by industry experts
- Your water, your say meetings and feedback<sup>15</sup>
- Customer insight and research library<sup>16</sup>
- YourVoice report
- Deloitte LLP targeted affordability assurance
- Turner & Townsend targeted assurance of the carbon plan
- Turner & Townsend customer research methodology assurance report

<sup>15</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/)

<sup>16</sup> [unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/](https://unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/)

- Turner & Townsend customer research triangulation assurance report
- PwC targeted assurance of data tables
- Deloitte LLP targeted assurance of the value assessment tool
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023



## 7. Resilience and asset health

### 7.1 Summary of chapter seven

- 7.1.1 Our plan delivers strong asset stewardship and systems resilience to support effective preparations for an uncertain future in the short, medium and long term at a cost customers can afford now and in the future. We have an active, adaptive approach to securing resilience and we routinely apply a systems approach to operational resilience. Our resilience action plan has enabled us to secure performance and increase our resilience to a broad range of shocks and stresses. We strive for continuous improvement from our strong position during AMP7, learning lessons, developing our thinking and benchmarking against other utilities and sectors.
- 7.1.2 We understand our assets and systems enabling us to maintain a balanced approach to delivering our asset management plans. This approach is third-party assured, as evidenced by our ISO certification, Asset Management Maturity Assessment (AMMA) and other external assurance. Our corporate resilience approach, delivered through the alignment of our risk management processes from field to board ensures that decisions at all levels of our business help to deliver our strategic ambitions. The transparency of objectives through our integrated risk management framework helps us to deliver effective decisions within the board-approved risk appetite, maintaining our sound financial resilience.
- 7.1.3 Our plan for AMP8 will deliver improved resilience from both base and enhancement expenditure having invested in innovative approaches to better understand and manage our asset base. Delivering our plan will enable us to continue to maintain sound financial and corporate resilience, while helping to build a stronger, greener and healthier North West. We set out below the key assurance activities undertaken in support of this chapter.

### 7.2 Activities undertaken against assessment criteria

#### Chapter 7 Resilience and asset health

Criteria	How have we addressed this in our business plan?
Checks, controls and other activities undertaken to provide confidence in our plan	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>17</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
Quality	<p>During 2021 Ofwat worked with companies to co-create an asset management maturity assessment (AMMA). The assessment was intended to help both Ofwat and the companies to better understand how mature the processes, teams, technologies and cultures are within companies for monitoring and managing asset health and operational resilience. The AMMA developed has built on previous asset management frameworks. This cross-sector picture of asset management maturity complements Ofwat's broader activity to promote operational resilience.</p>

<sup>17</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 7 Resilience and asset health

### Criteria

### How have we addressed this in our business plan?

We have been actively working to develop these capabilities since 2015, and following internal self-assessments and the results of the Asset Management Maturity Assessment by Ofwat in 2021, we felt that we were ready to seek certification against the International Standard.

The assessment itself comprised nine full days of audit, in which the external auditor interviewed 74 people from across eight directorates, and visited 11 locations across our operational sites and head office.

As a result, we successfully achieved the Certificate for ISO55001, receiving only one minor non-conformity around the management of our peripheral assets. We recognise that this is only a milestone on the journey towards our goal of asset management excellence, however ISO 55001 certification is a solid platform on which to develop greater levels of capability through continuous improvement

The results of the assessment were released in November 2021 and included an overview of the industry, as well as detailed breakdowns of the assessment by water company, including highlighting good practice and recommendations for maturity improvement by assessed area. A number of our activities were highlighted as areas of best practice, including asset health assessment, operational risk management and competency management.

We took on board recommendations, as well as some additional commentary we received and incorporated the recommendations into our Asset Lifecycle Management (ALM) improvement programme. Through ALM we have continued to mature and build upon our solid asset management foundation, delivering against our action plan over the course of AMP7. We have made improvements in our understanding and knowledge of our asset base, with progress on the relationships between asset performance and condition and the service provided; as recognised by our successful ISO 55001 certification in 2022.

We have tested our plans and processes and sought external independent benchmarking to ensure that our approach to asset management, including resilience and asset health complies with best practice and that it is embedded into our business as usual approach and long-term delivery strategies. We regularly assure and benchmark both our asset management approach and our current plans, coupled with targeted assurance on identified elements of our asset management capability, such as our operational maintenance programme.

### Ambition

In continuing to provide resilient services to customers and in order to maintain an appropriate level of asset health we will continue to deliver our multi-layered resilience and asset health strategy, which is adaptive to changing drivers. This will ensure that resilience is secured in the round with appropriate and efficient levels of the '5R's (resistance, redundancy, reliability, response & recovery and review). Delivering appropriate resilience interventions that are commensurate with the level of business or service risk.

In AMP8 we will continue to improve upon our industry frontier position with regard to our asset information and systems. Recognising the importance of good information to support improved decision making and development of optimum investment strategies. For example our pioneering use of Artificial Intelligence tools to analyse and capture asset condition information.

Using our asset data and systems we will develop targeted investment strategies focused on improving the health of our assets, in particular those that pose a significant impact to service. We will deliver asset health improvements to key water treatment works reducing unplanned outages as well as delivering significant leakage reductions through targeted mains renewals; and further deployment and development of our Dynamic Network Management (DNM) strategy.

Continuing our work with local and national resilience partners, it is our ambition to further develop our understanding of interdependent risks, i.e. those that pose a cascade failure risk, so as to better take account of external factors in our risk assessments. Working with a range of ambitious partners, with which we share common planning objectives, such as local authorities, local resilience forums (LRF), dependant infrastructure providers, and suppliers of essential services such as chemicals and construction we will develop a greater understanding risks to water services

## Chapter 7 Resilience and asset health

### Criteria

### How have we addressed this in our business plan?

and interdependent services. We will work collaboratively to develop mitigation strategies, providing best value options to customers, leveraging funding external to the sector, and securing resilience in the round.

We are committed to securing resilience and good asset health not just in the short term but also the long term. Preparing long term adaptive plans to address risks from external factors such as a growing and changing population but also climate change and the need to secure water supply resilience for dryer summers, remove surface water from the system to deliver resilience to our wastewater services, and protecting our assets from flooding.

We will further embed and maintain our Asset Management capabilities, with ambition to maintain certification against the International Standard for Asset Management (ISO55001).

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan.

In line with our overall AMP8 plan, chapter seven and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that

## Chapter 7 Resilience and asset health

### Criteria

### How have we addressed this in our business plan?

their deliverables have been fully completed and all assurance actions have been addressed. Ovarro undertook work to review and analyse the asset data underpinning our modelling.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- We engaged Jacobs to complete a methodological review of our approach to asset health. The review was undertaken through a series of 13 interviews with UU staff from across the organisation and at different levels within the business and included an assessment of supporting evidence provided in advance of, and as a result of, the discussions. The review was delivered against six high-level asset health topics that were cross referenced to Ofwat's Asset Management Maturity Assessment (AMMA).

The approach was not intended to reproduce the AMMA assessment, but the UUW AMMA response was reviewed, cross-referenced, and Jacobs considered whether the interviews corroborated the information provided. The assessment was broken down into six focus areas:

- (1) UU's understanding of asset health and criticality
- (2) Understanding the Views of Stakeholders (internal and external)
- (3) Measuring and Monitoring Asset Health and Criticality
- (4) The use of Asset Health in investment planning and decision-making
- (5) Asset Health Reporting and Assurance
- (6) Innovation and Asset Health

Following the work by Jacobs an assessment of maturity was provided against industry good practice. Jacobs recommended a small number of actions to further progress our approach to asset health and resilience. These actions focussed on communication and engagement to help further develop internal stakeholder knowledge and understanding, as well as maintaining momentum on asset health thought leadership through continued demonstration of progress.

- PwC undertook targeted assurance of data tables.
- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.
- Recommended actions from these assurance activities were addressed prior to submission.

### Assurance summary

*Chapter seven – Resilience and asset health* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit completed reviews across the submission, these included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent. All actions raised through the assurance process have been closed appropriately.

External targeted assurance in line with our risk based assessment was undertaken by Jacobs, and further external aggregate assurance was provided by Deloitte LLP.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 7.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 7 Resilience and asset health	✓	✓	n/a	✓	n/a	✓

## 7.4 Assurance artefacts

7.4.1 Key assurance artefacts for chapter seven include:

- UUW published assurance framework
- Corporate Audit report
- Independent review and challenge by industry experts
- Ovarro analysis of asset data
- Asset Management capabilities against the International Standard for Asset Management (ISO 55001)
- Jacobs audit report on asset health and resilience
- PwC targeted assurance of data tables
- Deloitte LLP targeted assurance of the value assessment tool
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023

## 8. Delivering at efficient cost

### 8.1 Summary of chapter eight

- 8.1.1 We are committed to providing the best value for money for customers. This means maintaining and improving performance, delivering on our legal and regulatory obligations and the key priorities of customers, and strengthening the long-term resilience of our services, all at the most efficient cost. We are committed to making best use of innovation and markets to deliver service improvements and new obligations in a way that secures best value for customers and the environment. We have engaged independent experts to help us robustly challenge the scope and costs within our plan and aligned our five-year plan to our long-term delivery strategy with adaptive planning pathways to focus our investment in the areas that matter the most.
- 8.1.2 We provide industry-leading levels of affordability support and propose a material increase during AMP8 in response to the anticipated impact on low income households of the necessary increase in customer bills to support the required investment. AMP8 represents our largest ever capital delivery programme. It is also likely to be the most complex, given greater use of blue/green solutions and partnership working. We have undertaken extensive supplier engagement and taken steps to adapt our ways of working to mobilise ourselves and our supply chain to be ready to successfully deliver our plan. We set out below the key assurance activities undertaken in support of this chapter.

### 8.2 Activities undertaken against assessment criteria

#### Chapter 8 Delivering at efficient cost

Criteria	How have we addressed this in our business plan?
<i>Checks, controls and other activities undertaken to provide confidence in our plan</i>	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>18</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 Board leadership of the business plan</i>.</p>
<i>Quality</i>	<p>Ensuring we are securing efficient costs means robustly challenging our approach to ensure we are operating with the highest levels of productivity, maximising the benefits offered by competitive markets, and ensuring we get the best value for money from our supply chain.</p> <p>This supports our commitment to providing the value for money for customers. We want to deliver a plan that improves performance, delivers on our legal and regulatory obligations and key customer priorities, strengthens long-term resilience and makes best use of innovation and markets to deliver service improvements and new obligations in a way that secures best value for customers and the environment.</p> <p>We developed effective strategies for meeting our requirements and conducted extensive optioneering, including innovative technology and new ways of working, blue/green and hybrid solutions. We assessed the options to identify the best value solutions, looking at whole life cost and wider environmental and social value.</p>

<sup>18</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 8 Delivering at efficient cost

### Criteria

### How have we addressed this in our business plan?

We are stretching ourselves to deliver £1.1 billion of efficiencies in base totex through innovation and optimisation of solutions, robust cost challenge and effective use of markets. In some cases the best value solution may not be the cheapest option, for example where significant natural capital benefits far outweigh a slightly higher cost, or the carbon cost of the cheapest solution is too high, but in the majority of cases the solution with the best value ratio was also the lowest cost option.

In addition to identification of the optimal solutions, we determined the most effective delivery plan and procurement routes to maximise efficiency, including alternative delivery mechanisms such as DPC and partnership co-funding.

Detailed cost estimates were developed, in line with the selected delivery routes, with efficiency assumptions built into the costs to reflect the savings we are targeting, and we used cost benchmarking analysis and third party assurance to ensure we are proposing a highly efficient plan.

### Ambition

We have sought to mitigate the impact of cost increases on customer bills by identifying significant potential cost savings in other areas that would see us operating at an improved level of efficiency in our base expenditure. In order to help identify efficiency opportunities and streamline our ways of working in readiness for delivery of our ambitious AMP8 programme, we undertook a rigorous top-down review of our costs and activities with independent input from Alvarez and Marsal (A&M) – a global restructuring firm with a strong mix of engineering, operations, digital and business services expertise, and experience in operational transformation and turnaround management across a range of industries.

The review was comprehensive across the business with no area out of bounds, but we focused on the areas where we spend the highest amounts, including our capital delivery programme, engineering and commercial, to maximise value. Other targeted areas of focus included digital services, fleet and property. We identified opportunities across our AMP8 plan to tighten our cost estimates without compromising on service.

We remain committed to pursuing opportunities that can be delivered by direct procurement for customers (DPC) where it is in the best interests of customers and the environment. We are already delivering the flagship AMP7 DPC scheme for the Haweswater Aqueduct Resilience Programme (HARP), and we have identified further opportunities that we believe are potentially suitable for DPC in AMP8.

We intend to make an early start on key AMP8 deliverables and the requirements of our WINEP to deliver earlier benefits for customers and the environment. We have supported government accelerations including Green Recovery during AMP7, and have funding provisionally approved in the accelerated infrastructure delivery project and transition investment of our AMP8 plan to be delivered sooner, in AMP7.

### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan.

In line with our overall AMP8 plan, chapter eight and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been



## Chapter 8 Delivering at efficient cost

### Criteria

### How have we addressed this in our business plan?

allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- Alvarez & Marsel undertook a company wide review of efficiency.
- Baringa reviewed our approach to our PR24 market strategy including key opportunities to exploit greater use of markets.

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

We engaged Arup to provide independent assurance and scrutiny of our WINEP submission, with specific focus on ensuring deliverability considered. Whilst the review identified several deliverability risks, Arup noted the proactive steps we have taken to develop our delivery approach, strengthen our own capability and engage the supply chain, while also expanding our use of modular solutions and partnerships.

- We also obtained external assurance from Deloitte LLP to provide a holistic overview of the current situation, the key changes, risk, mitigations, action plans and external factors that will ultimately allow us to deliver the plan. That assurance covered two separate views:
  - The first view was in relation to the required actions that we will need to execute in terms of resources and capabilities in order to accomplish the programme; and
  - The second view was in relation to the overall deliverability of the business plan and how this has shaped the overall direction of key elements of our delivery strategy, assessing whether the approach we have adopted for deliverability is appropriate and considers the commitment required across the industry as a whole to ensure our AMP8 ambitions, which are significantly greater than AMP7, takes into account responses to the barriers that we may face, and ensures we deliver effective outcomes for all customers.

## Chapter 8 Delivering at efficient cost

### Criteria

### How have we addressed this in our business plan?

- PwC undertook targeted assurance of data tables.
- Deloitte LLP assured our cost estimates and enhancement claims
- Deloitte LLP also undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.

Recommended actions from these assurance activities were addressed prior to submission.

**Assurance summary** *Chapter eight – Delivering at efficient cost* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 8.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 8 Delivering at efficient cost	✓	✓	✓	✓	n/a	✓

## 8.4 Assurance artefacts

8.4.1 Key assurance artefacts for chapter eight include:

- Uuw published assurance framework
- Corporate Audit report
- Independent review and challenge by industry experts
- Alvarez & Marsel efficiency review
- Baringa market engagement review
- Arup WINEP scrutiny and challenge independent review report
- PwC targeted assurance of data tables
- Faithful and Gould bottom up benchmarking of cost estimates and enhancement claims
- Deloitte targeted assurance of cost estimates and enhancement claims
- Deloitte LLP targeted assurance of the value assessment tool
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023
- PwC targeted assurance of the totex build
- Deloitte targeted assurance of the cost assessment proposal
- Deloitte targeted assurance of the direct procurement for customers
- Deloitte targeted assurance of deliverability

## 9. Risk, return and responsible behaviour

### 9.1 Summary of chapter nine

- 9.1.1 In order to deliver excellent levels of customer service and environmental performance while restricting bill increases for customers to no more than is absolutely necessary, and which can be financed on a fair, efficient and sustainable basis, it is important to ensure that our business plan for 2025-30 and beyond strikes an appropriate balance of risk and return, delivered responsibly. Within chapter nine we explain how we have understood and assessed the risks in the business plan and provides evidence of the risk management measures we have in place. It demonstrates our sustainable, resilient and responsible approach to capital structure and financing.
- 9.1.2 Our business plan demonstrates a responsible capital structure, financial policies and corporate behaviour underpinned by our strong track record, which inspires trust in our long-term stewardship of the business for the benefit of all of our stakeholders. We set out below the key assurance activities undertaken in support of this chapter.

### 9.2 Activities undertaken against assessment criteria

#### **Chapter 9 Risk, return and responsible behaviour**

<b>Criteria</b>	<b>How have we addressed this in our business plan?</b>
<i>Checks, controls and other activities undertaken to provide confidence in our plan</i>	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>19</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
<i>Quality</i>	<p>We have identified and explained notified items when considering the downside risks to our plan.</p> <p>The company's board has provided assurance that its business plan is financeable on the basis of the notional structure subject to raising the necessary debt and equity financing. This is supported by sufficient and convincing evidence, including third party support, which demonstrates financeability and the steps taken to provide this assurance.</p> <p>The business plan provides sufficient and convincing evidence to support PAYG and RCV run-off cost recovery rates. Our selection of RCV run-off rates are set out within Chapter 9 and supplementary document <i>UUW71 - RCV run-off rates</i> and take account of intertemporal fairness and considerations of affordability for customers now and in the future.</p> <p>The business plan sets out the company's dividend policy for 2025-30 in line with Ofwat's expectations and compliant with recent updates to licence conditions.</p> <p>The business plan also sets out the company's policy for performance related executive pay during 2025-30 aligning with Ofwat's expectations for Board leadership, transparency and governance principles. Full details are provided in supplementary document <i>UUW72 – Executive Pay</i>.</p>

<sup>19</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/)

## Chapter 9 Risk, return and responsible behaviour

Criteria	How have we addressed this in our business plan?
<i>Ambition</i>	<p>The company's plan provides sufficient and convincing evidence that the overall business plan provides an appropriate balance of risk and return.</p> <p>The board has provided assurance that it will maintain financial resilience during 2025-30 and in the long-term, taking account of its business plan under its financing and capital structure. To support this, we have provided a high quality 12 year viability statement considering the resilience of the company against a range of stressed conditions for assurance.</p>
<i>Assurance undertaken</i>	<p>The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.</p> <p>The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan.</p> <p>In line with our overall AMP8 plan, chapter seven and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.</p> <p>A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.</p> <p><b>First line assurance:</b></p> <ul style="list-style-type: none"> <li>• Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.</li> <li>• The data and method statements are reviewed and signed off up to executive sponsor level.</li> <li>• Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.</li> </ul> <p><b>Second line assurance:</b></p> <ul style="list-style-type: none"> <li>• The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.</li> <li>• Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.</li> <li>• Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.</li> <li>• Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.</li> <li>• Reckon LLP carried out a project assessing some aspects of Ofwat's approach to wholesale cost assessment during its periodic reviews of water company price controls.</li> </ul>

## Chapter 9 Risk, return and responsible behaviour

### Criteria

### How have we addressed this in our business plan?

A final report confirming that all material actions raised have been addressed was presented to the September board meeting.

#### **Third line assurance:**

Further key elements of the assurance undertaken to confirm the quality and ambition of the chapter were:

- Deloitte LLP has provided assurance to the board that the financial resilience assessment provides a considered and appropriate basis upon which to base the viability statement and is consistent with the wider PR24 business plan submission.
- As part of our consideration of the proposed WACC guidance/methodology, we commissioned Frontier Economics to set out their views of the cost of capital.
- We commissioned Frontier Economics to provide an assessment of Ofwat's guidance and method for setting the RCV run-off rates; evaluate the suitability of a current cost depreciation (CCD) based approach to setting the run-off rates; and review UUW's CCD methodology.
- Specific third party reviews have been undertaken of a number of aspects of the financeability of the plan including by Deutsche Bank and JP Morgan.
- Deloitte LLP undertook aggregate external assurance and reported findings and any material actions back to the executive sponsor.

Recommended actions from these assurance activities were addressed prior to submission.

### Assurance output

*Chapter nine – Risk, return and responsible behaviour* and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process.

Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed appropriately.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 9.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 9 Risk, return and responsible behaviour	✓	✓	✓	✓	✓	✓

## 9.5 Assurance artefacts

9.5.1 Key assurance artefacts for chapter nine include:

- UUW published assurance framework
- Corporate Audit report
- Independent review and challenge by industry experts
- PwC targeted assurance of data tables
- Deloitte LLP cross programme 1 report July 2023
- Deloitte LLP cross programme 2 report September 2023
- Reckon LLP cost assessment report
- Frontier Economics targeted reports – Cost of Capital
- Frontier Economics target reports – CCD and RCV run off rates
- JP Morgan review of financeability
- Deutsche Bank review of financeability
- Deloitte targeted assurance of the financial model
- Deloitte targeted assurance of financial resilience

## 10. Assurance and track record

### 10.1 Summary of chapter ten

10.1.1 This chapter demonstrates the robust assurance approach we have taken to the plan. This, together with a strong track record, gives us confidence in our ability to deliver on our proposals to make the North West stronger, greener and healthier. Chapter ten sets out our assurance framework, how this has been applied, the transparency of our reporting and our resulting confidence in the plan. We set out below the key assurance activities undertaken in support of this chapter.

### 10.2 Activities undertaken against assessment criteria

#### Chapter 10 Assurance and track record

Criteria	How have we addressed this in our business plan?
<i>Checks, controls and other activities undertaken to provide confidence in our plan</i>	<p>We have complied with Ofwat expectations and requirements for the PR24 business plan submission. Our plan submission is supported by data tables, commentaries, models and long-term delivery strategies as appropriate.</p> <p>We have applied our published assurance framework to the programme which has included a risk based approach to assurance and is supported by third line external assurance where appropriate. Our assurance framework is published on our website<sup>20</sup>.</p> <p>The data and information submitted is consistent, accurate and assured.</p> <p>Submission of the plan was approved by the full UUW Board and an accompanying board assurance statement has been provided alongside the business plan. The board has been fully engaged in the development of our business plan as set out in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p>
<i>Quality</i>	<p>The UUW Board is responsible for setting the strategy of the company, ensuring the long-term success of the company for customers, investors and wider stakeholders and is responsible for challenging and encouraging the executive team in its interpretation and implementation of how it manages the business, and that it is doing so in accordance with the strategic goals the board has set. This is evidenced in supplementary document <i>UUW77 - Board leadership of the business plan</i>.</p> <p>The submission of the plan was approved by the full UUW Board with an accompanying signed board assurance statement <i>UUW11 - Board Assurance Statement</i>. A detailed requirements traceability matrix was developed based on the requirements published by Ofwat in the final methodology and associated guidance documents. This allowed us to build our submission in a manner that satisfies and in places exceeds those requirements.</p> <p>We have sought the opinion of a number of external experts in order to further develop the quality across the breadth of our submission. Our plan is both accessible and follows a clear structure as specified in the guidance.</p>
<i>Ambition</i>	<p>As part of the board challenge process we engaged Deloitte LLP to review our published assurance framework and assess its appropriateness for the PR24 submission. In addition to this Deloitte LLP reviewed the board assurance statement to assure that level of coverage and evidence was sufficient.</p> <p>We developed a commercial framework of assurance providers giving us a core of expertise to be able to draw upon throughout the development of the plan and providing agility to react to changing scenarios.</p> <p>Our Annual Performance Report 2022/23 has been published in line with open data best practice. We also produced a customer-focussed summary of our PR24 business plan submission</p>

<sup>20</sup> [unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/](https://unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2020-25/).



## Chapter 10 Assurance and track record

### Criteria

### How have we addressed this in our business plan?

#### Assurance undertaken

The full UUW Board has signed a comprehensive board assurance statement, which confirms that it has ownership of the strategy and long-term direction of this business plan and has progressively reviewed and challenged the company executive and management to ensure that evidence and assurance has been provided to demonstrate that all the elements add up to a plan that is ambitious, high quality, affordable and deliverable.

The UUW Board has been actively involved in defining the nature of the assurance undertaken on the plan and in reviewing the findings from the assurance that has been undertaken to validate and support the plan.

Our AMP8 plan and supplementary documentation has been subject to a robust three lines of assurance framework, including comprehensive management checks and controls to confirm the accuracy of data and information presented in the submission documentation.

A detailed requirement tracking exercise was undertaken to confirm that the content was capable of meeting the expectations described in Ofwat's final methodology. Deliverables have been allocated to an executive sponsor who was responsible for the management, risk assessment and assurance of these outputs. Each deliverable was risk assessed to determine the appropriate level of governance and assurance and a risk based three lines of assurance approach was applied.

#### **First line assurance:**

- Data supplied within the chapter is subject to first line assurance. Methodology statements were produced which documented the checks and controls that were applied. Each check was recorded to confirm the nature of the review and challenge that had been applied and the risks or issues that had been highlighted.
- The data and method statements are reviewed and signed off up to executive sponsor level.
- Each executive sponsor signed a detailed evidence pack to confirm that the assurance for all of the deliverables that they were accountable for had been completed, to support the board's decision to sign the assurance statement.

#### **Second line assurance:**

- The UUW published assurance framework was implemented by an assurance workstream, which also managed the implementation of the third line assurance and action tracking, provided central oversight of the application of the risk assessment process and provided oversight and confirmed the adequacy and delivery of the first line assurance.
- Internal technical reviews were undertaken on medium risk deliverables. These peer reviews were undertaken by independent teams with appropriate technical knowledge.
- Corporate audit completed reviews across the submission. These included the data validation approach and methodology, sample testing of data, data tables and narrative. Additionally it reviewed the main business plan chapters to ensure that data metrics are consistent.
- Four programme wide gateway reviews were undertaken at key stages during the development of the chapter (skeleton, bronze, silver, gold). These reviews assessed the progress and the quality of the deliverables. The gold review was used by the executive sponsor to confirm that their deliverables have been fully completed and all assurance actions have been addressed.
- UUW Corporate Audit undertook reviews of the programme at three key stages: An initial review of the scope of the assurance activity; targeted reviews of deliverables during the development of the plan and three final reviews to confirm that the assurance had been completed in line with the original assurance plan.
- UUW Corporate Audit completed risk-based assurance over the implementation of the management controls and checks.

A final report confirming that all material actions have been addressed was presented to the September Board.

## Chapter 10 Assurance and track record

### Criteria

### How have we addressed this in our business plan?

#### Third line assurance:

Further key elements of the assurance undertaken to confirm the robustness of the processes were:

- Existing assurance providers have been utilised for data that is common with business as usual submissions, such as the Annual Performance Report
- Specialist providers have been used for technical work such as capital cost efficiency
- A central assurance provider (Deloitte LLP) undertook a review of our published assurance framework. Deloitte also undertook further deep dive reviews of higher risk areas, together with two cross programme reviews: An initial review to confirm that all required activities are in place, and a further review confirming all issues from the previous cross programme reviews and deep dives had been addressed.
- All recommended actions from these assurance activities were addressed prior to board sign-off
- Deloitte reported findings from their assurance activities directly to UUW Board prior to the board's approval of the Business Plan.
- In addition YourVoice has been undertaking a detailed independent review of key areas of the plan and presented its views to the UUW Board and published its independent report on the business plan in September.
- Deloitte LLP has reviewed the board assurance statement.

Component parts of BAS has been supported by external assurance, independent and internal SMEs and developed within each chapter of the submission.

#### Assurance summary

Chapter ten - Assurance and track record and associated data and documentation has successfully passed through a skeleton, bronze, silver and gold gateway review process. The chapter was subject to a number of reviews by external industry experts.

External targeted assurance aligned to the risk assessment was undertaken by Deloitte LLP including a deep dive on the board assurance statement against published regulatory requirements. Deloitte LLP has provided aggregate assurance across the breadth of the programme. Corporate audit undertook a range of sample audits and process governance checks as part of its review. Actions raised through the assurance process have been closed off appropriately.

Taken together, this programme of assurance supports the board's signed assurance statement provided as part of this submission.

## 10.3 Conclusion

Assessment criteria status for chapter	Data information and assurance	Long-term delivery strategy	Customer affordability and acceptability	Costs and outcomes	Risk and return	Customer engagement
Chapter 10 Assurance and track record	✓	✓	✓	✓	✓	✓

## 10.4 Assurance artefacts

10.4.1 Key assurance artefacts for chapter ten include:

- UUW published assurance framework
- Corporate Audit reports
- Deloitte LLP assurance framework review
- UUW Annual performance reports 2020/21 to 2022/23
- UUW Draft and final assurance plan 2020/21 to 2022/23
- Independent review and challenge by industry experts
- Deloitte LLP targeted assurance reports
- Turner & Townsend targeted assurance reports
- PwC targeted assurance reports
- Deloitte LLP cross programme 1 assurance report July 2023
- Deloitte LLP cross programme 2 assurance report September 2023
- Value assessment tool assurance report
- YourVoice report
- Arup WINEP scrutiny and challenge independent review report
- Your water, your say meetings and feedback <https://www.unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/your-water-your-say/>
- Customer insight and research library<sup>21</sup>

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<sup>21</sup> <https://www.unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/>

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