



United Utilities

Bruce Duguid

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United Utilities is the second largest of 10 water and waste service companies in the UK, serving a population of approximately seven million people in the North West of England.

Background

The company has traditionally scored reasonably well on a range of environmental performance criteria set by the regulator. However, it was a relative underperformer on customer service, coming bottom of the regulator's league table for England and Wales in 2010 and only seventh in 2014.

At the end of 2015, the region was hit by a series of intense winter storms that resulted in large scale flooding in the region, leading to the interruption of some services when a wastewater treatment plant was inundated with flood water and several other sites were heavily flooded. The following year, the company issued a boil water notice in response to the risk of a bacterial infection in its water supply. These incidents indicated the importance of having an appropriate and proportionate major incidence response capability.

Our engagement

We began our engagement with the company in 2010 when we raised concerns about its ability to meet increasing environmental challenges, particularly those related to climate change. In 2014, in a meeting with its chair, we challenged the company to improve its environmental performance to best-in-class.

In 2016, we met the CEO and chair to discuss the company's response to the interruptions caused by the winter storms. We asked the company to review and summarise the lessons it had learned and to include these in an enhanced flood response plan. We also suggested it look at ways to improve its customer service levels, including a review of its culture and processes. We followed up with the company in 2017 to discuss its environmental track record and changes to customer services.

Changes at the company

The company has substantially enhanced its incident management policy following the storms of 2015 and the water quality incident of 2016. In a meeting with us at the end of 2017, the chair described the improvements made such as planning for worst-case scenarios and providing specialist training for staff on incident management, including an annual simulated crisis situation. The company has also enhanced its planned communication, including best-in-class engagement with sensitive customers, such as the elderly, and with critical opinion formers, such as local politicians.

It promoted a new executive to lead its customer service, which led to the creation of a new customer service team. This was accompanied by a renewed focus on customer service as one of the three core values of the company. The company reported its best-ever customer service results in 2018, coming third among water and waste companies and first in the last quarter of results in a ranking by the regulator.

In 2017, the Environment Agency awarded the company four stars for its Environmental Performance Assessment for the second year running, putting it best-in-class for environmental performance. We will continue to monitor that the company retains this improved level of performance.