

EIB to provide GBP 400m to United Utilities for efficient water management

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The European Investment Bank has agreed to support ambitious investment by United Utilities that will improve water supply and wastewater management that will take account of predicted climate change and demographic developments. Agreement for GBP 400m (EUR 465m) funding from the European Union's long-term lending institution was signed in Manchester by Russ Houlden, United Utilities' Chief Financial Officer and Simon Brooks, European Investment Bank Vice President for the United Kingdom.

The European Investment Bank is the largest lender to the UK water sector and this funding will benefit 6.8 million people across North-West England through individual schemes to improve drinking water quality and enable more energy efficient treatment of wastewater. The funding will include support for projects that take account of the potential impact on water and wastewater of extreme weather events and climate variability over a 25 year period and form the first phase of United Utilities' capital expenditure programme for the 2010-2015 regulatory programme.

"Large-scale specialist investment that addresses risks from a changing climate is essential to ensure clean tap water and safe wastewater management for future generations. The European Investment Bank is committed to ensuring that long-term investment by UK water companies can best prepare for climatic uncertainties, alongside increasing energy efficiency in the sector." said Simon Brooks, European Investment Bank Vice President responsible for the United Kingdom. Russ Houlden, Chief Financial Officer at United Utilities, added: "Our current investment programme is the largest we have ever undertaken, and funding like this is vital to secure the improvements that our customers expect and that the environment deserves. The EIB is the biggest single investor in United Utilities and this is cost-effective funding that provides real value for money for our customers. Given the present financial climate, it is really encouraging to see European money helping to deliver the essential new infrastructure that will improve the quality of life for everyone here in the North West of England."

One of the projects to benefit from the funding is the GBP 100m SBAP project at Davyhulme wastewater treatment works in Manchester. The scheme will provide enhanced sludge digestion, resulting in a cleaner soil conditioner that can be recycled to farmland, plus large volumes of biogas that will be used to generate green energy via combined heat and power engines at the site. The electricity generated will be used to power the entire plant, one of the biggest in the UK, and any excess will be transferred into the National Grid. Wastewater treatment plants at 12 locations including in Blackburn, Burnley and Sandon Dock in Liverpool will also be upgraded to generate heat and electricity through combined heat and power engines. In Penrith and Irthington treatment capacity will be increased to meet local population growth and ensure compliance with new environmental standards. The funding will also support flood alleviation schemes, by increasing the capacity of sewers during heavy rainfall, helping remove flood risk for nearly 800 properties. In addition, the programme will improve water quality in rivers and along the coastline by upgrading sewer overflow points and building 101 new storm water detention tanks.

Over the last 5 years the European Investment Bank has provided nearly GBP 3 billion to water companies across the United Kingdom.

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