Leadership in Times of Radical Change

Phil Aspin // CFO // United Utilities

There are significant changes underway in the UK's water industry. Phil Aspin, CFO of United Utilities, talks to Criticaleye about adaptability, investment and his own personal journey as a finance leader

As CFO of United Utilities, **Phil Aspin** is no stranger to dealing with complexity. It's epitomised by the way he describes the equity raise he steered through earlier this year at the FTSE 100-listed company, which provides water and wastewater services for millions of customers in the North West of England.

Phil explains: "I got the organisation to focus on strategically understanding how much investment we thought was going to come through over the next three, four years… up to 2030. We came up with a range – the central estimate was £2.5 billion… So, if we knew it was going to be around that number, then we knew we needed to raise some equity, and so we stepped out with an equity raise on the 30th of April."

Phil is pleased with the outcome. United Utilities raised £800 million from long-term UK and international investors, structuring it to ensure gearing remains within the company's 55-65 percent target range. >

This funds a further expansion of its 'Big North West' upgrade of the region's water and wastewater infrastructure. These new plans are in addition to the company's previously announced £9.0 billion capital investment programme for the 2025-2030 period and will add a further 4,000 jobs to the 30,000 supported by existing plans.

The sector itself is undergoing a reset after intense scrutiny from customers, the media and politicians. It's been subject to a major review by the Independent Water Commission (IWC), led by Sir Jon Cunliffe, which called for better oversight, controls and modernisation. Significant changes are underway in the sector's latest five-year funding cycle, which is referred to as the eighth Asset Management Period (AMP8). This runs from April 2025 to March 2030 and is focused on improved environmental sustainability and a more robust and effective infrastructure. Importantly, the investment cycle across England and Wales for this period, as approved by the water regulator, Ofwat, is approximately £104 billion.

So, for **Phil**, a longer-term view made sense when it came to the equity raise, although he acknowledges the process was a challenge. "It was incredibly difficult," he says. "I had to accelerate the year-end timeframe by two weeks." It meant **Phil** needed to spend time visiting and storyboarding to investors in the UK, the US and Australia. This was at a point when flights were reduced or stopped due to the outbreak of conflict between the US and Iran and there was significant volatility in the financial markets. "People were saying to me, 'With everything going on in the Middle East, you can't possibly be thinking of doing an equity raise', but we needed to keep the optionality alive," he says.

The Journey to CFO

Back in 1994, **Phil** was headhunted from one of the major accountancy and audit firms and joined United Utilities when it was known as the North West Water Group. Since then, he's developed through roles that built out his technical knowledge as well as his wider leadership skills.

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He spent a decade working in treasury. "It was a great experience because the company was really getting set up at that point. So, I led loads of activity on the capital markets side – we did a debut bond issue in the US market," he says. "We then did a bond issue into Europe and the UK, so I led all of that activity and got involved with rating agencies and investor relations. Today, we've got circa £12 billion of debt, £20 billion of derivatives; quite a lot of activity there… so it really gave you an understanding of the capital structure of the business."

Phil rose to Group Treasurer in 2009 and then moved to Group Controller in 2012, which he acknowledges tested him in a different way. "It really is chalk and cheese," he comments. "The Group Controller role is broader, looking inward into the organisation. It's much more political in the context of engagement with multiple internal stakeholders. I went from having a very strong technical bias in what I was doing to adapting to a political environment. I had to navigate the little fiefdoms that exist in all organisations and manage the different individuals and characters."

This exposure across the business allowed him to develop his skills. He comments: "Finance people quite often can be introverts, and as an introvert myself, I found robust stakeholder engagement and conversations to be challenging to manage and to deal with. While it was uncomfortable, reflecting at the time, I felt I had to step into that role to continue to develop."

Phil summarises his achievements over the eight years he spent as Group Controller as bringing greater "professionalisation" into the organisation and the finance function. "Everybody knew what to expect and what we delivered was in line with expectations," he explains. "There were no surprises. So, the approach to the audit committee was that key issues were always well socialised ahead of time.

"You broadly delivered on what you told people in terms of the management of results and performance, and ensuring technical issues were being dealt with in the reporting process."

Phil went through the process to become CFO in 2019 – led by the Chair, Sir David Higgins – and stepped into the hotseat in 2020. He notes the importance of his deep knowledge of the technical aspects of the business and how it's financed. "We are leveraged in the region of about 60 percent debt with 40 percent equity, and we've got an elongated asset base. Therefore, understanding of the business model is important for the Board in that context – much more so than in a general corporate, where the leverage is lower." >

The Future of Finance

From the finance function side, he wants it to be forward-looking and driven by data insights. "We have started recruiting people who are, I would say, more like data scientists than accountants… We've got 3.3 million household customers and huge expenditures in different areas," he comments, adding that, like many organisations, they're "probably exploiting just one percent of the benefits of AI today".

In terms of the impact of technology on finance, he's optimistic. "AI poses the biggest change to what I see as being a finance team… People will be supported by the AI tools. The work component will be focused on interpretation and the value-adds, rather than just crunching through numbers."

From a broader, leadership perspective, **Phil** comments on the importance of the CFO-CEO axis. At United Utilities, Louise Beardmore became CEO in 2023. **Phil** describes how their contrasting skillsets complement one another, so that he can provide the structure and governance to support her in driving the organisation forward. "She's very much an extrovert… It's a rounded relationship and we talk daily, taking the opportunity to chat and update each other," he says.

Strategically, United Utilities has a crucial few years ahead of it. The company's annual report for year ended March 2026 show that underlying revenue rose 20 percent to £2.576 billion and underlying operating profit, year-on-year, increased by 34.8 percent to £1.06 billion. In light of the overall performance, the Board proposed a final dividend to shareholders of 35.78 pence per share (taking the total dividend to 53.66 pence per share for Year End 2026).

The latter decision has drawn criticism from a number of quarters given the additional scrutiny on water companies and calls for reform of the sector. **Phil** is no stranger to these pressures and says he understands the need for water companies to adapt as, he remarks, "society's expectations have changed effectively".

He stresses that the crucial thing, as a CFO, is to remain level-headed in the role and to concentrate on how to build what he perceives to be the right financial pathway for the organisation to execute on the long-term strategy. "We delivered a fabulous equity raise but that's just part of my job. You need to be grounded in what you're doing and to make sure you've got robust foundations," he says.

It seems that if a CFO is to be successful, the trick is to combine that resilience with the capacity to adjust when needed. "We live in a world today that's very prone to radical shifts and changes," he says. ■