



Bespoke Performance Commitments Research Report

Exploring, evaluating and optimising the proposed bespoke performance commitments

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TRINITY
MCQUEEN





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1

Background & method

Project background

Research was needed to evaluate and optimise the bespoke PCs

Common performance commitments

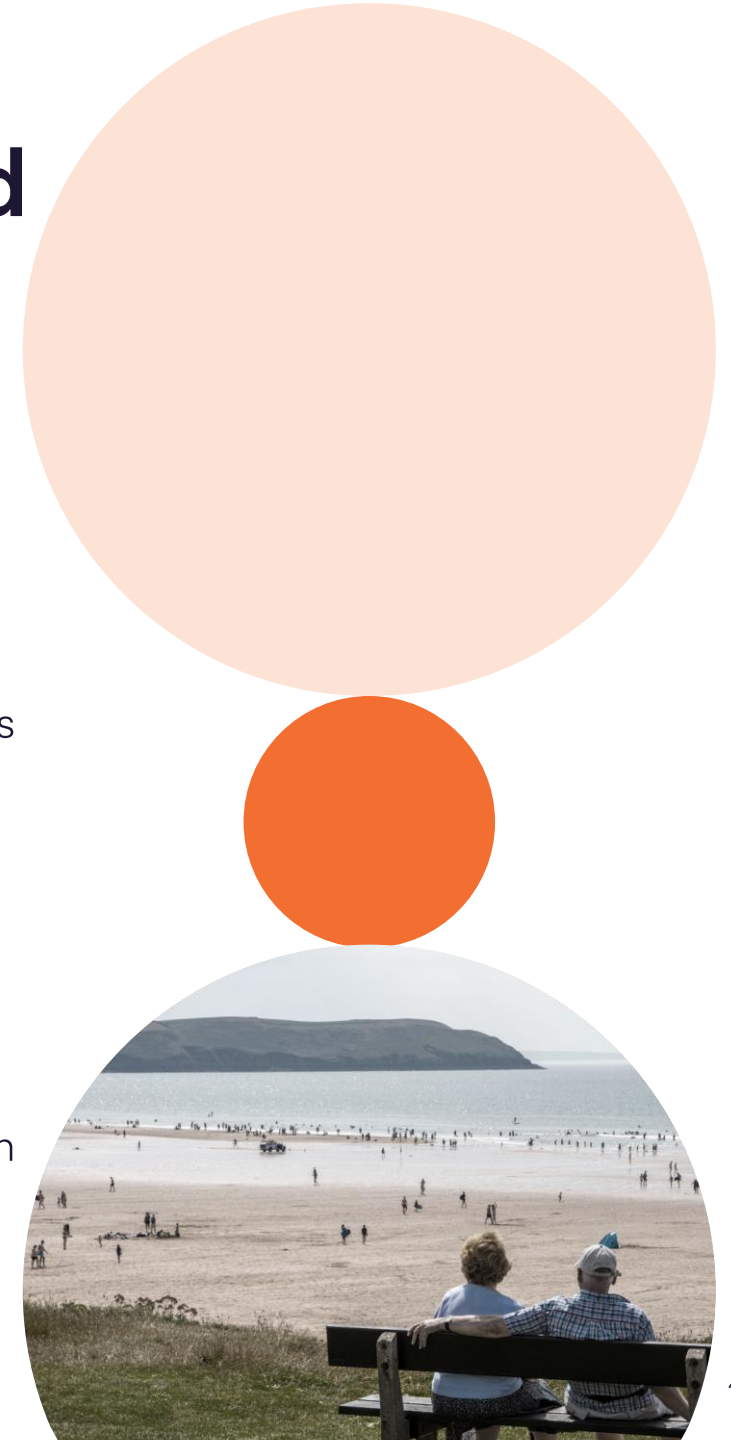
- Ofwat set water companies service targets (performance commitments - PCs) to encourage delivery on the outcomes that matter for today's customers, future customers and the environment

ODI rates

- These PCs have rewards and penalties associated with them – these are called ODIs (Outcome Delivery Incentives)
- Water companies will get payments for doing well; and will incur financial penalties if they do not meet these commitments
- The ODI rates for common PCs are expected to be common across all water companies during 2025-2030

Bespoke performance commitments

- As well as Ofwat's Common PCs, water providers are also invited to create their own bespoke PCs designed to address customer priorities or regional differences
- United Utilities have created a shortlist of 7 of these and research is needed to explore, evaluate and optimise them, with the overall aim of ensuring that these bespoke targets reflect the needs and desires of customers in the North West

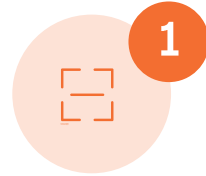


Background & objectives

The programme of research was designed to gauge the levels of support for the proposed bespoke performance commitments

Across all stages of the research, it was also important to reflect on any differences or similarities in opinion across key demographics and water customer groups

In order to be able to answer this objective, we needed to:



1

Set the scene

We ensured respondents understood the backdrop of how performance commitments are set and the differences between 'common' and 'bespoke' performance commitments



2

Establish what customers feel priorities should be

We needed to understand whether customers could see why United Utilities had come to propose each commitment, and whether they agreed that they should be a priority



3

Evaluate how they are interpreted

We tested the descriptions of the commitments to see whether they were easily understood and we gathered feedback from customers on how they thought they could be made more meaningful

Delivering high quality research

We were mindful of Ofwat's current thinking on high-quality research

Ofwat have established various best practice principles. Here are some of the ways in which our work met (and in some cases exceeded), Ofwat standards...

Useful and contextualised

At the initial kick-off stage, we reconfirmed objectives to ensure we were all clear on why the research has been undertaken, and what it will contribute to. The research was contextualised for customers too, in that they knew what this research was going to be used for and why.

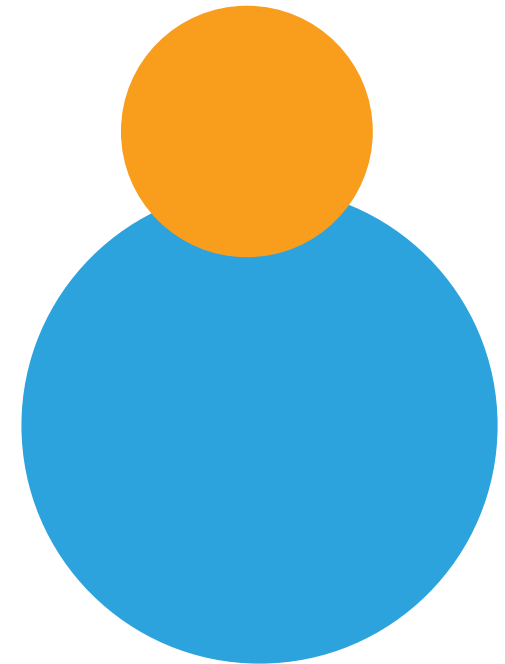
We provided regular updates at key milestones to keep us on track. Our analysis has contextualised the findings, referencing similarities and differences across your customer base. And ultimately, we have provided clear, evidence-based recommendations to United Utilities.

Neutrally designed

We designed our discussion guides to be neutral and free from bias i.e., by randomising the order of the bespoke PCs. ICG ensured our stimulus was neutral. In the group settings, we asked participants to score each commitment before discussing them as a group, to mitigate any bias that could occur from the opinions of others.

Inclusive

We represented different audiences and socio-demographics within the research, including vulnerable customers and NHH customers. We also ensured that the sample was representative according to, age, location, region, and metered vs. unmetered status. Where participants were not confident in conducting an interview online, we visited their homes to carry out those interviews face-to-face, so as not to exclude any specific audiences.



Delivering high quality research

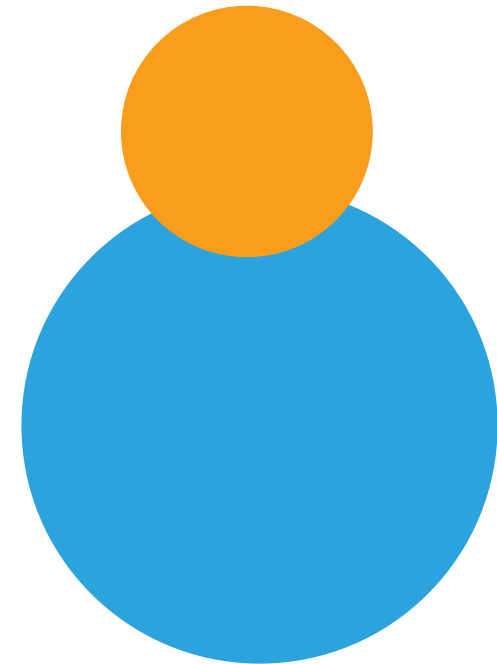
We were mindful of Ofwat's current thinking on high-quality research

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Fit for purpose

We took care to make sure participants understood the questions they were asked by using simple language and explaining technical language and made suggestions on how this could be improved following cognitive testing. This consisted of five depth interviews with customers to test the research materials ahead of the fieldwork being carried out. We also identified the optimum approaches for obtaining the best insight from customers:

- 1. Qualitative focus groups** were adopted for **household billpayers and future household billpayers** as participants were able to build their knowledge during these sessions and take part in meaningful discussions as a group.
- 2. Qualitative depth interviews** were utilised among **harder to reach bill payers** (65+ / low income/ deprived / digitally excluded / living with a disability) and **non-household (NHH) customers**. This approach enabled us to speak to these audiences in a relaxed environment which was tailored to their needs. For example, the shorter session length of a depth interview better suited the busy schedules of NHH customers. Longer online sessions or face to face sessions were more suitable for those who found technology difficult to use (e.g., those who were 65+ or digitally excluded).



Delivering high quality research

Meeting Ofwat's standards

Independently assured

This research was conducted by Trinity McQueen, an independent market research company who ensured that this research was conducted in line with best practice and the Market Research Society Code of Conduct. We allowed ample time for United Utilities' independent challenge group to review any research materials – including screeners, stimulus & discussion guides – as well as the draft report and have engaged constructively with any feedback.

Ethical

We conducted all research in line with the ethical standards of the Market Research Society:

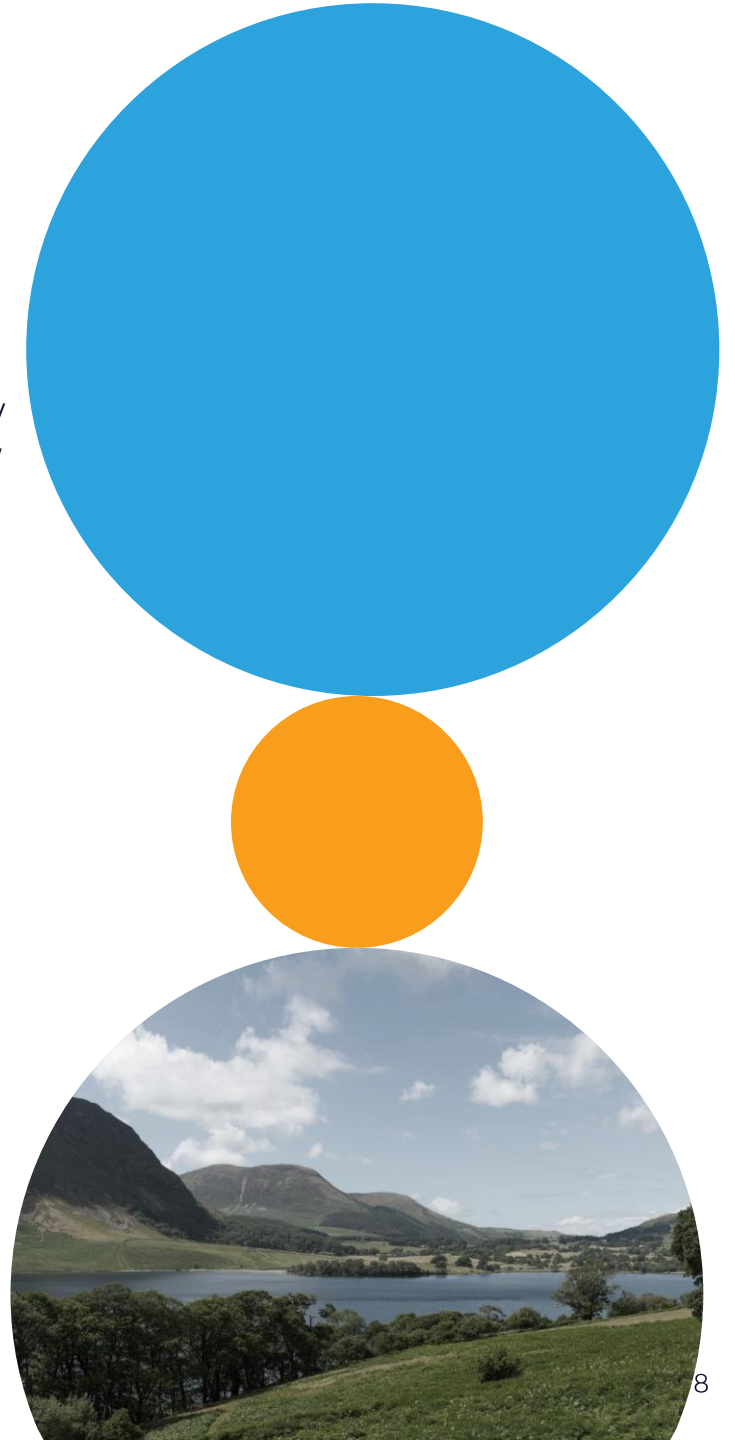
- Obtained willing (voluntary) co-operation from participants
- Conducted honestly, objectively and without unwelcome intrusion or harm to participants
- The purpose of the research and end use of the data was made transparent
- We have preserved participant's anonymity and confidentiality throughout

Shared in full with others

The research findings have been accompanied by clear and detailed information on the methodology. This includes recruitment screeners, discussion guides, and copies of any stimulus materials used. U UW will be publishing the final report and research materials on United Utilities' research library webpage.

Continual

Research was contextualised using a wide evidence base including existing U UW research projects on Long Term Delivery Strategy and Bespoke ODI rates, as well as CCW Performance Commitment research.



Qual approach and sample

We adopted a mixed, qualitative approach, enabling us to speak to a broad range of customer groups

Approach overview

We utilised two main methodologies:

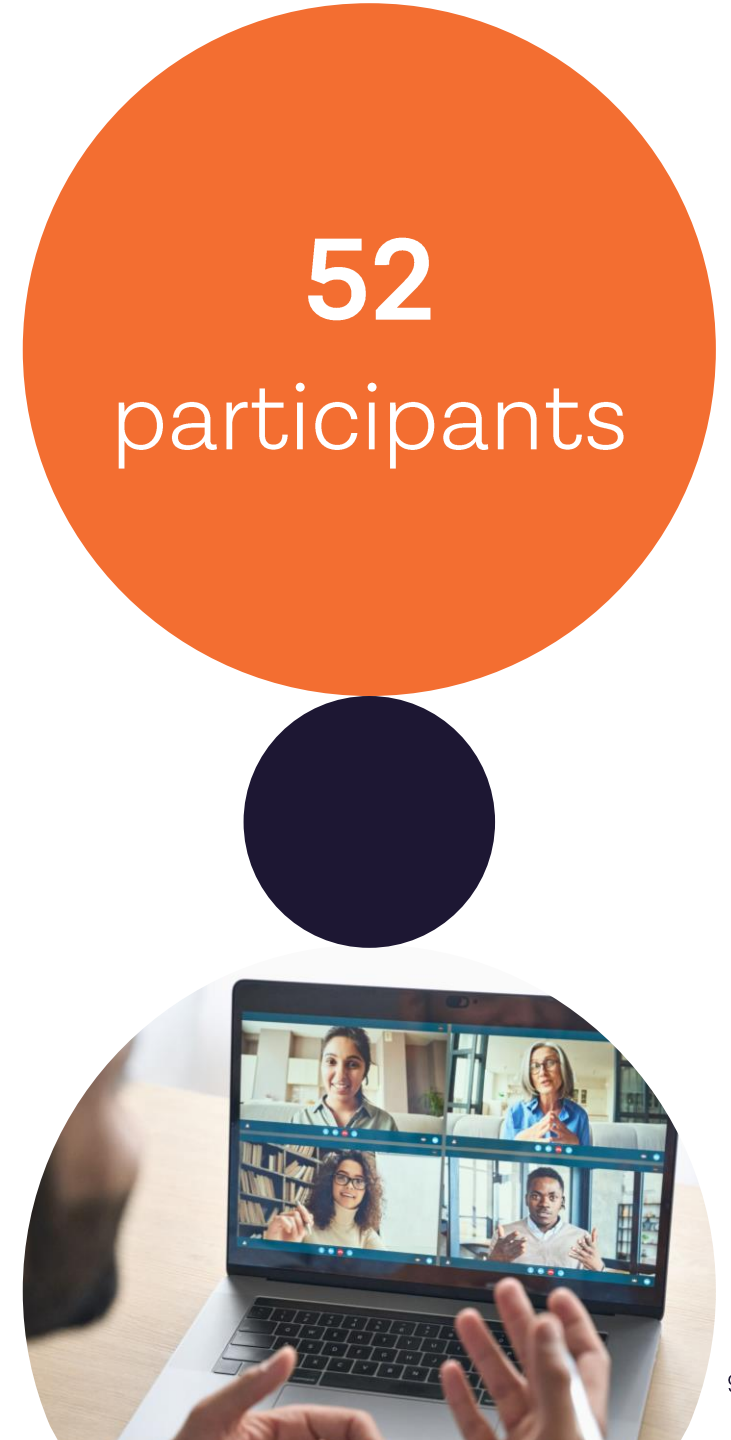
6 x 90-minute online focus groups:

- 5 groups were with current customers (one group per region in the North West)
- 1 group was conducted with 'future bill payers'

18 x 60-minute depth interviews:

- 12 with 'harder to reach' customer groups, including those with disabilities, those on low incomes, those who are digitally excluded and those aged 65+
 - 10 out of 12 of these were conducted online and the remaining two were conducted in person to make the research fully accessible
- 6 online depth interviews with non-household customers based in the North West

We conducted fieldwork between the 31st July – 15th August 2023



Context during fieldwork


(31st July – 15th August)

During the fieldwork period, water was a hot topic in the news, and on social media



At the time fieldwork was being carried out, there were **numerous stories running** with regards to **sewage discharge into rivers or the sea**, as well as stories in the media about **profits and bonuses** paid by water companies

This was **reflected in some of the feedback we received from some participants**, who felt these sorts of issues should be a priority. We were able to listen to customers concerns, before moving on to focus on the topic at hand – we were still able to gather **good feedback on the bespoke performance commitments**



**Participants
were asked to
complete a pre-
task ahead of
attending their
research session**



The pre-task was designed to:

1. Get customers thinking about the topic of water and wastewater
2. To collect private responses from focus group respondents to mitigate against any 'group think' that might have presented itself in the focus group context

Background & objectives

We conducted five cognitive depths with customers from the North-West region, ahead of the main body of research to ‘test’ the research materials



Rationale

In this research phase, we were testing the guide and the stimulus specifically for levels of comprehension, while also being mindful of the length of the interview and the volume of stimulus we had to get through in the allotted time

Learning #1

- ✓ In general, there was a good level of understanding of the issue at hand. Comprehension was not a major issue, even if there were certain elements that needed to be carefully explained or there were elements that needed further elaboration

Learning #2

- ✓ Making the distinction between common and bespoke PCs even clearer on the upfront stimulus slides outlining who United Utilities are and how Ofwat sets and enforces performance commitments

Learning #3

- ✓ Removing a handful of slides, or incorporating information from some slides onto others, to cut down on the overall length of the stimulus deck

Learning #4

Amending the language in the ‘lead pipe replacement scheme’ and ‘embodied carbon emissions’ bespoke performance commitments to make them more meaningful:

- ✓ **Lead pipe replacement scheme:** The differences between the old scheme and the new scheme was made clearer
- ✓ **Embodied carbon emissions:** The description was simplified and shortened, and we amended the way in which the ‘embodied’ and ‘operational’ emissions were displayed in a way that made it more obvious that they were separate and distinct from one another

2

**Upfront feedback
on water and
wastewater**

Upfront feedback on water and wastewater

Most had never stopped to consider how the network worked

The pre-task was the first time many of them had stopped to seriously consider it, except for:

1. When customers had **experienced service issues** themselves, which brought water/wastewater to their attention, but this was only a minority
2. Those **with a disability** who were reliant on water also had a slightly greater level of understanding
3. Those who worked in **businesses with a significant reliance on water** were especially conscious of the impact of supply interruptions



Upfront feedback on water and wastewater

Water and wastewater was far from top of mind for most, unless they had experienced issues or were reliant on water

“

I only really ever think about it when something goes wrong. It's one of those services where you don't really think about it unless there's actually a drama...unless there's sewage flying down the road you don't really think about it do you?

HH customer - Cheshire

”

“

I suppose it's quite important to me because I'm on the dialysis machine, which is run by water. So, if we ever have water shortages or a problem, it sends me into panic mode

HH customer living with a disability

”

“

We're reliant on water for our business so it is something I've had to think about in the past. When we've had interruptions, our whole factory stops, so it has a massive impact on us, and I have to keep on top of things if there are problems

NHH customer

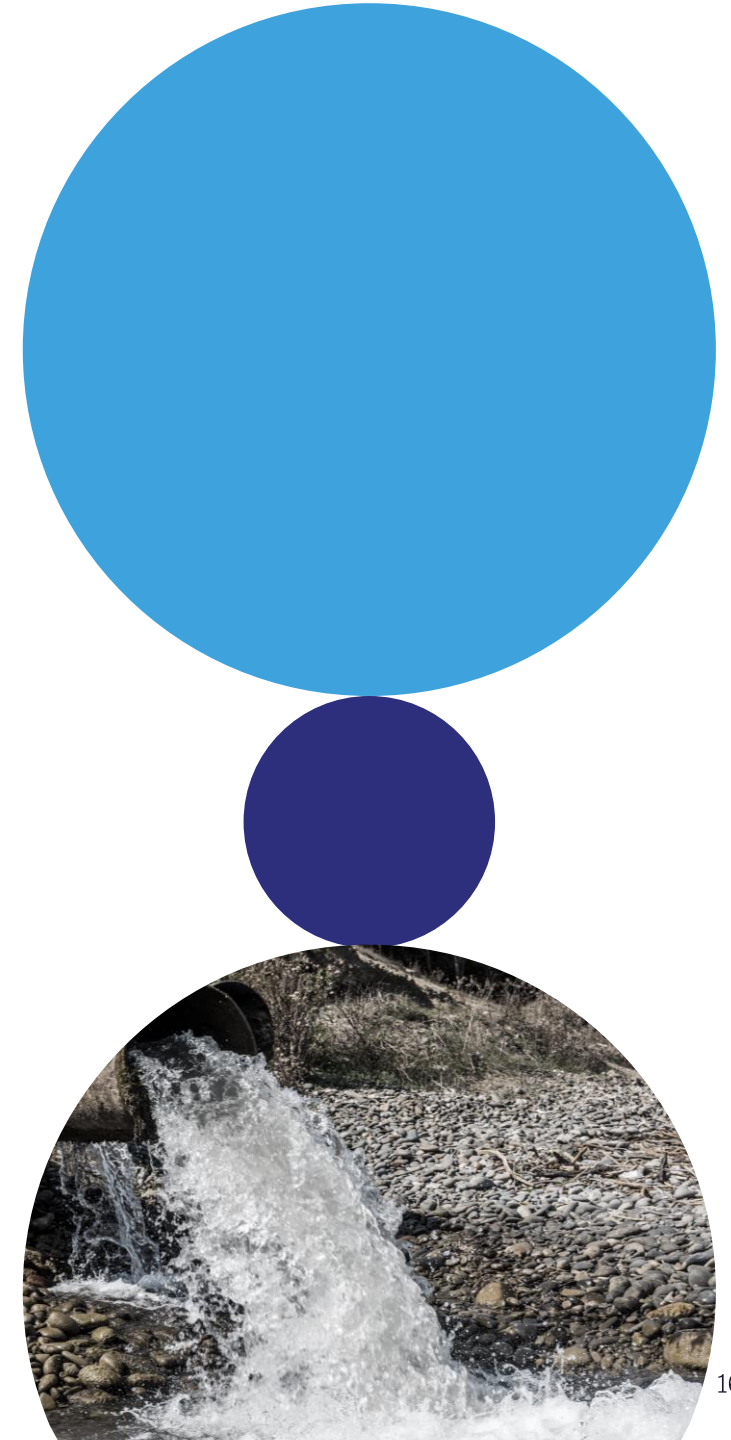
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Upfront feedback on water and wastewater

Many customers are unaware of the breadth of work that water companies undertake

There are low levels of awareness of the types of work that water companies are responsible for:

- Most saw the **provision of clean drinking water as the main responsibility** of water companies, while some were unaware that United Utilities dealt with wastewater and were responsible for managing the sewer network
- They recognised that their **low awareness of what water companies do can impact their attitudes** - with people 'taking access to clean water for granted'
- For some, **there were 'grey areas'** – e.g., *in the event of a flood, what role do utilities companies play vs the government OR when building a new estate, what role do the utilities companies play in ensuring there is a good supply and the increased volume of water can be disposed of responsibly?*



“

I've not heard of Ofwat before so didn't realise that's how it worked, and that there would be someone setting them targets and making sure they were doing their job properly

HH customer - Greater Manchester

”

Customers had very limited awareness of how water companies are regulated

The logo for Ofwat, the water regulator in England and Wales. It features the word "Ofwat" in a blue, sans-serif font. The letter "w" is enclosed within a dark blue circle. This circle is part of a larger, dark blue circular graphic that overlaps with another dark blue circle on the right side of the page. A small dark blue circle is positioned between the two large circles, acting as a connector.

Many were surprised that a regulator exists which monitors their performance. Only a handful of customers had heard of Ofwat and were aware of how water companies are regulated in England and Wales

However, **none of the customers we spoke to were aware of performance commitments or service targets**

Levels of trust in water companies were mixed: many referenced recent coverage of irresponsible sewage disposal

The generally low levels of awareness and understanding of how water companies operate and are regulated **fed into lower levels of trust**

There were some who had a **heightened level of awareness of discharge permit compliance** – referencing recent news stories about how different water companies were discharging sewage into different bodies of water (rivers, lakes, or the sea), while **others had concerns about profit making, dividend payments and a perceived lack of investment** by water companies

Levels of trust in water companies **did increase after participants were informed of the regulation process** and the independent regulator, Ofwat

Some were still sceptical of water companies suggesting bespoke PCs to Ofwat, however, as **meeting these targets results in the receipt of financial rewards**. These individuals thought that United Utilities could choose to propose the easiest service targets to meet to achieve financial rewards rather than penalties

“ We’ve heard about Thames Water taking loads of money from the system from the bills....pumping into the waterways is absolutely disgusting. In the North West we’ve got Blackpool and areas like that where sewage is being pumped into the seaside
HH Customer - Merseyside ”

“ It’s good that they there are rewards and fines because that obviously means that the United Utilities have got to do what they’ve said they’re will. Otherwise, they’re going to face harsh penalties, which is something I never knew such a big business would have to do
HH customer living with a disability ”

3

**Feedback on
the common
performance
commitments**

The majority were surprised about how many areas the common PCs cover

The list of common commitments made people reflect on the breadth of roles that water companies play and the range of responsibilities they have - **both the length of the list and the extent to which they are monitored was a surprise**

The three areas that the common commitments covered (customer service, environment and asset health) **felt like sensible priorities and made complete sense to customers.** They struggled to identify any single area they felt should be a 'priority'

The exception to this was business customers, and specifically business customers who use a lot of water (e.g. in manufacturing) – they referenced the rules and regulations they have to abide by (including the safe disposal of wastewater / any chemicals etc) and were able to pre-empt the extent of the commitments the water companies would be bound by

I didn't think there would be that many! That felt like loads that they were being monitored against and it makes you realise how much work actually goes on behind the scenes that you don't see that the water companies do

HH customer - Lancashire

I'm not that surprised at how many targets there are. I know when we are getting rid of our waste we've got to be careful, and we've got loads of hoops we have to jump through so it's only the same as us

NHH customer

4

**Feedback on the
bespoke
performance
commitments**

Feedback on the bespoke PCs

Customers found it difficult to spontaneously think of potential bespoke PCs

Because customers were surprised at the extent of the common performance commitments, they **struggled to think of anything else they expected to be covered** - once we had run through the full list of bespoke performance commitments, customers felt they made sense and could understand why United Utilities had looked to prioritise these areas

However, some didn't believe that all of the commitments reflected a 'unique' circumstance in the North West - for example, customers felt that targets related to carbon emissions, or targets related to supporting household and non-household customers **could be relevant in any region**

“

I get why they would want to do most of them, and I do think they're important, but I don't know why the emissions one would be specific to us in the North West, or supporting community groups or whatever

HH Customer - Greater Manchester

”



Across all customer groups, all of the bespoke PCs were generally well received and supported



The majority of customers said they would support United Utilities in adopting almost all of the commitments

Even the 'worst' performing commitment (which was 'What Not To Flush') had broad support from the majority of customers

Feedback on the bespoke PCs

However, customers were still able to differentiate between the commitments in the scores that they gave

Higher priority



Help For Households



Rainfall Management

Medium priority



Help for non-household customers



Improving Windermere



Lead Pipe Replacement



Embodied Carbon Emissions

Lower priority



What Not To Flush

We asked participants to 'score' each of the commitments:

Both **'Help For Households'** and **'Rainfall Management'** were consistently ranked as two of the most important commitments, while **'What Not To Flush'** was consistently ranked towards the bottom.

'Help For Non-Households', **'Improving Windermere'**, **'Embodied Carbon Emissions'** and **'Lead Pipe Replacement'** all ranked similarly in terms of importance (*all scoring an average of between 7.3-7.5 across all groups and depths*)

Feedback on the bespoke PCs

Scores across each PC were **broadly consistent** across different customer groups & types

Feedback was **largely similar across the board** and irrespective of the region they were from, their age, or whether they were a household or non-household customer

Where there were **any differences, these have been specified** for each commitment



Higher Priority



Customers ranked the commitments that delivered a clear and tangible benefit as most important

Higher Priority Commitments

Customers gave the highest scores to commitments... :

- That they felt would affect people directly (e.g., direct financial support or pieces of infrastructure) as opposed to indirectly (e.g., reduced emissions)
- Where they can see an *immediate impact* from the implementation of the commitment
- Where the commitment is addressing an issue that is felt to be 'inevitable' (e.g., high rates of rainwater), or already happening (e.g., people are already struggling with their bills), and where the outcomes felt clear and easily measurable

There were some small differences in prioritisation, related to vulnerability and previous experiences of flooding



Help For Households

There was **little to no difference in the levels of support for this PC according to region or other key demographics** – though those with a disability, or those who were digitally excluded were better able to empathise with those in this situation, and were likely to express strong support for this commitment



Rainfall Management

While support for this PC **did not differ by region**, it did differ **according to how likely a customer was to have had issues with flooding**. Many customers across all regions had experienced issues with flooding, and this made them acutely aware of the impact rainfall has, and the need to mitigate the risks associated with it

“
I know friends who live on a flood plain and have had to move out of their house a few times now because of flooding. I always feel so bad for them because it costs thousands to repair everything and they're out their house for weeks or months at a time
”

HH Customer- Lancashire



Help For Households

Help For Households - Positives

‘Help For Households’ was almost universally highly rated, with the majority being supportive of it

This commitment was felt to be especially relevant, given the current cost of living crisis:

- **Support was near universal**, and spanned those on higher and lower incomes, and across all customer groups and types. **Many described access to clean drinking water as a right**, and felt that people should not ‘priced out’ of access to water. As a result, some appreciated that a payment of at least £50 would help to facilitate access to water for those who are struggling financially.
- Customers **appreciated that the scheme was being extended to help those who do not currently qualify for support** – and there was some surprise that ‘only’ 16% were defined as on being on very low incomes
- Customers were able to **draw parallels with the action other utility companies are providing in response to the cost of living** – they see support from gas and electricity companies (or from the government) and expect similar packages to be made available

I completely agree that people who are vulnerable should still have the same access because it's a duty of care as a company


FBP - Manchester



However, there were pockets of scepticism and cynicism among a handful of customers

There were some questions raised around the level of support offered, as well as who this support would go to:

- Some felt that the **£50 payment is not enough to make a significant difference**, and that a £50 reduction over 12 months ‘would barely touch the sides’
- A minority **raised concerns regarding ‘subsidising those who are already in receipt of support’** and felt that water was ‘cheap enough already’ – this sentiment was expressed most often by those *just above* the level where they’d qualify, and there was some frustration that they didn’t think they would be getting support themselves
- Those who were **older or digitally excluded had some concerns about how they would access this support** – they were not sure if they would need to go online or have to sign up to receive this support



I know times are tough at the moment but they're tough for everyone. I don't think just some people should be getting help, I think all of us need it

**HH customer -
Cumbria**

Optimising 'Help For Households'

Primary concerns:

- That the £50 support stated would not go far enough
- Not wanting to be 'subsidising those already in receipt of support'
- For those who are older or not online, how you would access this support

Could be optimised by:

- Either upping the minimum threshold OR amending it to be a proportion of the bill rather than a set amount that applies to everyone. You could also **frame the bill reduction as a proportion of customers' bill** amounts to highlight the benefit e.g., two months free
- **Emphasising that this covers customers who do not currently qualify for bill reductions.** This is of particular importance in light of the increased cost of living that many people are facing
- **Making it clear how people should access this support,** especially those who are not confident with using digital channels

“

It's currently a bit vague. I don't know how you would identify who's most in need and I don't know if what they're saying would make enough of a difference to be honest

HH customer - Merseyside

”





Rainfall Management

Rainfall Management - Positives

Most saw 'Rainfall Management' as important, due to their experiences with high levels of rainfall

Many customers had experiences of, or knew people with experiences of flooding as a result of increased rainfall:

- The **immediate, personal impact (e.g., risk to life, damage to property) that extreme rainfall has, has meant that people felt very strongly about this being a priority** – while the suggested interventions themselves (water butts and permeable pavements) were both popular
- Customers referenced the fact that we are **seeing more extreme weather as a result of climate change**, so our need to be able to effectively manage an increased level of rainfall is likely to increase in the future
- This commitment was **felt to tackle two issues at once** – helping to **protect the environment** (by managing rainwater more effectively), as well as **saving customers money** (e.g., not having to use the hose as much in the Summer)

I think that rainfall management is probably more important than ever, near me, where water runoff as a direct result of building houses has caused flooding


NHH customer



Some participants were concerned about the extent of the support proposed, and how this would be implemented

While any support in managing rainfall is appreciated, some questioned whether this commitment would go far enough:

- Some mentioned that the **root cause of flooding is multifarious** e.g., relating to blocked drains which is a neglected issue – and this meant they questioned whether the suggested interventions would have a significant impact
- Some were also **unsure how United Utilities determine the scale of implementation** measures required, and how they **decide where** it will be put in place
- As with ‘Help For Households’, **those who were older or digitally excluded didn’t know how this support would be targeted or how they should access it.**
 - They were **concerned that if it was ‘first come first served’ they could miss out**, either because they may not be able to ‘request’ the support online (if this is how it is implemented) – the line “the discount tariff is fully subscribed” supported this notion



How will I know if it will be implemented in my area, or how they do choose who gets it? Do I have to ring them and ask them?

**HH customer - Lancashire,
65+, Disabled, Digitally
Excluded**

Optimising 'Rainfall Management'

Primary concerns:

- *That this would go far enough as the root cause of flooding is multifarious*
- *Not knowing how United Utilities would determine the scale of measures required or where it would be put in place*
- *How to access this support and whether it is 'first come first served'*

Could be optimised by:

- **Clarifying the scope** of this performance commitment – does the implementation involve anything other than water butts and permeable pavements?
- **Outlining the implementation strategy** to inform customers how this bespoke PC will be implemented e.g., customers will receive a water butt via an application or by living on a new housing estate
- **Identify** how United Utilities will determine **where these measures will be put in place** e.g., targeting areas/properties at greater risk of flooding or where flooding is a specific issue

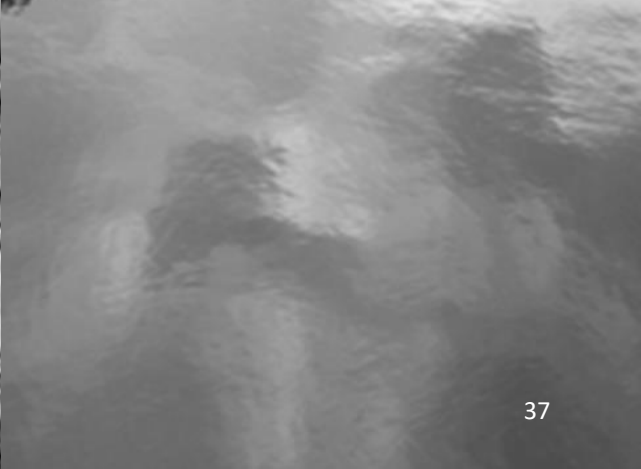
“

As great as it sounds, how will they install permeable pavements when they can't even fix the roads?


HH customer- Cheshire

”





Medium Priority



Customers found it more difficult to gauge the impact each of these commitments would have

Medium Priority Commitments

While customers still felt each of these commitments was important, they did not rank them quite as highly as the higher priority commitments for a variety of reasons... :

- Some question the impact of some of the commitments (i.e., amount of money the NHH commitment would save organisations)
- The consequences of inaction are not immediate or felt to impact as many people (e.g., looking after Windermere doesn't 'help' everyone in the North West region)
- Risks to customers are mitigated (e.g., the water is 'dosed' because of the presence of lead piping)

With issues related to the environment, knowledge was key – while those living rurally rely more on their community



Embodied Emissions

‘Future Bill Payers’ were more acutely aware of environmental issues, while **older customers** believe this should be a priority as they have **concerns about what the planet will be like ‘for future generations’**

NHH customers better understood the need to meet different targets for different sorts of carbon emissions, as it is likely something they’ve done themselves



Help For NHH Customers

Some of those who **live more rurally** spoke of certain sorts of organisations being key for their communities (e.g. village halls), and for that reason, believed this should be prioritised

NHH customers were no more likely to support this commitment than HH customers



Improving Windermere

Windermere is held in high regard, and **most believe it should be a priority**. However, those **outside of the immediate area** want reassurances that **their region will be given similar treatment**

Those who **live closer** have a **greater understanding of the issue** and were **more likely to believe that the lake is in poor health because of sewage discharge** - undermining their confidence in United Utilities



Lead Pipe Replacement

Perceptions were largely similar across key demographics – though those who owned older properties or lived in older properties were more likely to have concerns

General awareness of the presence of lead in the network was **higher amongst older customers**, though this made little difference to the scores that were given



Medium Priority Commitments – Summary

'Medium Priority' PCs – Further Interrogation

While these PCs were scored similarly, they weren't all perceived as being likely to have the same effect

	Embodied Emissions	Help For Non-HH Customers	Improving Windermere	Lead Pipe Replacement
Perceived impact of commitment	<p>MEDIUM/HIGH</p> <p><i>Climate concerns are top of mind, and big companies taking action to reduce emissions is seen to be what is likely to drive a change</i></p>	<p>MEDIUM/LOW</p> <p><i>Customers recognise there are a lot of organisations that need support, BUT they need convincing on how much this will help</i></p>	<p>MEDIUM</p> <p><i>The majority are hopeful the health of the lake can be improved (though those living closer are more sceptical)</i></p>	<p>LOW</p> <p><i>Because of dosing, customers are much less likely to feel this is an issue to prioritise – there would be little impact to them if this was implemented</i></p>
Relevance to customers	<p>HIGH</p> <p><i>Climate change is seen to impact us all, and people believe it is relevant across all customer groups and across all regions</i></p>	<p>HIGH</p> <p><i>This is expected to impact a relatively wide proportion of the community, and people from all ages and backgrounds</i></p>	<p>MEDIUM/HIGH</p> <p><i>Windermere is seen as a significant site and an important area to look after – BUT it is only a small part of the region as a whole</i></p>	<p>MEDIUM</p> <p><i>People were surprised at the scale of the issue, BUT most were unable to tell if this was an issue that affected them personally</i></p>
Fits with what customers expect of United Utilities	<p>HIGH</p> <p><i>As a company that manages a natural resource, customers expect United Utilities to have a 'vested interest' in looking after the environment</i></p>	<p>MEDIUM/HIGH</p> <p><i>Given the cost-of-living crisis, customers expect water companies to help those most in need of support (as with 'Help For Households')</i></p>	<p>MEDIUM</p> <p><i>Customers can understand why United Utilities would choose Windermere, but they expect all areas in the region to be treated equally</i></p>	<p>MEDIUM</p> <p><i>The idea of supporting people in deprived areas did fit with what customers expected, but most don't expect to subsidise work on private property</i></p>

'Medium Priority' PCs – Further Interrogation

This means that the embodied emissions PC should be progressed, and lead pipe PC removed from consideration

CAN BE PROGRESSED



Embodied Carbon Emissions

- ✓ **IMPACT** - Perceived as having a high impact
- ✓ **RELEVANCE** - Felt to be relevant to all
- ✓ **EXPECTED** - Fits with expectations of United Utilities as a company managing a natural resource

CAN BE PROGRESSED, WITH FURTHER OPTIMISATION



Help For Non-Household Customers

- × **IMPACT** - Need convincing on value of commitment
- ✓ **RELEVANCE** - Felt to be relevant to wide range of people
- ✓ **EXPECTED** - Fits with expectations of water companies supporting those who need it



Improving Windermere

- **IMPACT** - Some are sceptical about the impact United Utilities will have
- ✓ **RELEVANCE** - Relevant to a good number of people, who live close by or visit regularly
- **EXPECTED** - Customers expect all areas to be looked after

FELT TO BE LOWER IMPACT



Lead Pipe Replacement

- × **IMPACT** - If makes no difference to health, then felt to lack impact
- **RELEVANCE** - Hard to tell if affects your property
- **EXPECTED** - Support those who are struggling, but don't subsidise work on private property



Embodied Emissions

Embodied Emissions - Positives

Environmental issues are top of mind - most believe United Utilities have a responsibility here

Most saw climate change as a major issue and believe it is important that large organisations consider their impact on the environment:

- The **expectations that customers have of United Utilities on emissions were even greater than other sorts of large organisations or businesses** - customers believe that water companies should be even more mindful of their environmental impact given they 'work' with, and manage a natural resource
- Some also believed that **adopting a more 'preventative' and 'proactive' approach to emissions would lead to a reduction in problems with the water cycle in the future** - and that by taking action now, the impact of climate change will be less severe in the longer term and it will be easier for water companies to continue delivering their services

I think carbon emissions are a very, very popular topic at the moment. If everybody tries to reduce it, whether it's work vehicles or it's production or it's factories we're all good. I think that should be as standard

HH customer - Merseyside



Embodied Emissions - Positives

All customer groups felt it was important that these targets were met

All customer types agreed it was an important issue, but for slightly different reasons:

- **‘Future Bill Payers’** were more acutely aware of environmental issues, and referenced what they were taught in school about climate change. Some are worried about what the world might look like in the future and think there **could be a risk of water scarcity**
 - On the other hand, **older customers believe this should be a priority as they have concerns about what the planet will be like ‘for future generations’**, i.e. their children and grandchildren (though they don’t feel as though they themselves will be greatly impacted)
- Business customers can understand the need to meet different targets for different sorts of carbon emissions (e.g. embodied emissions), as **it is likely they have had to reflect on how their own businesses can be made more environmentally friendly**

...obviously they are such a big company that you expect them to be as green as possible and look at the carbon emissions and stuff...I t's kind of just something I expected them to do anyway, if that makes sense.


FBP Manchester



Some struggled to understand the differences between the two types of carbon emissions

Some were unsure why there wasn't a single performance commitment that covered all types of emissions:

- **Some felt this 'should be what United Utilities would be doing anyway'** – and that it made sense from a commercial perspective to try to use lower carbon materials, and to build and construct in a way that would require less maintenance in the future
- **The term 'Net Zero' was not fully understood by all customers** (even after being provided a definition – and those that claimed to understand it often could not define it). For others, this commitment was seen to support 'an arbitrary government target' and they questioned whether this performance commitment was a 'box ticking exercise'
- A minority did suggest this should not be a priority because they believed **this could get in the way of United Utilities delivering 'vital services'** (e.g., having limits on emissions will mean United Utilities won't build as many treatment works)



All big companies have got to do this anyway – it's just a box ticking exercise

**HH customer –
Lancashire**

Optimising 'Embodied Emissions'

Primary concerns:

- Understanding the difference between embodied and operational emissions
- Customers felt that a PC that covers carbon emissions should exist anyway
- Seen to support an arbitrary government target most don't fully understand
- Whether it is a 'box ticking exercise' or could interrupt delivery of vital services

Could be optimised by:

- **Specifying how this will lower carbon emissions** and **highlighting whether the impact will be significant or not**
- **Simplifying this performance commitment** as much as possible by:
 - **Providing less detail on operational and embodied emissions** as this is too much detail – **refer to carbon emissions as a general concept**
 - **Avoiding references to 'Net Zero' targets** as this term is not universally understood – **talk about the positive environmental impacts more broadly instead** (being a water provider goes hand in hand with doing better for the environment as water is a natural resource)

“

It started to get quite complicated, and I think I just need to know if they're doing their best to reduce their emissions or not, however they do it. But also, how are they going to do that? I don't know how you actually reduce your emissions when you're building something

HH customer - Greater Manchester

”



The image shows the exterior of a brick building with a corrugated metal roof. A sign on the wall reads "NEUADD Y BRENIN KINGS HALL" and "IN CYMRU AETHU'R GYMNEDD" "SERVICING THE COMMUNITY". There are several windows and a door visible. A semi-transparent white box with yellow text is overlaid on the center of the image. The background includes trees and a parking area with a few cars.

Help For NHH Customers

Help For NHH Customers - Positives

The majority felt this is important, especially when funding is being cut and money is tight

Most recognised there are certain organisations are struggling at the moment due to rising costs and cuts in funding:

- Helping these organisations was **seen to be a good way of helping the wider area**, because there are lots of people who are reliant on and benefit from the work that these community groups and organisations do
- The **types of organisations listed felt relevant and were seen as good examples** of the groups that may need support and as we'd expect, **those who were more reliant on the sorts of organisations listed were more positive**, (e.g., parents specifically felt as though the support for schools was important, and those who were older felt that support for community groups/facilities was important)
- **NHH customers were no more likely to support this commitment than HH customers** – the types of organisations this commitment aims to support was felt to be quite different to their businesses

The school my kids go to hasn't even had enough money for all the books and pens the kids might need so I know that anything that can be done to save a bit of money would help and make a difference


HH customer - Lancashire



Some would like more clarity on the types of organisations that would qualify for help and support

The main sticking point was in how customers felt about supporting different types of organisations:

- Customers **do not feel it is appropriate to be supporting a ‘private enterprise’** or business but can understand why support would be in place for a locally run and funded organisation
- Some struggled to comprehend the **extent to which these measures would improve water efficiency**, and as a result, the cost – this meant that they felt that more direct support, such as bill reductions, would be more useful than water efficiency measures
 - There **was a suspicion that it could result in a negligible amount in savings**, and so this performance commitment wouldn’t deliver enough of an improvement



I think it should just be support for more public services, and it shouldn't be for private companies or commercial businesses. I don't want to be paying out of my pocket to support a business that is already making loads of money

HH customer – Lancashire

Optimising ‘Help for NHH Customers’

Primary concerns:

- Which types of organisation would qualify
- Not feeling it is appropriate if it supports ‘private enterprises’
- That this would deliver enough of an improvement in water efficiency and bills

Could be optimised by:

- **Making it clear who will receive this help** e.g., private vs publicly funded organisations (**support for publicly funded organisations is the expectation**)
- **Highlight how organisations will benefit** from this initiative e.g.; a school could save x number of litres of water per year
- **Including additional organisations** e.g., hospices, care settings, youth centres and churches (support was higher for organisations that customers felt would be using more water e.g., a school (higher usage) vs a church (lower usage))
- **Incorporating elements of the ‘what not to flush’ commitment**, e.g., provide materials to teachers, or facilitate a session to help educate children on what not to flush when visiting a school to conduct a water efficiency audit

“
How much money would this actually save a school?
Would it make a big difference, or would it just be like £5 a year?
HH customer – Merseyside
”



An aerial photograph of Windermere, a large lake in the Lake District, England. The lake is surrounded by lush green hills and forests. In the foreground, a smaller inlet of the lake is visible, surrounded by green fields and trees. A semi-transparent white rectangular box is overlaid on the center of the image, containing the text "Improving Windermere" in a bold, yellow, sans-serif font. The text is centered within the box and is the primary focus of the image.

Improving Windermere

Improving Windermere - Positives

Most would support a commitment focused on Windermere - it is held in high regard by most in the NW

Almost all recognise that Windermere is an integral part of NW tourism:

- Many customers either live near, or visit the area on a regular basis and **believe it is important that the lake and surrounding catchment areas are well looked after** – they don't think a location of such status should 'be allowed' to deteriorate any further
- They believe that **maintaining the health of the lake is vital in ensuring the Lake District as an area remains an attractive place to visit**. Further damage could ruin its reputation and mean people will stop visiting
- Some have **specific concerns about the aquatic life**, and think it is important that action is taken to **reduce the impact that humans have on the plant and animal life** in the lake and surrounding area as well

I holiday at or near Windermere pretty much every year and I'd hate to see it deteriorate any further. I think we need to do everything we can to conserve and look after it now and for future generations as well


NHH customer



The ‘hyper-locality’ of the Windermere commitment surprised some, who expected this to be broader

Some customers were looking for reassurances that other areas in the region would receive similar sorts of support:

- Some had **concerns that Windermere would be prioritised over other lakes or reservoirs in their region** (this even applied to those in Cumbria, who referenced lots of other lakes in the region)
- Some believed **this issue was caused by the ‘peaks’ in visitors over Summer**, and the ‘fluctuations’ in demand for facilities
 - Specifically, they **questioned how the area deals with the peaks in visitor numbers**. One resident of Ambleside said its population goes from c2,500 in off season to c10,000 in peak season, and assumed the wastewater that is created as a result must be very hard to manage. For that reason, some suggested that the maintenance of the lake could be covered by a ‘tourist tax’



I know that Windermere is part of the North West but it's not particularly local to me and I do think it is doing quite well at the minute - it's got massive amounts of tourism that it needs to manage

HH customer – Cheshire

Those who live closer to the lake have a greater level of knowledge of the issue

They are trying to blame it on the septic tanks... and the farmers.. Saying essentially they're just as much to blame sort of thing... but they are not contributing anywhere near the amount that United Utilities' untreated sewage is contributing.

**Household Customer –
Cumbria**

Those who are local to the area, and those who are younger (future bill payers) had specific concerns about this commitment:

- **Those who live closer to the lake have a greater understanding of the issue at hand**, and this shapes their perceptions of United Utilities' role in helping address the health of the lake. They were more likely to believe that the lake is in poor health because of how United Utilities release sewage and this undermined their confidence in United Utilities being able to improve the health of the lake
- **The younger group of 'future bill payers' had a more 'utilitarian' perspective of what should be done.** Their belief was that United Utilities should **'do what has the biggest impact for the greatest number of people'** and felt that this bespoke performance commitment didn't deliver on this

Optimising 'Improving Windermere'

Primary concerns:

- *The hyper-locality of this commitment*
- *That Windermere would be prioritised over other lakes or reservoirs in their region*
- *Whether the maintenance of the lake should be covered by tourist tax instead*

Could be optimised by:

- **Expanding the scale of this** to cover other local bodies of water/areas in the North West, **OR** by **reassuring people** that this commitment would **not** be **delivered at the expense of other bodies of water in the North West**
- **Being more committal in terms of the support United Utilities will pledge** e.g., we will spend £X on building a new treatment works in X location by X date, as opposed to just suggesting United Utilities will 'support the community'

“

I know they want to help to make the lake healthier but what are they actually committing to doing? Can't they be a bit more specific and say they're going to build a new treatment works or something?

HH customer - Lancashire

”





Lead Pipe Replacement Scheme

Lead Pipe Replacement Scheme - Positives

Almost all agreed that PCs aimed at making people safer and protecting health should be a priority

This commitment came as a surprise to a lot of customers – some had never realised this was an issue at all:

- **Lots of customers were shocked when they found out the scale and extent of the issue** and the number of properties this was still potentially impacting. Initially, they felt as though this should be a high priority, specifically because of the **impact lead can have on health**
- Customers also appreciated the fact that this performance commitment **supported those living in deprived areas**. They felt that people shouldn't be at a disadvantage, or have something posing a risk to their health, **as a result of their financial situation** (*and again, given the current cost of living crisis there is an expectation that water companies will be doing all they can to support those who are most in need*)

I think everybody deserves the same safety levels. People moving into houses or someone's financial situation shouldn't affect the health of the water supply that they're getting

HH customer - Cheshire



Lead Pipe Replacement – Watch Outs

However, some believed this was less of a priority, if it is possible to keep people safe (i.e., through dosing)

Once customers were made aware that lead pipes don't pose a health risk when water has been treated, this became a lower priority:

- Generally, customers are happy **as long as the water companies are seen to be *doing something about this issue*** – whether that is dosing, or through replacing pipes (or through any other method). The fact that the water is dosed, means this feels less of a priority
- **Some had questions around how you would find out if you had lead piping, and how you access this support** – Do United Utilities proactively find these properties and let people know if they have lead piping? Is it first come first serve? They were unsure as to how much responsibility they would need to take
- Others had concerns over the **idea of subsidising work being done to private property**, and were looking for reassurances that this would be targeted to those most in need (*however, this support was deemed as more acceptable for those living in social housing*)

I bet this one is an easy win – and won't cost United Utilities much.... I don't think it would make much difference

HH customer – Cumbria

Optimising 'Lead Pipe Replacement'

Primary concerns:

- *Whether this should be a priority, if it is possible to keep people safe*
- *How you find out if you have lead piping and how you access support*
- *How much responsibility customers need to take*
- *Subsidising work being done to private property*
- *Whether properties will be put on meters when the pipes are replaced*

Could be optimised by:

- **Clarifying how customers can access this support**, as well as **highlighting how customers would be able to identify, or become aware of any lead pipes** that remain on their property
- **Providing all of the information needed so customers aren't alarmed or scared by the possible health implications** associated with lead – reassure them that their water supply is safe
- **Reassuring customers that support will be targeted** to those most in need or those living in social housing

“

When I first heard it or saw the description it was a bit scary, so I think they need to be clear that people aren't at risk if they do tell people about this

HH customer - Lancashire

”





Lower Priority



What Not To Flush

What Not To Flush - Positives

The majority of customers believe *the issue of what not to flush is important*

Most felt that this issue was an important topic to help to educate customers on:

- Despite most seeing this as 'common sense', customers had little faith in others disposing of waste responsibly and in the correct way – because of either laziness, or ignorance on the topic
- Most were able to recall communications related to this issue already and **acknowledged that a little bit of education could save a lot of money in the future** (even if it is very hard for customers to try to work out how much)

In one way it's something that's easily could be done to help different things.. People were flushing things that they shouldn't on our housing estate, which caused problems with our toilet

HH customer - Cheshire

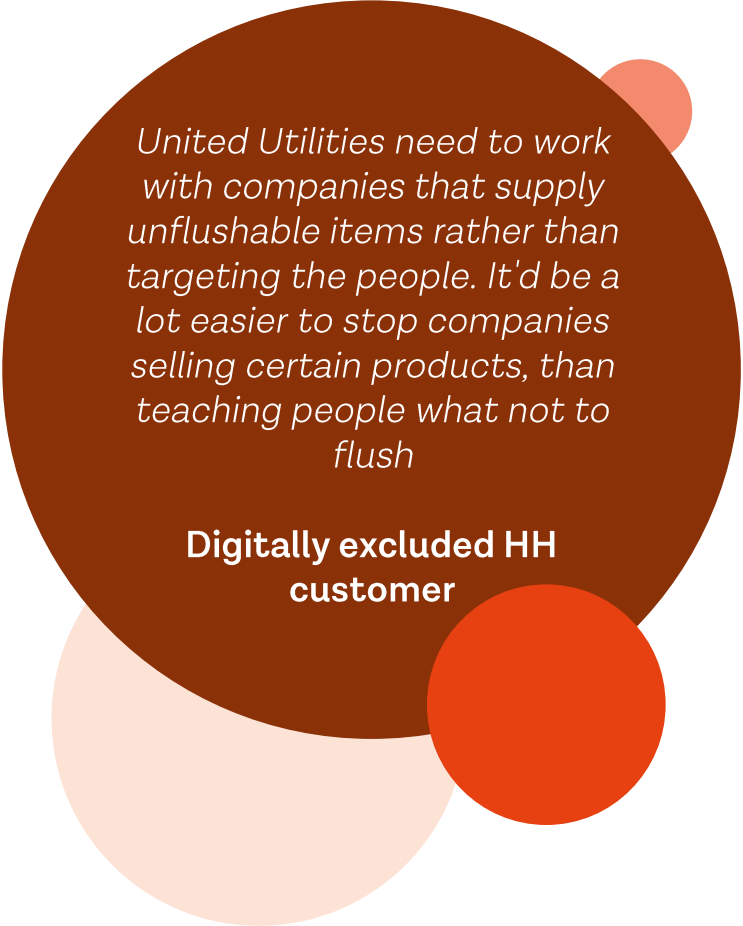


What Not To Flush – Watch Outs

However, customers are sceptical about the impact of a comms campaign on changing behaviours

Some were hesitant in their support of this performance commitment because they felt that it may not shift behaviour:

- Most could cite a campaign they had already seen that was aimed at educating people on what not to flush – because of this, **some questioned ‘what good will another campaign do?’**
- That meant that customers felt other routes would provide more fruitful – for example, **some talked about increased education in schools, whilst others felt that the brands who make ‘unflushable’ products also have a role to play** e.g., encouraging people to dispose of them properly, or making biodegradable products
- **Some were also sceptical of how this performance commitment could be measured.** They doubted that ‘awareness’ in an online survey would be a reliable enough way of measuring its impact, while some also had concerns that the results ‘could be manipulated’ by United Utilities



United Utilities need to work with companies that supply unflushable items rather than targeting the people. It'd be a lot easier to stop companies selling certain products, than teaching people what not to flush

Digitally excluded HH customer

Optimising 'What Not To Flush'

Primary concerns:

- Whether a comms campaign can change behaviours (it has been done before)
- Whether schools, or brands who make 'unflushable' items have a role to play in terms of education
- How this PC will be measured

Could be optimised by:

- **Stressing the importance / impact of people flushing 'unflushable' items** into the network, and the end cost/ consequence of this
- Highlight that this action **might be easier in the short term but will have consequences** and we will pay the price for this behaviour in the end
- Some talked about how **United Utilities could support other organisations in educating people** on what not to flush (e.g., schools)
- **Considering creative ways of educating the public** rather than repeating existing campaigns or being a full bespoke 'PC' e.g. a documentary called 'The Sewer Men' was referenced as a good education piece

“

Surely it's just common sense – I don't think it's because people don't know about what they can flush, it's because they don't care or see the impact it has. If they knew it meant they could end up paying more it might make more of a difference

HH customer - Lancashire

”



5

Summary

Summary

Summary of performance

Progress



Help For Households



Rainfall Management



Embodied Carbon Emissions

Progress, with some alterations



Help For Non-Household Customers



Improving Windemere

Remove from consideration as bespoke PCs



Lead Pipe Replacement



What Not To Flush

Notably, customers **were happy to support all of the bespoke PCs that were proposed**

3 of the 7 commitments should be progressed as a priority – ‘Help For Households’, ‘Rainfall Management’ and ‘Embodied Emissions’

Another 2 could be progressed with some optimisation – ‘Help For Non-HH Customers’ and ‘Improving Windemere’

While customers are **less likely to expect the ‘Lead Pipe Replacement’ and ‘What Not To Flush’ PCs to be progressed as specific commitments**, they still believe these are **important initiatives**, and would expect United Utilities to be **taking action with regards to these issues**

Contact

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