

UUW22

Affordability and acceptability testing reports

October 2023

Chapter 3 supplementary document

This document is a record of Acceptability and Affordability testing reports and materials for all phases of research. This research has provided insight for the development of the business plan, further information on the testing and results can be found in UUW21 and UUW03.

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1. Affordability and acceptability testing reports

1.1 Structure

- 1.1.1 The purpose of this document is to detail the research materials and reports for Affordability and Acceptability Testing. Qualitative research (A&A Testing Qualitative) was undertaken followed by statistically robust quantitative research (A&A Testing Quantitative).
- 1.1.2 This document is structured as:
- Section 2 details the links that were :
 - Section 2.1 details the materials as part of A&A Testing Qualitative research.
 - Section 2.2 details the materials as part of A&A Testing Quantitative research.
 - Section 2.3 details the materials as part of A&A Testing Quantitative Pilot research.
 - Section 2.4 details the materials as part of A&A Testing Qualitative alternative higher bill scenario research.
 - Section 2.5 details the materials part of A&A Testing Quantitative alternative higher bill scenario

1.2 Overview

- 1.2.1 Chapter 3 details the summary of results of our Affordability and Acceptability Testing, and supplementary document *UUW21 – Customer Research Methodology* for more details on the methodology. All stages of the main research were fully in compliance with the A&A Testing guidelines from Ofwat and CCW. Please see our published research library¹ for information on independent assurance of this by Turner and Townsend.
- 1.2.2 In addition to the prescribed phases of research, we undertook a quantitative pilot phase (A&A Testing Quantitative Pilot) 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 learnings on the design of the research with Ofwat/ CCW and other water companies.
- 1.2.3 To address uncertainties stemming from evolving requirements and their potential impact on the final bill, UUW opted to examine two variations of customer bill impacts. The higher variation necessitated a second round of qualitative research (A&A Testing Qualitative – alternative higher bill scenario). While still adhering to guidelines, this second round employed slightly reduced sample sizes, as agreed upon with the ICG due to time constraints. We also opted to examine two variations of customer bill impacts in the quantitative research, both tested in line with the guidance. Each customer only saw one version of the survey with randomisation to determine which survey they were offered to participate in, both surveys were representative of the North West. The testing of the higher bill amount is listed as 2.5 A&A Testing Quantitative – alternative higher bill scenario. See *UUW21* for more details on the methodology and the implications of a higher cost of capital for customers can be found in Chapter 9.
- 1.2.4 All information that is listed within this document is on our website¹.
- 1.2.5 More generally, a much fuller range of research that supports our PR24 submission is available online through our research library².

¹ unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/affordability-acceptability-testing-research

² unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/

2. A&A testing report signposting

The below tables demonstrate the component parts and materials of each stage of Affordability and Acceptability Testing research. Items in bold can be found in this document by following the cross reference, other items listed can be found published on our research library on our corporate website³.

2.1 A&A Testing Qualitative

Table 1: A&A Testing Qualitative

| Name | Description | Cross reference |
|---|---|-----------------------|
| A&A Testing Qualitative report | Affordability and Acceptability Testing Qualitative - report | A.1 – page 10 |
| A&A Testing Qualitative Cognitive Testing Report | Affordability and Acceptability Testing Qualitative – outcomes of cognitive testing interviews and action report | Website |
| A&A Testing Qualitative pre-task cover letter – Household customers | Affordability and Acceptability Testing Qualitative - cover letter sent to household customers to introduce pre-task activity | Website |
| A&A Testing Qualitative pre-task cover letter – Non-Household customers | Affordability and Acceptability Testing Qualitative - cover letter sent to non-household customers to introduce pre-task activity | Website |
| A&A Testing Qualitative pre-task cover letter – Vulnerable customers | Affordability and Acceptability Testing Qualitative - cover letter sent to vulnerable customers to introduce pre-task activity | Website |
| A&A Testing Qualitative pre-task cover letter – Future bill payers | Affordability and Acceptability Testing Qualitative - cover letter sent to future bill payers to introduce pre-task activity | Website |
| A&A Testing Qualitative pre-task pack – Household customers | Affordability and Acceptability Testing Qualitative - pre task information for all household customers inc future bill payers and vulnerable | A.1 – page 127 |
| A&A Testing Qualitative pre-task pack – Non-Household customers | Affordability and Acceptability Testing Qualitative - pre task information for non-household customers | Website |
| A&A Testing Qualitative pre-task questionnaire – Household Customers | Affordability and Acceptability Testing Qualitative - pre task questionnaire for household customers | A.1 – page 146 |
| A&A Testing Qualitative pre-task questionnaire – Non-Household Customers | Affordability and Acceptability Testing Qualitative pre task questionnaire for non-household customers | Website |
| A&A Testing Qualitative pre-task questionnaire – Vulnerable customers | Affordability and Acceptability Testing Qualitative - pre task questionnaire for vulnerable customers | Website |
| A&A Testing Qualitative pre-task questionnaire – Future Bill Payers | Affordability and Acceptability Testing Qualitative - pre task questionnaire for future bill payers | Website |
| A&A Testing Qualitative pre-task business plan one pager | Affordability and Acceptability Testing Qualitative business plan one pager | A.1 – page 150 |
| A&A Testing Qualitative pre-task business plan one pager – Vulnerable customers | Affordability and Acceptability Testing Qualitative business plan one pager with specific content for vulnerable customers | Website |
| A&A Testing Qualitative discussion guide – Household customers | Affordability and Acceptability Testing Qualitative-deliberative discussion guide for household customers | A.1 – page 152 |

³unitedutilities.com/corporate/about-us/our-future-plans/listening-to-our-customers/insight-and-research-library/affordability-acceptability-testing-research

| Name | Description | Cross reference |
|--|---|----------------------|
| A&A Testing Qualitative discussion guide – Non-Household customers groups | Affordability and Acceptability Testing Qualitative - deliberative discussion guide for non-household customers | Website |
| A&A Testing Qualitative discussion guide – Non-Household customer depths | Affordability and Acceptability Testing Qualitative - in depth interview guide for non-household customers | Website |
| A&A Testing Qualitative discussion guide – Vulnerable customers | Affordability and Acceptability Testing Qualitative - in depth interview guide for vulnerable customers | Website |
| A&A Testing Qualitative discussion guide – Future bill payers | Affordability and Acceptability Testing Qualitative 1 - deliberative discussion guide for future bill payers | Website |
| A&A Testing Qualitative Session stim – Household customers and Future bill payers | Affordability and Acceptability Testing Qualitative - session stimulus for household and future bill payers deliberative discussions | A.1- page 163 |
| A&A Testing Qualitative Session stim – Non-Household Customers | Affordability and Acceptability Testing Qualitative session stimulus for non-household deliberative discussions | Website |
| A&A Testing Qualitative Session stim – Vulnerable customers | Affordability and Acceptability Testing Qualitative - session stimulus for vulnerable customers in depth interviews | Website |
| A&A Testing Qualitative Post task questionnaire – Household customers | Affordability and Acceptability Testing Qualitative - post task questionnaire for household customers | A.1- page 198 |
| A&A Testing Qualitative Post task questionnaire – Non-Household customers | Affordability and Acceptability Testing Qualitative - post task questionnaire for non-household customers | Website |
| A&A Testing Qualitative Post task questionnaire – Vulnerable customers | Affordability and Acceptability Testing Qualitative - post task questionnaire for vulnerable customers | Website |
| A&A Testing Qualitative Post task questionnaire – Future bill payers | Affordability and Acceptability Testing Qualitative - post task questionnaire for future bill payers | Website |
| A&A Turner and Townsend Assurance report | Affordability and Acceptability Testing independently assured against Ofwat/CCW guidance by Turner and Townsend | Website |

2.2 A&A Testing Quantitative

Table 2: A&A Testing Quantitative

| Name | Description | Cross reference |
|---|--|----------------------|
| A&A Testing Quantitative report | Affordability and Acceptability Testing Quantitative - report (including the questionnaire materials in the appendix) | A.2- page 209 |
| A&A Testing Quantitative survey invite – email | Affordability and Acceptability Testing Quantitative - email to invite customers to complete survey | Website |
| A&A Testing Quantitative survey invite – postal | Affordability and Acceptability Testing Quantitative - letter to invite customers to complete survey | Website |
| A&A Testing Quantitative questionnaire | Affordability and Acceptability Testing Quantitative – questionnaire | Website |
| A&A Turner and Townsend Assurance report | Affordability and Acceptability Testing independently assured against Ofwat/CCW guidance by Turner and Townsend | Website |

2.3 A&A Testing Quantitative Pilot

Table 3 - A&A Quantitative Pilot

| Name | Description | Cross reference |
|--|---|-----------------------|
| A&A Testing Quantitative pilot report | Affordability and Acceptability Testing Quantitative/pilot report | A.3 - page 299 |
| A&A Testing Quantitative pilot survey invite – email | Affordability and Acceptability Testing Quantitative/pilot - email to invite customers to complete survey | Website |
| A&A Testing Quantitative pilot questionnaire | Affordability and Acceptability Testing Quantitative/pilot survey | Website |

2.4 A&A Testing Qualitative alternative higher bill scenario

Table 4: A&A Testing Qualitative alternative higher bill scenario

| Name | Description | Cross reference |
|---|--|-----------------------|
| A&A Testing Qualitative alternative bill report | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - report | A.4 – page 337 |
| A&A Testing Qualitative alternative bill Cognitive Testing Report | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - outcomes of cognitive testing interviews and action report | Website |
| A&A Testing Qualitative alternative bill pre-task cover letter – Household customers | Affordability and Acceptability Testing Qualitative/alternative higher bill scenario - cover letter sent to household customers to introduce pre-task activity | Website |
| A&A Testing Qualitative alternative bill pre-task cover letter – Non-Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - cover letter sent to non-household customers to introduce pre-task activity | Website |
| A&A Testing Qualitative alternative bill pre-task cover letter – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - cover letter sent to vulnerable customers to introduce pre-task activity | Website |
| A&A Testing Qualitative alternative bill pre-task cover letter – Future bill payers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - cover letter sent to future bill payers to introduce pre-task activity | Website |
| A&A Testing Qualitative alternative bill pre-task pack – Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task information for all household customers inc future bill payers and vulnerable | A.4 - page 451 |
| A&A Testing Qualitative alternative bill pre-task pack – Non-Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task information for non-household customers | Website |
| A&A Testing Qualitative alternative bill pre-task questionnaire – Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task questionnaire for household customers | Website |
| A&A Testing Qualitative alternative bill pre-task questionnaire – Non-Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task questionnaire for non-household customers | Website |
| A&A Testing Qualitative alternative bill pre-task questionnaire – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task questionnaire for vulnerable customers | Website |

| Name | Description | Cross reference |
|---|--|-----------------------|
| A&A Testing Qualitative alternative bill pre-task questionnaire – Future bill payers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - pre task questionnaire for future bill payers | Website |
| A&A Testing Qualitative alternative bill pre-task business plan | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - business plan one pager | A.4 - page 470 |
| A&A Testing Qualitative alternative bill pre-task business plan – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - business plan one pager with specific content for vulnerable customers | Website |
| A&A Testing Qualitative alternative bill discussion guide – Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - deliberative discussion guide for household customers | A.4 - page 472 |
| A&A Testing Qualitative alternative bill discussion guide – Non-Household groups | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - deliberative discussion guide for non-household customers | Website |
| A&A Testing Qualitative alternative bill discussion guide – NHH depths | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - in depth interview guide for non-household customers | Website |
| A&A Testing Qualitative alternative bill discussion guide – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - in depth interview guide for vulnerable customers | Website |
| A&A Testing Qualitative alternative bill discussion guide – Future bill payers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - deliberative discussion guide for future bill payers | Website |
| A&A Testing Qualitative alternative bill Session stim – Household and Future bill payers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - session stimulus for household and future bill payers deliberative discussions | A.4 - page 482 |
| A&A Testing Qualitative alternative bill Session stim – Non-Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - session stimulus for non-household deliberative discussions | Website |
| A&A Testing Qualitative alternative bill Session stim – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - session stimulus for vulnerable customer in depth interviews | Website |
| A&A Testing Qualitative alternative bill Post task questionnaire – Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - post task questionnaire for household customers | Website |
| A&A Testing Qualitative alternative bill Post task questionnaire – Non-Household customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - post task questionnaire for non-household customers | Website |
| A&A Testing Qualitative alternative bill Post task questionnaire – Vulnerable customers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - post task questionnaire for vulnerable customers | Website |
| A&A Testing Qualitative alternative bill Post task questionnaire – Future bill payers | Affordability and Acceptability Testing Qualitative alternative higher bill scenario - post task questionnaire for future bill payers | Website |
| A&A Turner and Townsend Assurance report | Affordability and Acceptability Testing independently assured against Ofwat/CCW guidance by Turner and Townsend | Website |

2.5 A&A Testing Quantitative alternative higher bill scenario

Table 5: A&A Testing Quantitative alternative higher bill scenario

| Name | Description | Cross reference |
|--|---|-----------------------|
| A&A Testing Quantitative alternative report | Affordability and Acceptability Testing Quantitative - alternative higher bill scenario testing - report (including the questionnaire materials in the appendix) | A.5 - page 518 |
| A&A Testing Quantitative alternative bill survey invite – email | Affordability and Acceptability Testing Quantitative - alternative higher bill scenario testing - email to invite customers to complete survey | Website |
| A&A Testing Quantitative alternative bill survey invite – postal | Affordability and Acceptability Testing Quantitative - alternative higher bill scenario testing - letter to invite customers to complete survey | Website |
| A&A Testing Quantitative alternative bill questionnaire | Affordability and Acceptability Testing Quantitative - alternative higher bill scenario testing - questionnaire | Website |
| A&A Turner and Townsend Assurance report | Affordability and Acceptability Testing independently assured against Ofwat/CCW guidance by Turner and Townsend | Website |

A.1 A&A Testing Qualitative Report and Materials

Acceptability & affordability research

United Utilities' AMP8
business plan 2025-2030
(Produced in line with
Ofwat & CCW guidance)

djs
research

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Methodology, objectives, approach & key take-outs

Objectives

The overall purpose of the research is to understand the extent to which United Utilities' plan for 2025-2030 represents an acceptable and affordable vision to its customers.

In particular, guidance from Ofwat/CCW requires the research to interrogate:

1. The acceptability of the plan
2. The affordability of the plan
3. Understanding affordability and acceptability across different audiences
4. Comparisons with the 'must do' alternative*
5. Views on phasing and inter-generational fairness
6. Suggestions on how the affordability and acceptability of the plan could be improved

*'Must do' business plan, refers to a business plan based on statutory elements to meet statutory requirements. The 'must do plan' as closely as possible, reflects what United Utilities must do to meet their legal obligations.

Methodology

Deliberative sessions

- A total of 7 deliberative sessions were carried out:
 - 4 x 3.5-hour sessions with household customers
 - 2 x 3-hour sessions with non-household customers
 - 1 x 3-hour session with future customers
 - Sessions were carried out across a representative spread of the North West United Utilities regions: Stockport (NHH), Preston (HH), Carlisle (HH), Trafford (HH), Warrington (NHH), Macclesfield (HH) and Liverpool (FBP).
- Groups varied in their demographic/firmographic make up.

Depth interviews

- A mix of online, face-to-face, and telephone depth interviews conducted with 16 customers with vulnerabilities from across the United Utilities region. Vulnerabilities included: those struggling financially, those with a health condition and the digitally excluded.
- Online depth interviews with 8 non-household customers with ten or more employees from across the United Utilities region.

*See slide 6 for a full breakdown of the respondent sample



Methodology breakdown

| NHH customers | | | | | |
|-------------------|-----------|---------------------------------------|--|------------|------------|
| | n | Size | Employees | Industry | Guidance n |
| Group 1 (NHH) | 10 | Micro | 6 (1-4), 5 (5-9) | Mix | 16 |
| Group 5 (NHH) | 6 | Micro | 2 (1-4), 4 (5-9) | Mix | |
| Depth interviews* | 8 | 3 (micro), 3 (SME), 2 (large) | 3 (10-49), 3 (50-250), 2 (250+) | Mix | 8 |
| TOTAL NHH | 24 | 19 (micro), 3 (SME), 2 (large) | 8 (1-4), 9 (5-9), 3 (10-49), 3 (50-250), 2 (250+) | Mix | 24 |

| HH customers | | | | | |
|-----------------|-----------|--------------|-----------------------|------------|-----------------|
| | n | Age | Gender | SEG | Guidance n |
| Group 2 (HH) | 12 | 30-69 | 5 (f), 7 (m) | Mix | 12-16 per group |
| Group 3 (HH) | 9 | 32-63 | 5 (f), 4 (m) | Mix | |
| Group 4 (HH) | 17 | 26-70 | 11 (f), 6 (m) | Mix | |
| Group 5 (HH) | 12 | 29-61 | 6 (f), 6 (m) | Mix | |
| TOTAL HH | 50 | 26-70 | 27 (f), 23 (m) | Mix | |

| Future customers | | | | | |
|------------------|---|-------|--------------|-----|------------|
| | n | Age | Gender | SEG | Guidance n |
| Group 7 (FBP) | 8 | 19-30 | 5 (f), 3 (m) | Mix | 8 |

| Vulnerable customers | | | | | |
|----------------------|----|-------|--------------|-----|------------|
| | n | Age | Gender | SEG | Guidance n |
| Depth interviews* | 16 | 28-87 | 9 (f), 7 (m) | Mix | 16 |

*Future bill payers included respondents aged 16-30 who do not currently contribute financially towards their water bill

**16 depth interviews were carried out with customers with vulnerabilities, this included: those struggling financially, those with disabilities and those who may be digitally excluded

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Ofwat standards for high-quality research

Ofwat have set out requirements for [high-quality research in their Customer Engagement Policy](#). All water company research and engagement should follow best practice and lead to a meaningful understanding of what is important to customers and wider stakeholders.

Useful and contextualised

This research was conducted in order to test customer perceptions of the acceptability and affordability of United Utilities' business plan for 2025-2030 and will be used by United Utilities to shape the final business plan. The research was conducted in line with Ofwat / CCW guidance and so is comparable to research across the industry.

Fit for purpose

Cognitive testing was carried out during the design phase of this research to ensure the complex subject matter was presented in a way which was as understandable and engaging as possible for respondents.

Ethical

This research was conducted by DJS Research who are a member of the Market Research Society. Participants were regularly reminded that they could be open and honest in their views due to anonymity and DJS and United Utilities were subject to strict data protection protocols.

Continual

Customer views will be directly fed into the final testing of the business plan.

Inclusive

A mix of online, in-person and telephone engagements with customers were conducted using customer sample provided by United Utilities. Additionally, supporting materials that were presented to customers were provided in a range of formats, including video formatting with sign language overlaid. Audio description was also offered to those who required it.

Neutrally designed

Every effort has been made to ensure that the research is neutral and free from bias. Where there is the potential for bias, this has been acknowledged in the report. Participants were encouraged to give their open and honest views and reassurances were given throughout the research that United Utilities were open to hearing their honest opinions and experiences.

Independently assured

Research was conducted by DJS Research, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings. Compliance with Ofwat/CCW guidance will also receive second line assurance by the independent assurance provider, Turner & Townsend.

Shared in full with others

The full final report and research materials will be shared on the United Utilities' research library webpage.

Approach (I)

Prior to fieldwork commencing

- All materials were cognitively tested with live respondents to understand where improvements to understanding and clarity could be made.

Pre-task materials

- Prior to attending a focus group session or in-depth interview, all customers were sent materials which they had to go through ahead of the session. The materials included:
 - A one-page document outlining United Utilities' proposed business plan, as well as statutory requirements that they must follow.
 - A slide deck which gave customers information about what United Utilities does within the North West, the statutory requirements they must follow, and how they are performing in line with other water companies in a range of areas.
 - Customers were also sent a video to watch which covered all of the information in the slide deck and one-page document.
- There was also an option to send customers print or audio copies of the materials if requested.

Pre-task questionnaire

- Once customers arrived at the session, they completed a pre-task questionnaire which asked them how easy or difficult they find paying their current bill, as well as key takeouts from the materials they were sent.

Overview of 'Our Plan' 2025–2030

United Utilities' business plan, 'Our Plan', for 2025 to 2030 is focussed on the company investing to improve the core services it provides to customers and to improve the region as a whole with more jobs and greater investment in the local environment and economy. 'Our Plan' is centred around three key ambitions for the North West, all of which have been identified by customers and communities in the region as important to them. By working together to address the challenges the region faces, United Utilities hopes to make the region **stronger, greener, and healthier**.

| A STRONGER NORTH WEST: Proactively protecting our service against future challenges like climate change | A GREENER NORTH WEST: Reducing water wastage and protecting and enhancing the North West's nature and ecosystems | A HEALTHIER NORTH WEST: Proving additional social benefits to North West communities |
|--|--|---|
| <ul style="list-style-type: none"> Investing £150m in pipes that are fit for the future Employing an inclusive and diverse workforce with 5,700 jobs Investing now to reduce the future impact of storms on the network... ...reducing the likelihood of future water restrictions Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment | <ul style="list-style-type: none"> Reducing water wastage by 25% on our network and reducing usage Significantly reducing sewage water spills into water courses by 39% Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term Protecting 200km of cleaner rivers to promote biodiversity and wildlife Planting a million trees Investing £162m to reduce carbon emissions by 40% through upgrading to processes with lower emissions and using renewable energy sources | <ul style="list-style-type: none"> Continuing to provide great quality drinking water across the North West Restoring six coastal water areas in the North West used for wild swimming and water sports Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches) Leading the utility sector on supporting vulnerable customers with services tailored to their health needs Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company |

Service improvements

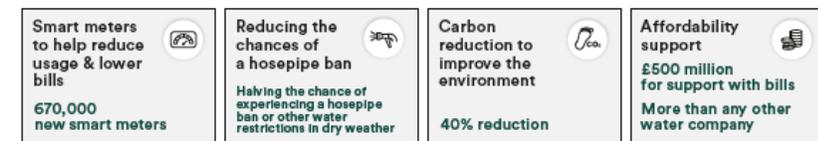
All of these investments from 2025 to 2030 are expected to deliver significant improvements to many of the day-to-day services that United Utilities' customers rely on. In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives.

The first six of these ten are improvements that the water regulator, Ofwat, says water companies must include in their business plans. The last four, are voluntary targets that United Utilities wants to set itself, but these aren't required by Ofwat.

United Utilities targets for 2030



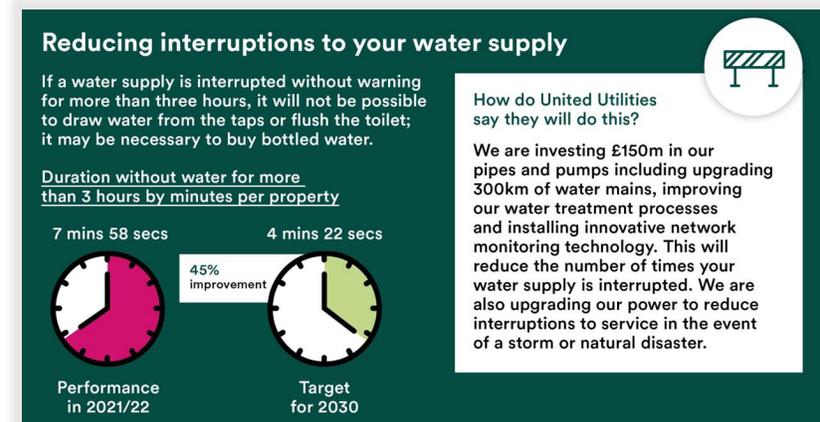
Voluntary improvements set by United Utilities: targets for 2030



Approach (II)

Structure of sessions

- All session / interview materials were developed in line with Ofwat / CCW guidance, and a variety of topics were covered with customers. These included:
 - **Initial introductions** – customers were first invited to tell us a little bit about themselves e.g., who they live with, hobbies etc.
 - **Reactions to the pre-task** – next we asked customers to reflect on the pre-task materials they received ahead of the session. They were asked if anything was unclear or difficult to understand and if anything surprised them.
 - **Introduction to United Utilities** – then we asked customers to tell us a little bit about what they thought of United Utilities as an organisation whilst guiding them through slides that outlined what United Utilities does within the North West.
 - **Temperature check** – here we checked in with customers and asked them to shed some light on their current finances .
 - **Long-term picture** – then we talked customers through United Utilities vision all the way up to 2050 and asked them to consider the plan from three different perspectives: as customers, as consumers and as citizens.
 - **Short-term picture** – next we showed customers United Utilities' proposed business plan and asked for their initial thoughts.
 - **Comparative data** – then customers were shown how United Utilities is comparing to other companies on a range of measures. They were asked how they thought United Utilities is performing compared to other companies in each area.
 - **Focus on the short-term plan (service improvements)** – an in-depth review of the acceptability of all ten service improvement targets included in the plan took place, followed by an assessment of overall acceptability.
 - **Affordability** – we undertook an assessment of the affordability of the proposed and 'must do' plans, in relation to personalised bill impacts.
 - **Phasing** – finally, we explored preferences regarding investment phasing and intergenerational fairness.



Approach (III)

Post-task questionnaire

- At the end of each session, participants were given a final questionnaire to complete that quantified the audiences' reactions to the acceptability and affordability of the proposed plan and preference regarding the 'must do' alternative and investment phasing options.

Q02.
Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?
Please select one answer only.

| Code | Answer list | |
|------|--------------------------------------|--------------------------|
| 1 | Completely acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 2 | Acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 3 | Unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 4 | Completely unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 85 | Don't know / can't say (GO TO Q04) | <input type="checkbox"/> |

Context (I)

The following events happened before or during the fieldwork period and may have influenced customers' answers.

Late 2021 – cost of living

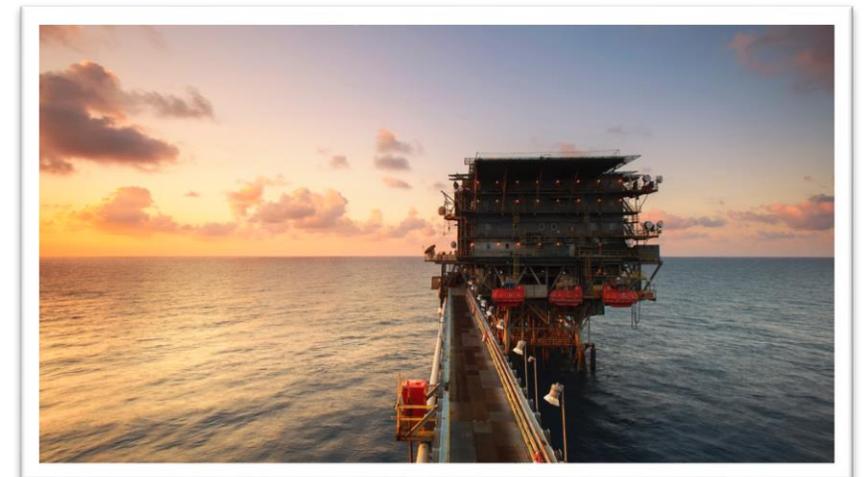
Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income and United Utilities customers may be feeling significantly more squeezed in terms of their finances than normal.

February 2023 – news on bill rises, energy company profits and forced energy metering

In early February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase on 2022/23 bills.

Throughout February 2023, oil and gas companies published record profits. This again took place during the fieldwork period and may have influenced customers' answers in the sense that a handful of customers mentioned the fact United Utilities are yet to publish their profits. This may not have been mentioned had oil and gas companies not published their profits.

Also in February, the Government reached an agreement with energy companies to halt forced installation of prepayment meters for energy customers. While this practice is not found in the water industry, concerns about this were still raised in relation to water meters and, especially, the roll out of smart water meters.



Context (II)

The following events happened before or during the fieldwork period and may have influenced customers' answers.

May 2023 – media coverage of sewer overflows and shareholder bonuses

In reaction to public anger regarding stories of water companies releasing raw sewage into the UK waterways, a number of actions were taken within the industry.

Bonuses, in themselves, have been a source of public frustration particularly in recent months. However, a number of water service provider CEOs (Yorkshire Water, Thames Water and South West Water) recently declined to accept their usual bonuses due to poor performance.

Secondly, a joint apology was offered to the public for not acting quickly enough to prevent sewage spills, with a promise to increase investment to prevent spills in future to £10bn by 2030. However, some criticism was received due to this increased investment being funded by customers' bills.



Positive and negative sentiment towards United Utilities: overall

What do customers think of United Utilities?

Customers hold positive views towards United Utilities, but there are differences among audiences...



Household customers generally hold positive views towards United Utilities, but there are regional differences and shareholder profits are an issue for a significant minority of customers

Future customers are the most neutral audience, but this is likely to be due to their lack of bill paying responsibility and experience

Non-household micro business customers are more challenging of United Utilities than household customers but still appreciate United Utilities' work

Financial health: overall

67%

of customers say that they currently find it 'very easy' or 'fairly easy' to pay their water and sewerage services bill

We see minimal changes in ease of paying current bills when we split customers up in terms of household and non-household
(66% cf. 69%)

Temperature checks with household customers revealed that general feelings around finance were mainly negative
(see next slide)

However, when split by SEG, we see greater disparity. ABC1 are more likely to say 'very easy' or 'fairly easy' than C2DE
(78% cf. 57%)

Financial temperature check

Most households and businesses feel that their current water bills are affordable, despite additional pressure among other rising costs such as energy bills and food prices.

As such, while in isolation customers do not see their water bills as a grave concern currently, this expense sits within an ecosystem of rising costs that for many *is* deeply concerning to them. Because of this, they report low resilience in the face of increased bills and large one-off expenses.

Lower socio-economic groups facing challenges

In the context of these other pressures, water bills were thought to be cheaper and less pressing than other household bills. However, despite this, nine of the 50 households we spoke to reported that they found their current bill 'fairly difficult' to afford at the time of the research. All of these households came from C2DE socio economic backgrounds.

Wider financial outlook

Outside of direct financial pressures, there was a wider sense of negativity about the economic future, especially among microbusinesses under 10 staff, as well as uneasiness about the impact of wider socio-political events such as the war in Ukraine.



Important theme for the majority of customers: delayed investment



“People 20-30 years ago wouldn’t invest in infrastructure, and now it’s gotten worse and worse and worse. And now we’ll look at it now.”

Household, Carlisle

Why has it taken this long?

While customers are, typically, pleased to see plans to invest in pipe infrastructure, many are of the opinion that this investment is overdue and had been delayed (presumably to reduce expenditure).

As such, most customers feel that the current plan is, to that extent, reacting to problems caused by a previous failure to invest.

“These figures for 2015. How long have United Utilities existed? That’s when Northwest Water ended, so from 1989...So 11 years to 2023...That’s 34 years and you haven’t achieved these already.”

Household, Macclesfield

“Yeah, and also the question of why it’s taken so long for them to begin replacing them. Why weren’t they doing this 20 or 30 years ago, say 1970 start replacing them? If they knew that there was going to be issues with them forever along the line and that they were going to be breaking down within the next 20-30 years. Why are they starting late? Start replacing them and that way by the time it gets to 2023 they’ve at least got a viable water system trade trends throughout the process as well is that it seems to keep going back to that though it’s money, money, money, money, instead of thinking well, the customer is what is important here because we are the ones having to pay for it, it’s coming out of our pocket.”

Household, Carlisle

Important theme for a minority of customers: fairness and profit



“I'm upset by that... everything on there puts the price on the bill payer not the shareholders, the CEOs, the bonuses, every single one... [another option would be] no dividends paid to cover all the costs.”

Household, Macclesfield

Why does the cost fall on the customer?

A notable minority of participants across the groups noted that, as a private, profitable business, it was unfair for United Utilities to ask bill payers to shoulder the cost of these improvements, preferring, instead, that this be primarily (or entirely) paid from through the company's profits/dividends.

For some customers, there were concerns that the projected increases in their bills were being used to support profits rather than fund infrastructure.

Similarly, across the engagements, a notable minority of customers felt strongly that, as a vital human necessity, it was wrong for a private company to be making a profit from providing water and wastewater services.

Note: on the day of the Macclesfield group there was a press release about how some water company CEOs were declining their bonuses due to poor company performance. UU was not listed as one declining a bonus which riled a handful of respondents and impacted the group.

“Is the money coming out of your profit or is it money going to be coming out of public money. That is where the difference is, isn't it. It is well and good you saying you are going to do all this but at whose expense? You are saying we are going to do all this, but we are going to charge you for it, eventually. There is no good you are doing out of this really, you are just charging the public to meet the government guidelines.”

Household, Trafford

“You know, I don't think it should be privatised, I really think that water should be owned by the people. It shouldn't be a company making profit, if I'm honest. That's how I really feel because it's such [an important thing], you can go months without food [sic], but you can't go anytime without water. That that kind of importance, it shouldn't be in the hands of a private company.”

Health vulnerable, Manchester

Retailer vs Wholesaler: non household customers

There was element of confusion amongst businesses, especially micro and small businesses, about their relationship with United Utilities. Whilst some were aware that the market had opened, others thought they were still billed by United Utilities.

Many businesses feel removed from United Utilities and a regular criticism was that United Utilities never contact them. They'd like more proactivity about how they can save money, if their bills are unusually high etc. Some of these issues are ones that the retailers are responsible for but United Utilities gets the negative feedback.

"I was just a bit surprised in terms of what you're saying. I thought it was, like I said, when we're getting the bills with the United Utilities heading and all that, I always thought it was just straight through them there, just the one party."

Small business

"I didn't realise that until today that you could actually, you know, look for a different provider."

Micro, Warrington

"I couldn't stay with UU, I'm Water Plus...I wanted to go back to them, and they said, no, you are with them. But all under this umbrella and I didn't get the whole gist of that."

Micro, Stockport

Feedback on target measures

Outside of the scale and approach associated with the targets set by United Utilities within its business plan for 2025-2030, we received feedback on the nature of six the Ofwat measures themselves.

The most common of these were:

- Cynicism about basing such important targets on a single, sometimes unintuitive, metric. Some were suspicious of this approach, as they felt it could be used to obfuscate or massage true performance: “statistics can be used to bend the story”
- The feeling that the broad targets did not adequately address what can be complex and nuanced issues.
 - This was especially prevalent at a regional level, where participants felt that the measures allowed too much room for improvements to be implemented unequally between areas of the North West while still ultimately hitting the overall set target
 - Similarly, measures such as that for the ‘pollution’ target was thought to lack the important ability to distinguish incidents by the level of damage caused

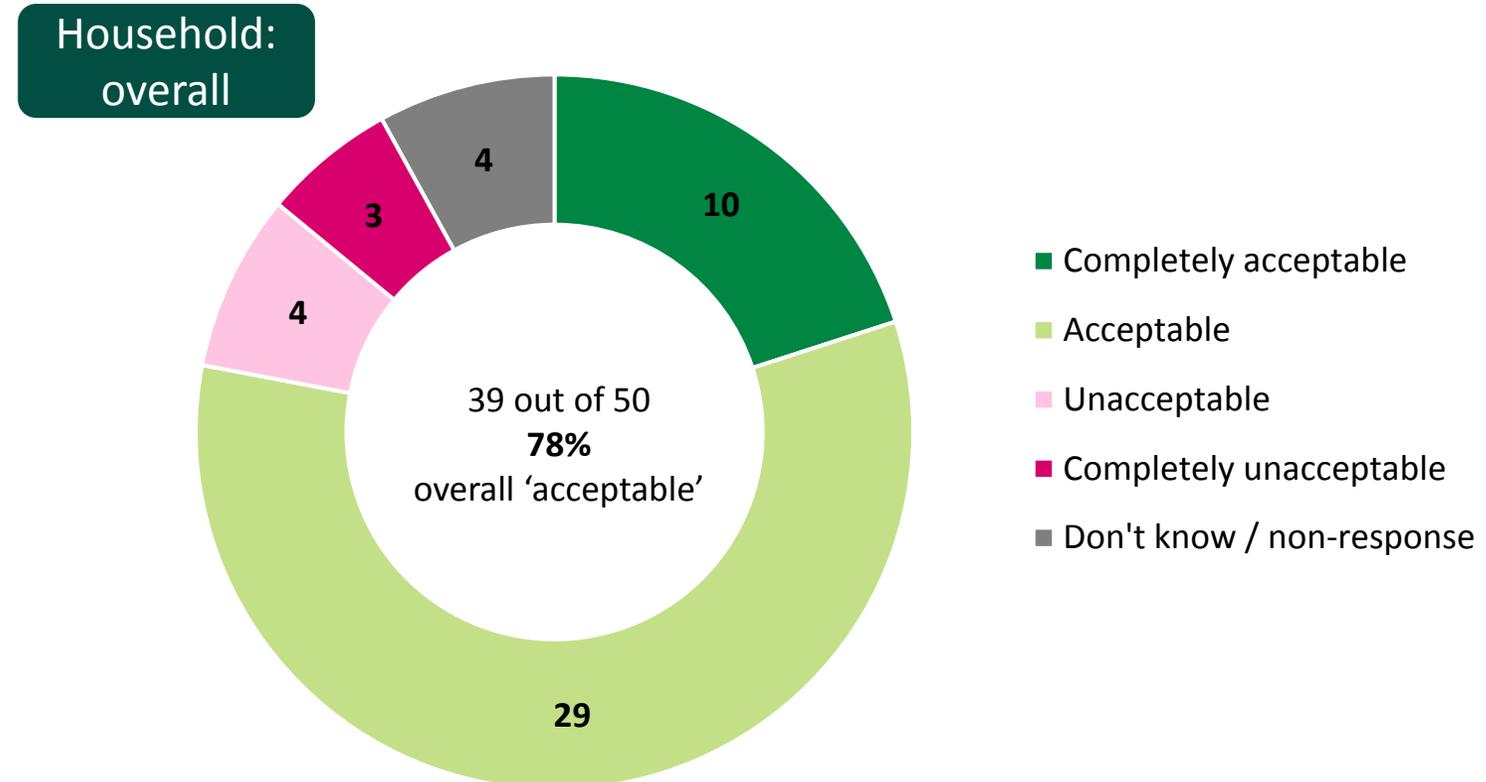


Proposed plan acceptability

Acceptability of the proposed plan: household customers

Overall, how acceptable did household customers believe the proposed plan to be?

Most household customers view the proposed plan as either 'acceptable' (29) or 'completely acceptable' (10), with 39 (78%) of those attending the sessions stating this in their post-session questionnaire. Seven of the 50 household customers (14%) feel the plan to be 'unacceptable' (4) or 'completely unacceptable' (3).



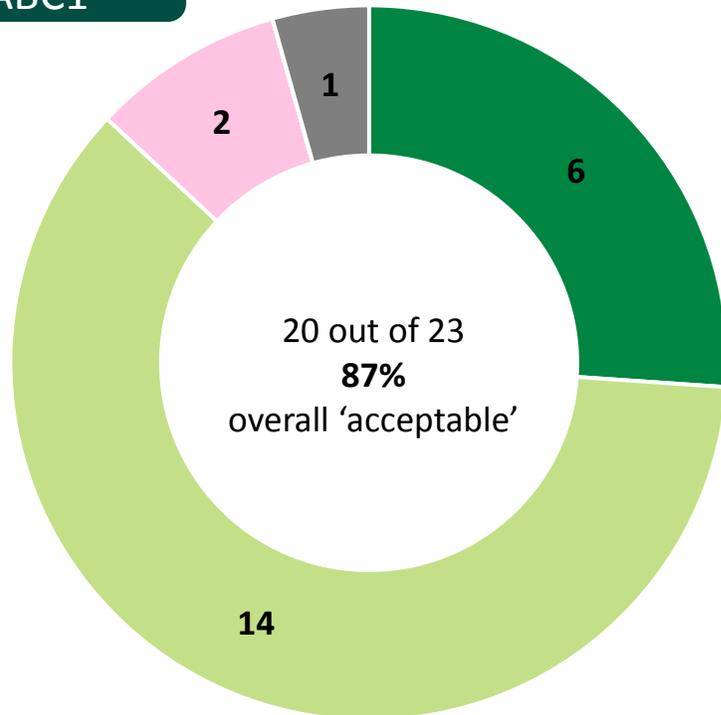
Base: All HH respondents (50) Post-task Q2 Based on everything you have heard and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: household customers

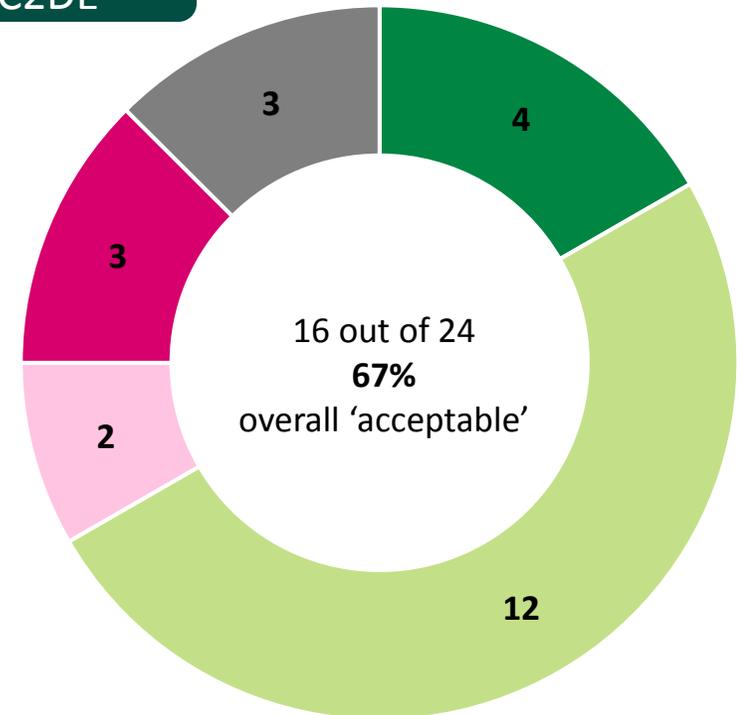
How did householder views of acceptability differ by socio-economic group (SEG)?

ABC1 householders showed a large degree of acceptance of the plan, with 20 of the 23 attendees stating that the proposed plan is 'acceptable' (14) or 'completely acceptable' (6). While the majority (16 of 24) of C2DE householders agreed that the plan was acceptable, this group showed more resistance to the plan, with five stating the plan to be 'unacceptable' (2) or completely unacceptable (3).

Household:
ABC1



Household:
C2DE



- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

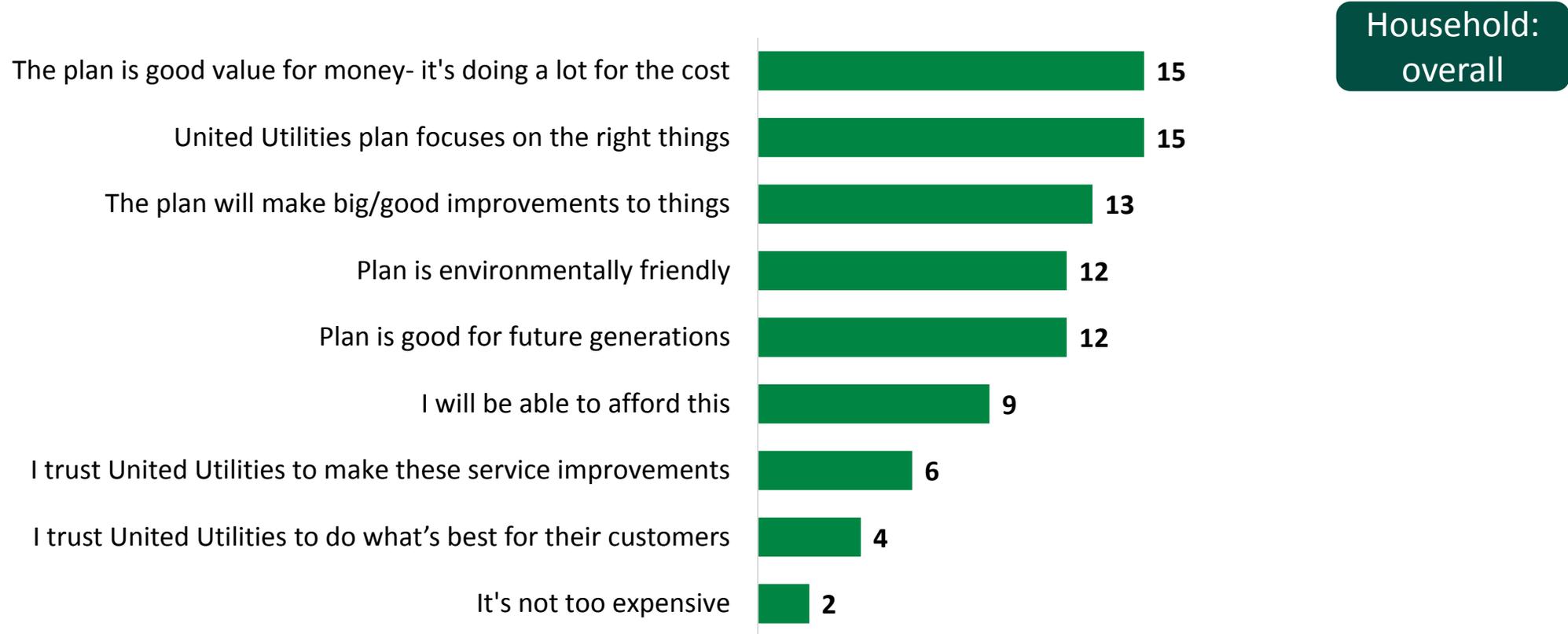
Three participants unable to provide information to assign SEG all noted the plan to be 'acceptable'.

Base: All HH respondents (50) ABC1 (23) C2DE (24) Post-task Q2 Based on everything you have heard and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: household customers

What motivated household customers to say that the plan was acceptable?

Household customers who believed the plan to be acceptable, most commonly did so because they feel that it will achieve a lot for the money (15 of 39), focused on the right priorities (15), and/or will make large improvements to things (13). Social and environmental benefits also supported the perceived acceptability of the plan, with it being viewed as environmentally friendly (12) and good for future generations (12) by a sizeable minority.



Base: HH respondents stating the plan is acceptable (39) Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

Acceptability of the proposed plan: household customers

What motivated household customers to say that the plan *was not* acceptable?

Six of the seven household customers who believed the plan to be unacceptable state that they feel this way because it requires so little of the cost burden to be borne by United Utilities. Five of the seven also place the size of United Utilities' profits as part of their reason for finding the plan to be unacceptable. Five of the seven feel the plan is too expensive.



Household:
overall



Based on a subset of only seven responses (in line with guidance on survey routing)

Base: HH respondents stating the plan is not acceptable (7) Post-task Q3a You said that the proposed business plan is not acceptable...Why do you say that?

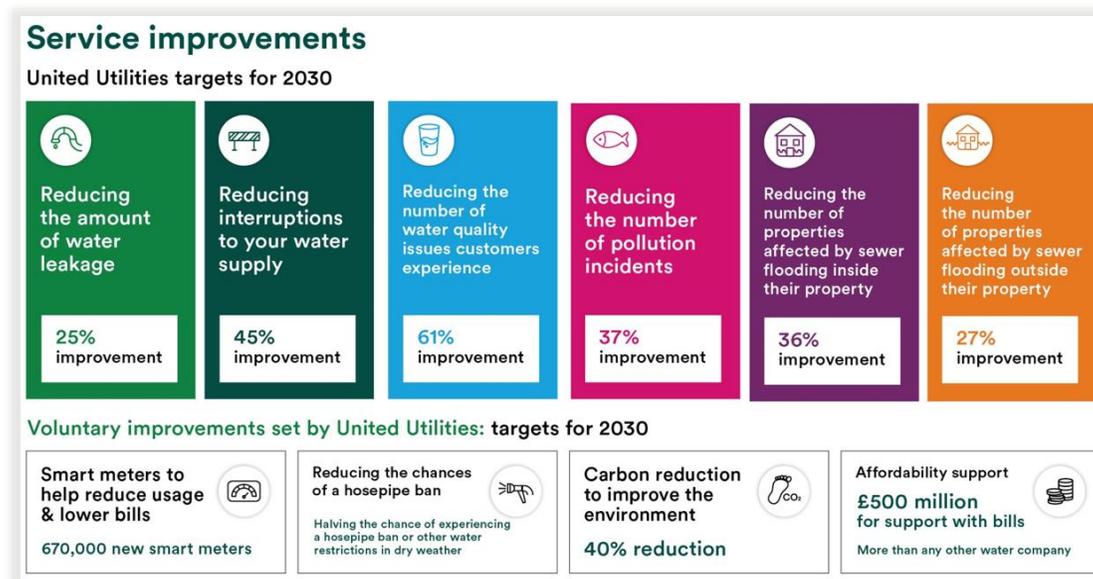
Reactions to the plan: household customers

How did household customers react to the proposed plan?

The proposed plan is taken to be a 'good start' for most, as the target areas themselves are aligned with areas of service that customers value, in particular water pollution, water leakage, reliability, and climate change. That said, typically, customers want to see United Utilities be more ambitious with certain targets set, in particular that the organisation should be looking to largely solve issues of water leakage and river pollution in the coming years, rather than being merely reduced incrementally. Across the targets, customers would like to receive more information to raise their confidence.

Positives

- Acceptable / credible to most
- A good starting point
- Focuses on areas valued by the public (environmental pollution, water wastage)
- Public are aware that infrastructure (especially pipes) needs investment



Concerns

- Some elements (leakage, pollution) felt to lack ambition, with a greater or complete improvement expected
- Lack of trust that United Utilities can or expects to meet these targets, with concern that the public won't see the delivery for the money it puts in
- Very engineering focused, would like to see more about public education (e.g., water butts, flushing wet wipes)

"I would say... the actual improvements are right, but I think but it's hard without some more context... I think in the areas we've highlighted; some could be more challenging."

Household, Preston

"Progress in all those areas is good. And if it actually happened, that's the thing is, how much money you need to throw at it to achieve it."

Household, Carlisle

"Yeah, this is on the right track, just not stretching themselves far enough."

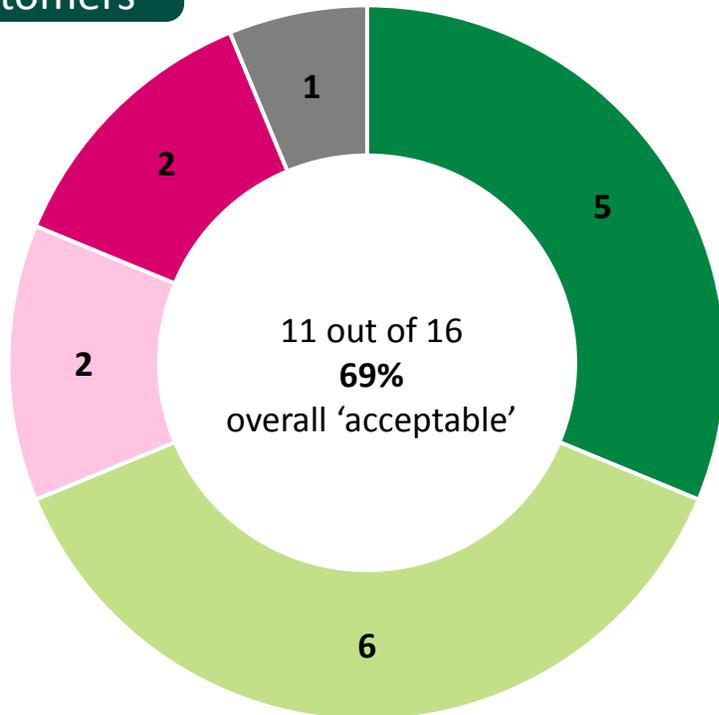
Household, Macclesfield

Acceptability of the proposed plan: vulnerable and future customers

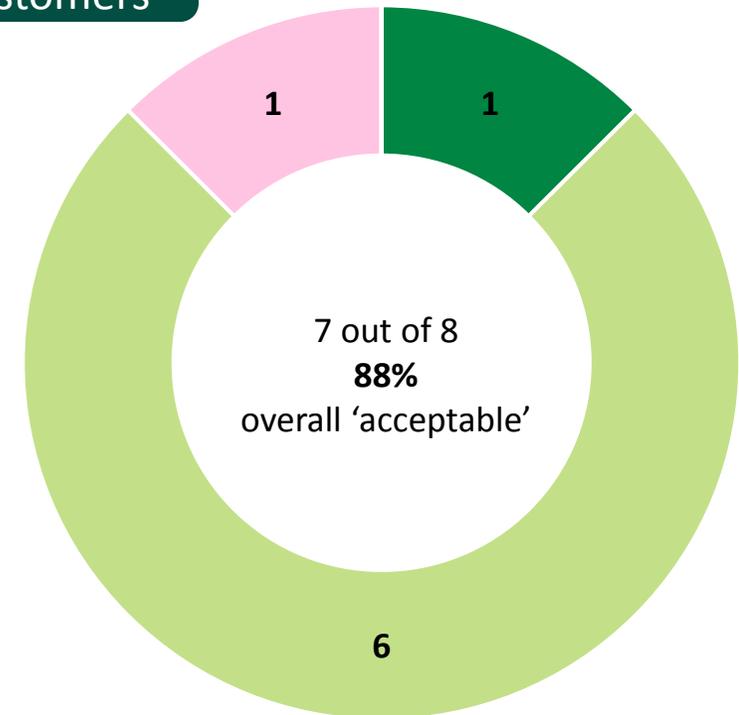
Overall, how acceptable did vulnerable and future customers believe the proposed plan to be?

On the whole, vulnerable and future customers are accepting of the proposed plan. Of those who feel the proposed plan is unacceptable, the most common reason for this is due to feelings that the plan is not going far enough to tackle key problems.

Vulnerable customers



Future customers



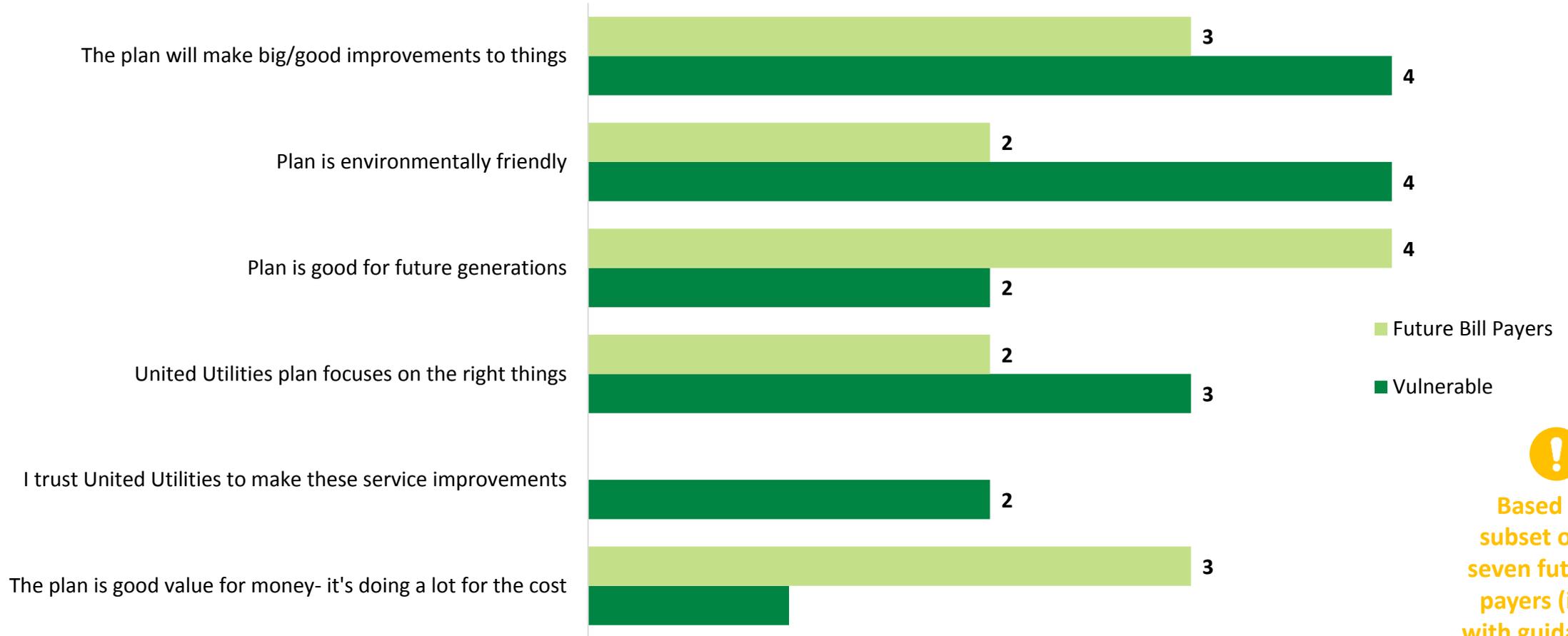
- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

Base: All vulnerable respondents (16), all future bill payers (8) Post-task Q2 Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: vulnerable and future customers

What motivated vulnerable and future customers to say that the plan was acceptable?

Future customers who believe the plan is acceptable, most commonly think so because they feel it is good for future generations (4) and it will make good/big improvements to things (3). Vulnerable customer also feel it will make good/big improvements to things (4) and also feel the plan is environmentally friendly (4).



Base: Vulnerable (11) and FBP (7) respondents stating the plan is acceptable Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?



Based on a subset of only seven future bill payers (in line with guidance on survey routing)

Reactions to the plan: vulnerable and future customers

How did vulnerable customers and future bill payers react to the plan?

Vulnerable customers often already hold United Utilities in high esteem due to past help they have received via bill support or by being on the priority services register, and whilst they are impressed by United Utilities’ plans for the future, they do have suspicions surrounding additional affordability support, worrying that this will come off the back of a hike in bills. Future bill payers were equally impressed by United Utilities’ plans and particularly the environmental focus and affordability.

Positives



The majority of vulnerable customers comment on how United Utilities already does a lot to help them e.g., having bottled water supplied to them during interruptions and receiving financial help.

Vulnerable customers’ reactions to the proposed plan tend to be positive, thinking the plan covers a lot of key areas and they are generally impressed by the proposed financial help.



“Times are difficult so I think any additional support they can give struggling people is good.”
Health vulnerable, Merseyside

“Impressed. All for the greater good, trying to make the North West greener and better for future generations”
Male, FBP, Liverpool

Negatives



A minority of vulnerable customers have had negative experiences with United Utilities, and this may overshadow their feelings towards the proposed plan e.g., not receiving bottled water / debt collection.

There is scepticism from financially vulnerable customers as to where funding for the proposed plan is coming from and an older FBP was more questioning about why this hasn’t been done before now.



“£500 million is a lot and is impressive but are they increasing it because bills are going to go up?”
Financially vulnerable, Merseyside

“I’m not impressed. I mean, I don’t know how long United Utilities have been around, but what have they been doing? Why do we have a Victorian system?”
Male, FBP, Liverpool

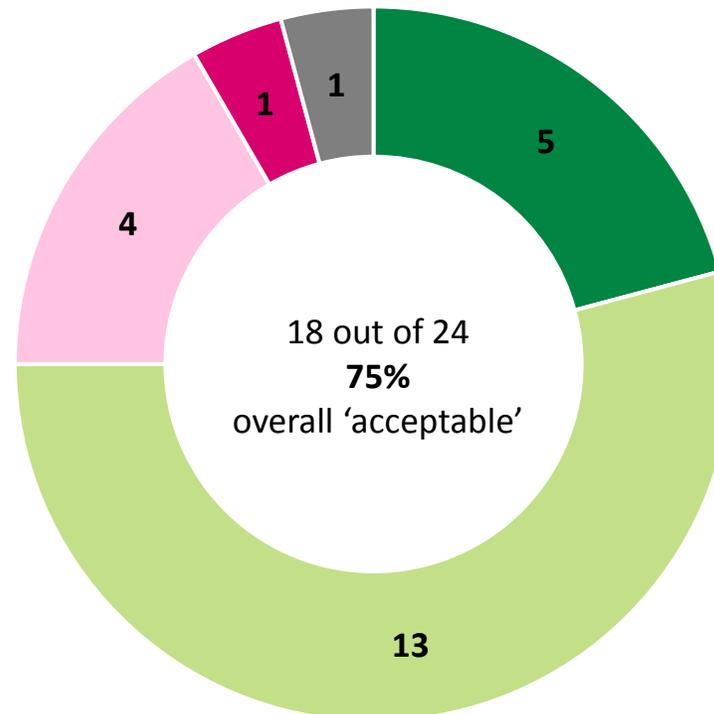
Acceptability of the proposed plan: non-household customers

Overall, how acceptable did non-household customers believe the proposed plan to be?

On balance, non-household customers found the plan acceptable, with acceptability increasing with business size. 10/16 micro businesses found it acceptable, and 7/7 small/medium/large businesses. Of these, over half found it completely acceptable.

"It's not enough given they've got a turnover of £1.2 billion, that's nowhere near enough."
Micro, Warrington

"I would say I'm very impressed by all of their upcoming works and also the current works. I'm impressed by how environmentally conscious they are."
Small business



Non-Household:
overall

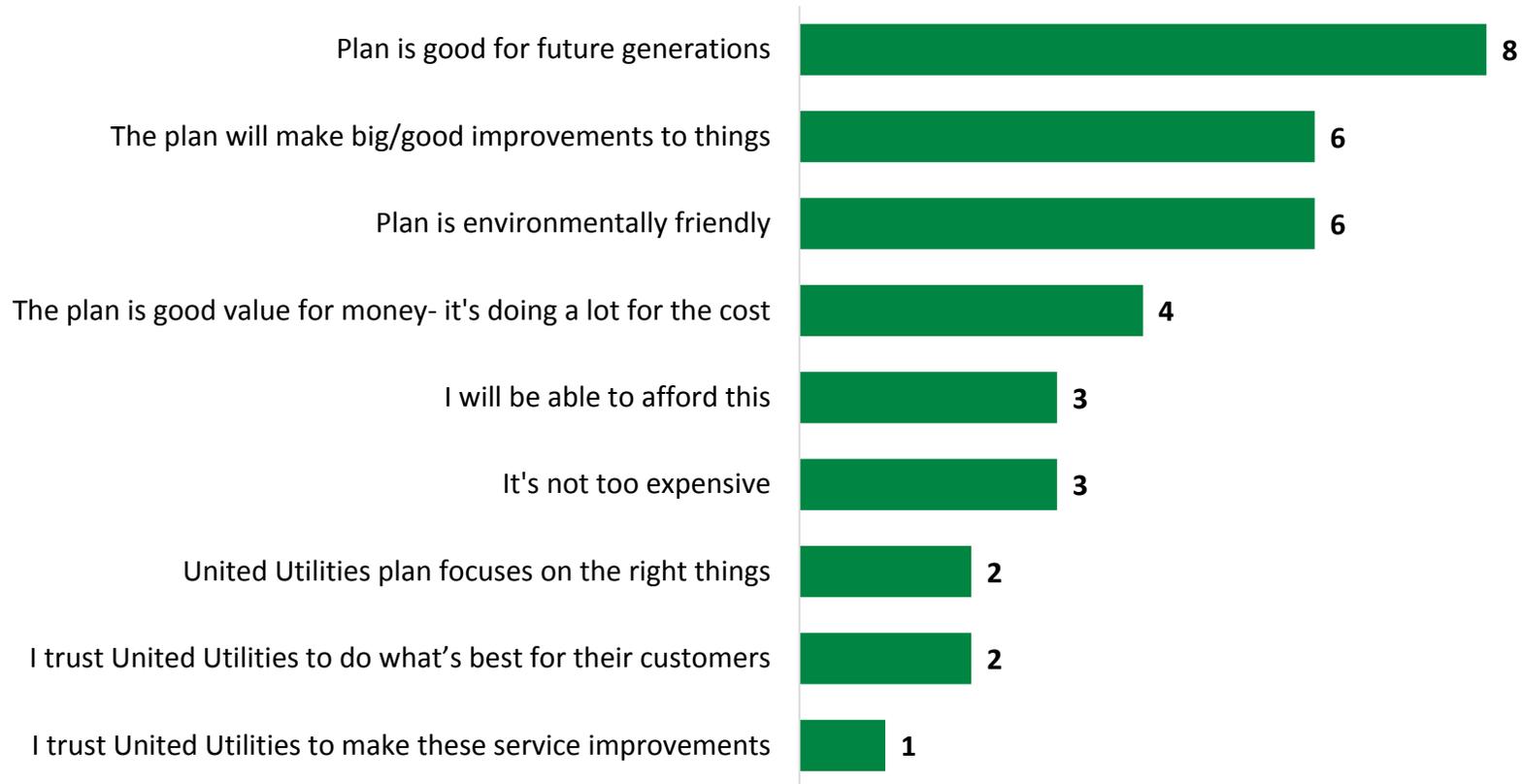
- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

Base: All NHH respondents (24) Post-task Q2 Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: non-household customers

What motivated non-household customers to say that the plan *was* acceptable?

Non-household customers who believed the plan to be acceptable, most commonly did so because they feel it is good for future generations (8), will make large improvements to things (6) and it is environmentally friendly (6).



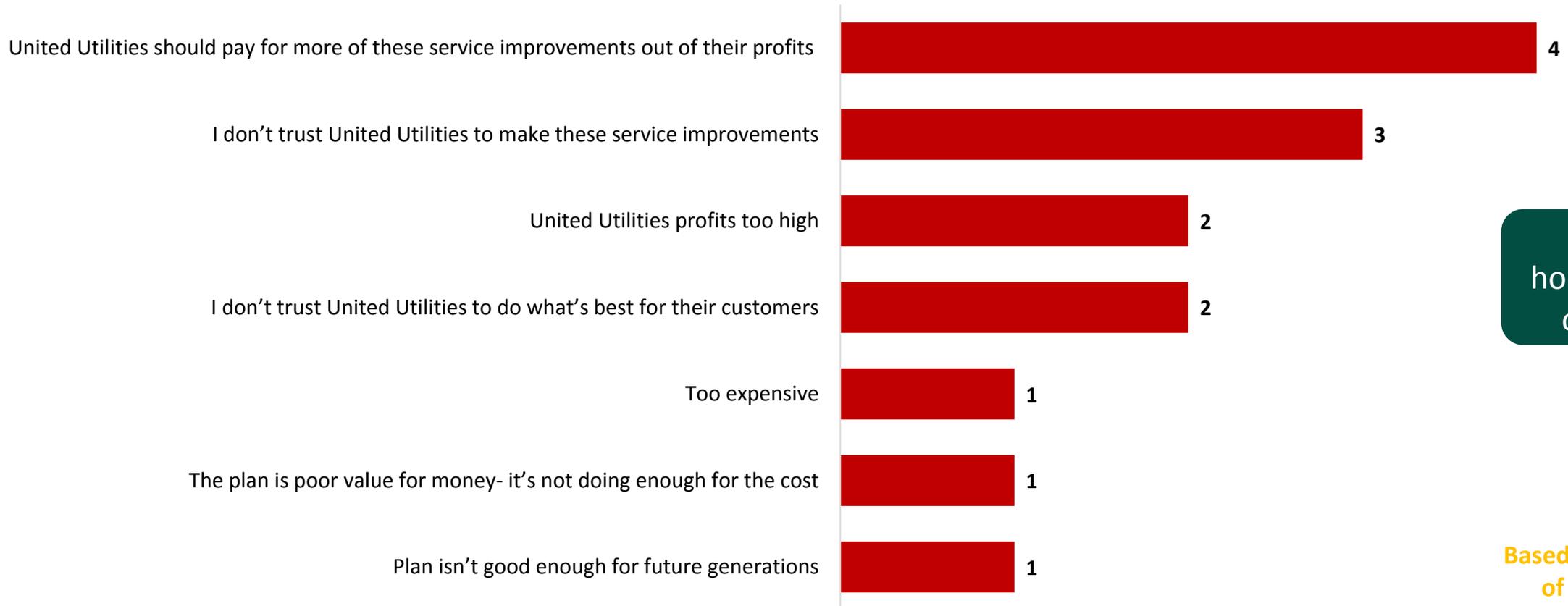
Non-household:
overall

Base: NHH respondents stating the plan is acceptable (18) Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

Acceptability of the proposed plan: non-household customers

What motivated household customers to say that the plan *was not* acceptable?

Four of the five non-household customers who believed the plan to be unacceptable stated that they felt this way because United Utilities should be paying for the improvements out of its profits. Three NHH customers said they did not trust UU to make the service improvements.



Non-household: overall



Based on a subset of only five responses (in line with guidance on survey routing)

Base: HH respondents stating the plan is not acceptable (5) Post-task Q3a You said that the proposed business plan is not acceptable...Why do you say that?

Reactions to the plan: non-household customers

How did non-household customers react to the plan?

Non-households share many of the same views as households, especially micro businesses. Micro businesses are the most sceptical and the most likely to think United Utilities may not deliver. Large businesses are the most positive; this could be because they can relate more to United Utilities from a business perspective and also because those interviewed were employees rather than business owners, so with less at stake.

Positives



The majority of non-household customers feel as though the proposed plan focuses on the right things i.e., human needs – water and wastewater, social needs – affordability, and the environment.

The majority of non-household customers also tend to perceive the plan as credible and feel as though United Utilities are moving in the right direction.



“It’s moving in the right sort of direction.”
Micro, Warrington

“Yeah, for my specific business it’s a credible plan by the breakdown given on the individual applications to it.”
Micro, Warrington

“I thought it was quite impressive and you know, it was interesting looking at it from kind of a business perspective.”
Large business

Negatives



A minority of non-household customers feel the proposed plan is not going far enough, especially with regard to leakage and pollution and especially given the perceived profits United Utilities make.

There is also a level of scepticism among non-household customers in terms of United Utilities actually delivering all the elements of the proposed plan.



“I just think they could do more with it.”
Micro, Warrington

“At the end of the day, many people can draft things, but it doesn't mean any of that's going to actually happen.”
Micro, Warrington

“When you see any business plan you always see the positives, you don’t see a true reflection...it tells you what you want to see as a business.”
Micro, Stockport

Business plan targets: water leakage

This is a high-importance issue for United Utilities' customers, which feeds into competing concerns surrounding wastefulness, ecology, and the responsible use of bill payers' money.

Customers are pleased to see this issue addressed in the plan, although many wanted to see a larger improvement than the 25% target and a more substantial investment in new infrastructure.

Some linked this issue with past underinvestment in the network

"There was a big underground leak near where I live a while ago... wow 94 litres is still an awful lot of water wasted. I think that should be more of a priority."

Vulnerable, Greater Manchester

"That value isn't that great, 94 litres a day...that doesn't seem good. Surely, they should be aiming, it's probably like a realistic target. But 94 litres ...that's a lot"

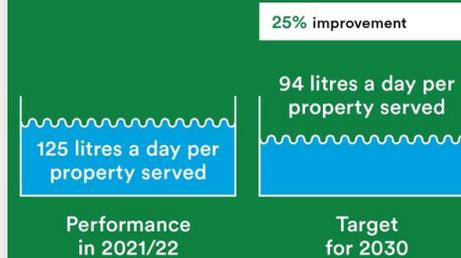
FBP, Liverpool

"There's a regionalisation issue for me, I suppose. Because 300 kilometers of water mains is fine... but let's look at the area, it's a vast area of England and I assume that they'll be aiming for parity in every area. So that we won't be worse than Manchester... But there is a bit of a risk for Cumbria... that we've got a lower population... [upgrade] 100 kilometers of pipes in Liverpool and Manchester, you're going to hit your target a lot easier than... rural Cumbria"

Household, Carlisle

Reducing the amount of water leakage

Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.



How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains to reduce the chances of pipes leaking.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

Vulnerable customers:

Vulnerable customers are often surprised by the amount of water that is lost through leakage and reflect on experiences they have witnessed near their homes. They think it is a good thing that United Utilities is aiming to reduce the amount of water lost from leakage but feel a 25% improvement is not aspirational enough, given the scale of the problem.

Future customers:

Future customers are also shocked by the amount of water being leaked and feel that the proposed improvement and £150m investment is not going far enough.

Water leakage target: customer feedback

How did household customers react to the target?

Consistently chosen as one of the most important issues addressed by the plan, this target dovetails with strong motivators for this audience around wastage, bills, and the environment. However, household customers would like to see more ambitious targets set by United Utilities, to reassure them that the company is looking to eliminate wastage rather than just make small gestures.

What do they like about the target?



- It's addressing a high importance topic that triggers customers' aversion to waste, environmental damage and high bills
- Customers were surprised to see how much water is currently lost to leakage and were keen to see this fixed
- Upgrading pipes is expected to solve a number of problems

How would they like to see the U UW target improved?

- A more ambitious plan in terms of the amount of money invested and length of pipe upgraded
- (In Cumbria) reassurance that improvements will be made to all regions and not just focus on major urban centres

What concerns do they have about the U UW target?



- Customers want to see more ambitious targets, ranging from 40% decrease to the elimination of waste through a full and systematic update of the pipe network
- Both the £150m investment and the 300km of new pipes were thought to be dwarfed by the scale of the issue and reduced by inflation
- Fears about the disruption caused for work

"You can just upgrade the network and then the rest will follow. Things will improve. Yeah? Faster flowing pipes, cleaner pipes, more secure pipes than the all these other targets and ambitions will hopefully follow. There's nothing else they can do."

Household, Preston

"I think the other problem for me is that with inflation at 10%, the £150 million that we're talking about right now, in a year's time, is going to be [reduced] 10%. Is it going to be sufficient to do the job?"

Household, Carlisle

Water leakage: non-household customer feedback

How did NHH customers react to the target?

- Overall, businesses are shocked by the amount of water being wasted and most feel that the target of 94 litres isn't stretching enough.
- They feel that more should have been done to date and that United Utilities' 2021/22 target wasn't stretching enough.
- Micro businesses are more scathing than larger businesses. The latter are more likely to feel that, whilst it's not stretching, that the target is 'realistic'.
- Larger businesses are also more likely to compliment United Utilities on how they plan to address leakage and especially their leak detecting technology.

"You've achieved the target, but it's like giving some a sales target of £1, you're going to achieve, aren't you?"

Micro, Stockport

"I'd like to see more in the pipes because 300 kilometres is only 186 miles. So, I'd like to see that doubled."

Micro, Warrington

"If you're upgrading the infrastructure in 5 years and only investing £150 million, it's not good enough"

Micro, Warrington

"I think it's a reasonable approach. You know everyone would like 100% but it's not practical."

Small business

Business plan targets: supply interruptions

Water supply reliability is a basic expectation of water service providers and, on the whole, severe and unplanned water interruptions are rare. As such, while a performance improvement is welcome, it is not typically seen as a priority.

For many, the metric used to measure improvement was hard to understand.

“Nobody wants to be without water, but does that really happen that often? I’ve lived here all my life and I think I’ve only experience this once when the mains burst.”

Vulnerable, Merseyside

“It depends if you are vulnerable. If you are a vulnerable person or you have got care needs, that might be important to them. I think for the people here it is probably not.”

Household, Trafford

“This is the duration past 3 hours, like 3 hours is a long time to be without water. So don't think it's great. I think we should definitely be trying to reduce the time if the can.”

FBP, Liverpool

Reducing interruptions to your water supply

If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.

Duration without water for more than 3 hours by minutes per property

7 mins 58 secs



Performance in 2021/22

4 mins 22 secs



Target for 2030

45% improvement



How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains, improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.

Vulnerable customers:

Vulnerable customers, particularly health vulnerable, noted how inconvenient supply interruptions are for customers. Whilst they are generally impressed by a 45% improvement, they are less passionate about this service area unless they have experienced an interruption personally.

Future customers:

This is an important area to future customers, but the group may have been swayed by one participant who experienced a major supply interruption. They felt that the target, whilst a high percentage is not taking things far enough.

Supply interruption target: customer feedback

How did household customers react to the target?

Supply reliability is a core customer expectation of United Utilities. However, supply interruptions are not thought to be common, especially unplanned interruptions of more than 3 hours. The measure itself was unintuitive to many, who believed that the figures underplayed the benefits that a 45% reduction would bring to those who may potentially experience a supply interruption.

What do they like about the U UW target?



- Reliability of supply is a core expectation of United Utilities and a key aspect of customer satisfaction with service
- Customers recognised the importance of a reliable supply for vulnerable customers in particular
- Current performance thought to be good

How would they like to see the U UW target improved?

- In Cumbria, customers would like to see a localised measure included within the plan, in addition to that for the North West as a whole, as some feared that improvements would not be made in northern or rural areas

What concerns do they have about the U UW target?



- None

What other thoughts did customers have?

- It was difficult for many to picture what improvement an average decrease over 3 hours from 7 minutes 58 seconds to 4 minutes 22 seconds per household would bring to them
- Customers would prefer a clearer and more intuitive measure of supply reliability

Supply interruptions: non-household customer feedback

How did NHH customers react to the target?

- This is an area which is of great importance to businesses and there would be huge ramifications for many, especially the larger businesses, if their supply was interrupted.
- Micro/small businesses feel that United Utilities' 2021-22 performance, whilst not on target, isn't too bad which led to some questioning the 45% improvement targeted i.e., is it necessary?
- However, unusually for this audience, larger businesses are less forgiving of United Utilities 2021-22 performance, likely due to the greater significance of supply interruptions to their businesses, and therefore feel that the 45% target is justified or should even be more stretching.
- On balance though the majority feel that this is a reasonable target, although the way the data is portrayed makes the task in hand look minimal.

“Yeah, it just seems like there's very few interruptions to peoples' water supplies. And yet, you go into that 45% improvement, but apparently, it's not that bad to start off with...”

Micro

“A 45% improvement is, you know, very good. I've got no issues with that.”

Small business

“This is much better than when she was a child. They could still do more effort though.”

Medium business

Business plan targets: water quality

As with water supply reliability, providing safe, drinkable water is a core expectation of water service providers. Water quality issues are more commonly experienced than supply interruptions and, for those who experience them, investment in improvement is welcome.

The target of 61% improvement was recognised as one of the more ambitious included in the plan.

“I have never had a bad experience with water quality. So, I think I'd have to say pollution [is more important], because... I haven't experienced that.”

Household, Preston

“I do notice that the water is a bit tinny sometimes like a metal taste but it's not a major issue, I still drink it, but 61% improvement would surely fix that anyway.”

Vulnerable, Greater Manchester

“We get funny water but eventually it cleans itself, so you don't pick up the phone. So, there must be a percentage of people in there that they don't know about. That's all subjective isn't.”

Household, Carlisle

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

1.79 complaints per 1,000 properties



Performance in 2021/22

0.7 complaints per 1,000 properties



Target for 2030

61% improvement



How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains, improving our water treatment processes and installing innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Vulnerable customers:

Similarly, to household customers and future bill payers, vulnerable customers don't perceive this as a big issue for United Utilities. There are some exceptions where a handful of customers say they do have issues with the taste of the water being metallic and, in these instances, a 61% improvement is welcomed.

Future customers:

Future customers echoed the views of household customers. They felt that UU weren't performing too badly, even though they're not on target and that their ambitions were good.

Water quality target: Customer feedback

How did household customers react to the target?

Again, while providing safe and drinkable water is a central expectation of water service providers, few experience issues in this way and, therefore, it was viewed as a lower priority for improvement. The size of the reduction itself, was thought to show that United Utilities is serious about improving water quality.

What do they like about the U UW target?



- As with supply reliability, customers expect United Utilities to provide clean, drinkable water and were pleased to see targets addressing this
- In particular, those who stated recent quality issues with their water supply were likely to support this
- The target of 61% reduction in contacts felt like a sizeable improvement to many

How would they like to see the U UW target improved?

- None

What concerns do they have about the U UW target?



- None

“[We] don’t know what the types of complaints were, do we? Was it poor water quality? Did it taste funny? Did it have bits in it? Did it taste of chlorine?”

Household, Trafford

What other thoughts did customers have?

- As with other areas covered in the plan, some felt that current water quality issues were due to lack of investment until now
- A small but notable minority had severe concerns about the safety and trustworthiness of the mains water supply, often based on information shared on social media
- Customers would prefer a measure of quality that doesn’t rely on customer complaints, which some felt may obscure the true extent of the issue

Water quality: non-household customer feedback

How did NHH customers react to the target?

- In the main, NHH views mirror those of household customers.
- There was an element of surprise that United Utilities is performing below target in this area (and there was some discussion over the measure used).
- Even though United Utilities is performing below target, many thought that in relative terms the number of complaints was small and most referred to the high quality of their own water.
- Water quality is of high importance, especially to businesses using it in their processes, and many feel that the proposed 61% improvement proved that United Utilities is taking this seriously.
- They feel that if United Utilities were investing £150 million to solve the leakage issue, that by default, water quality is addressed; thus it's an easy win.

"If they think just investing £150 million will achieve 61% improvement in that one target, I guess that is good."

Micro, Warrington

"Wouldn't take a huge amount to see an improvement."

Micro, Stockport

"I'm not very happy! They're not doing well. Taste and appearance is one of the most important things. They should make changes."

Medium business

"It's an easy win."

Micro, Stockport

Business plan targets: reducing the number of pollution incidents

Widespread media coverage of sewage discharges into waterways has heightened the importance of preventing pollution incidents in customers' minds.

While the scale of the investment attached to this target is impressive, some are clearly sceptical at United Utilities' ability and motivation to adequately tackle the problem. On the other hand, some customers feel as though 37% is not a big enough target in the context of the £3billion spend and would like to see United Utilities go beyond this.

"I think it's terrible that they can dump sewage into our seas and rivers, it definitely needs to be more of a priority."

Vulnerable, Merseyside

"If I was the boss of [United Utilities], I'd be saying, 'let's go for 40% instead of 37%'. Get a little bit more out of them. ."

Household, Preston

"3 billion quid is needed to solve this pollution problem. I think that demonstrates just how serious a problem it is."

FBP, Liverpool

Reducing the number of pollution incidents

Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

17.71 incidents per 10,000km of sewers

11.21 incidents per 10,000km of sewers



Performance in 2021/22



Target for 2030

37% improvement



How do United Utilities say they will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

We plan to invest £3 billion for better treatment of sewage and to increase the capacity of our 49,000km sewer network to reduce the chances of pollution incidents occurring.

Vulnerable customers:

Like household customers, vulnerable customers are aware of media coverage surrounding pollution and feel that this should be a priority for United Utilities. Whilst they appreciate improvements they feel more can be done here.

Future customers:

Future customers praised United Utilities for the investment they'd be making and see this as an important global environmental issue which needs tackling. Those who had seen media coverage on sewer overflows are more sceptical, but those who had not seen anything were more accepting of the target compared to other groups.

Pollution target: customer feedback

How did household customers react to the target?

The issue of waterway pollution by water service providers was a high profile one at the time that the research was conducted. As such, the perceived importance of this issue is high and customers greatly value United Utilities' inclusion of the target in the plan. Customers view the £3bn investment as a positive sign of intent, although target of a 37% improvement is lower than they expect given the importance of the issue and the proposed spend by United Utilities.

What do they like about the U UW target?



- A very important issue that is high in the public consciousness right now
- Investment is needed and worthwhile
- The scale of the investment (£3bn) indicates that United Utilities is prioritising resources to this area

How would they like to see the U UW target improved?

- A large enough U UW target that communicates that United Utilities is serious about *eliminating* this issue rather than simply chipping away at it

What concerns do they have about the U UW target?



- The overall scale of the target (37%), in contrast to the size of the investment, was thought to be low, given how pressing this issue is felt to be
- It's a large investment and customers worry that they will be asked to shoulder the cost

What other thoughts did customers have?

- Enhance the measure to address the scale of the damage caused by incident of difference severities
- The target treats all incidents as equally damaging, which may encourage water service providers to neglect larger incidents
- For many, trust is low in this area, and there are concerns that the true performance against this target will not be made available to the public
- They would like more information on how companies are fined for failing these targets to give confidence that they'll be motivated to meet them

Pollution incidents: non-household customer feedback

How did NHH customers react to the target?

- There were mixed views on United Utilities' performance – it is the best performing WaSC and there was a perception that United Utilities isn't too bad in this area among a few:
“On a fair note I think United Utilities are quite good at not putting water into our rivers and stuff like that. I go paddle boarding a lot all over the north. And I find you know, they are quite good” (Micro, Warrington)
- Business respondents found it hard to keep their personal views out of the discussion. Whilst from a business perspective some feel that this wouldn't affect them, personally it is something that most feel strongly about.
- As with the HH customers, they feel that this should have been addressed before now, more investment needs to be made and the target needs to be more stretching.
- Some feel that more investment should be made from United Utilities' profits and shareholders.

“My take is you're trying to correct an issue that you've created yourself over the past two years.”

Micro, Stockport

“I did see the 37% but I thought it would be a lot higher.”

Small business

“I'd say that's probably acceptable. I'd like to see the percentage higher, but yeah, a few billions to this investment I would say. They are talking about 49,000 kilometres and the last that we talked about put in 300 kilometres...”

Micro, Warrington

“This would be for me something of a personal interest more than as a business per se.”

Large business

Business plan targets: reducing the number of properties affected by sewer flooding

Seen as an acute but rare situation, customers are happy to see action taken to combat sewer flooding, but often attribute the problem to a lack of public education and/or geographic factors outside of United Utilities' control. Future customers viewed it less seriously than current ones.

Customers would value a target relating to educating the public included within the plan.

"I feel like pollution, if that's bad, like that's going to have a more detrimental effect rather than one person's house."

FBP, Liverpool

"So, they could say they need to take it down [by] 100% but there's always going to be some fools [clogging the pipes]."

Household, Macclesfield

"I think we abuse it a lot more with the equipment and the fact that we use baby wipes and cosmetics, and synthetic material... everything's plastic now. So, the thing is, it doesn't biodegrade. And, eventually, it goes into the system. So, we've got our modern lifestyle with modern traits. But we're using old technology to deal it."

Household, Preston

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

2.98 events per 10,000 properties

1.91 events per 10,000 properties



Performance in 2021/22



Target for 2030

36% improvement

How do United Utilities say they will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.



Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.

18.71 events per 10,000 properties

13.67 events per 10,000 properties



Performance in 2021/22



Target for 2030

27% improvement

How do United Utilities say they will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.



Sewer flooding targets (inside and outside): customer feedback

How did household customers react to the target?

Customers recognise this issue as one that causes deep inconvenience to those affected, and the perception of how important these (inside and outside flooding) were as a target was, to a large extent, driven by this perception. However, contrary to other areas of the plan, customers were much more likely to see sewer flooding as beholden to the weather and geography of the region rather than United Utilities' own actions.

What do they like about the U UW target?



- Strong empathy for those affected by sewer flooding and how unpleasant and upsetting it must be for them – making this a welcome part of the business plan

How would they like to see the U UW target improved?

- Customers would like to see additional targets relating to education about what not to flush included in the plan
- Commitment to balancing investment across the region

What concerns do they have about the U UW target?



- None

What other thoughts did customers have?

- An acknowledgement that pipe upgrades alone cannot solve the issue, with personal responsibility and education about what can and cannot be flushed down toilets/drains an equally important step
- Often a result of weather/geography, outside of United Utilities' control
- A feeling that this is a result of previous underinvestment in pipe infrastructure

Sewer flooding (inside/outside): non-household customer feedback

How did NHH customers react to the target?

- Most businesses, regardless of size feel that despite being below target for internal sewer flooding in 2021-2022, that United Utilities aren't performing too badly:

"I think when you visualise 10,000 properties and then envisage that only two events are going to happen over them, it's a splash in the ocean". (Micro, Warrington)

- The majority feel that the targets were reasonable. Those who didn't tended to have direct experience of this.
- There were concerns among some, that the internal sewer flooding target may not be achievable given that United Utilities failed to meet the 2021-22 target.

"Obviously, everyone would like it [internal] to be higher, but I think that's a reasonable target."

Small business

"I think my question would be, is it actually possible currently, they're not reaching the standard now and they want to increase that. They are nowhere near it in the first place."

Micro, Stockport

"For me I'd say it's acceptable."

Micro, Warrington

Business plan targets: smart metering

The target of 670,000 new smart meters divided the household audience, with those already on a meter and those with lower usage generally in favour, but with a minority raising concerns about consent and the cost of the scheme.

The figure of 670,000 itself was acceptable to most.

“I feel like that's really beneficial because it helps the house owner, like knowing how much they're using, like in terms of like bills. And it's also for the company to know, where's the water being distributed to. And how much has been used put like per household.” **FBP, Liverpool**

“I can see the appeal, but I would worry about the accuracy, I wouldn't want them getting the wrong reading which would result in me paying more.”

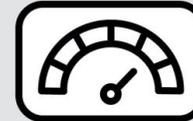
Vulnerable, Greater Manchester

“You know, smart meters that detect leaks all this. I just have this really bad vision of everybody having to have a meter and everybody starting to say they can't afford three baths a week. The people that will be cut off are the poorer ”

Household, Carlisle

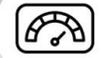
Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



670,000
new smart meters
in homes and
businesses

Target for 2030



How do United Utilities say they will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills. Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.

Vulnerable customers:

Those who are health or financially vulnerable are often split on their views towards smart metering. Some view it as a good way to manage water usage and keep costs down whereas others question the accuracy of readings and feel it will dictate their lives too much.

Future customers:

Future bill payers are on balance in favour of smart meters as they will help households manage their water usage. However, some expressed concerns about forcing metering on households and bill affordability should this happen.

Smart metering target: customer feedback

How did household customers react to the target?

The target of offering optional free installation of 670,000 smart meters before 2030 is felt to be suitably ambitious and is of particular of interest to those who are either on a meter just now or who are keen to cut their bills. However, fears exist that smart meters may be imposed upon the public, despite reassurances provided that this would not be the case (worsened by recent media coverage regarding forced energy metering – see slide 11).

What do they like about the U UW target?



- It is providing a free tool that can help save money
- Especially popular with those who are looking to save on water usage, those who use less water, and those already on a meter
- Many found it interesting/positive that it could help identify leaks in the water network

How would they like to see the U UW target improved?

- Little feedback on this, although reassurance that meters will be free, voluntary, and unable to cut off water supply will be important for public buy-in

What concerns do they have about the U UW target?



- Question about how the delivery of 670,000 meters would impact bills were raised by some
- A small number questioned how accessible it would be for older people (on the presumption that it would need to be read from a mobile app)

What other thoughts did customers have?

- The primary concern held was that the scheme may be mandatory, with customers feeling strongly that this needs to be their own personal choice
- For a small minority, these concerns persisted even after being reassured, as they remained worried would become so in time

Smart metering: non-household customer feedback

How did NHH customers react to the target?

- Smart meters are generally received well by businesses, with some selecting them in their top two most important areas.
- None of the concerns about compulsory metering apply to them, and most feel that this would better help them manage their water usage and bills.
- Another benefit mentioned is leak detection.
- However, when they think about it from a personal perspective, the same concerns about compulsory metering and people skimping on their water usage came in:

“Isn’t that gonna make people scared...And stressed. Again, that’s the idea that we use less and encouraging households to use less water that’s where that comes in.” (Micro, Warrington)

- The media coverage of the energy sector forcing meters on people was also mentioned:

“For domestic users it’s really bad thing that everybody has, you know, that people have been pushed towards having meters” (Micro, Warrington)

- A minority feel that this just wasn’t a priority and that the money should be invested elsewhere.

“To me is it’s a joke, to be honest if you’re going to spend so much money investing in 670,000 smart metres when the money’s needed elsewhere.”

Micro, Warrington

“If they’re creeping up when using different equipment, I can look at that and say, right, this piece of equipment is using a lot more water.”

Small business

“I’d go for it because even though the bills are affordable, at least I know what I’m using.”

Small business

Business plan targets: halving the chance of a hosepipe ban

Across the discussions, this was felt to be the least important of the ten service targets.

Often customers had not experienced a hosepipe ban recently and, where they had, they felt that it had not affected them greatly.

“I don't think that's a huge priority for me, I do like the garden but at the end of the day, if it was a choice between one year the gardens not going to be like as I would want it versus people won't get their houses flooded with sewage... Then for me, priority wise, I think there's a kind of citizen thing isn't there.”

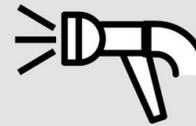
Household, Carlisle

“I think that's a good target to have. [But], again, how many have we actually had in the last five years? So, I think on that, if you're presenting that to the public [it] would just be good to know how many we've had in the last however many years and then halving the chance in 2030... Because I don't know. I I'm really struggling to remember when we last had one.”

Household, Preston

Halving the chance of experiencing a hosepipe ban between 2025-2030

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance

Target for 2030

How do United Utilities say they will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future.



Vulnerable customers:

Similarly, to household customers, those who are health or financially vulnerable often perceive this part of the plan as less important than other key areas. They feel hosepipe bans are rare and wouldn't impact them too much.

Future customers:

Future customers supported hosepipe bans from a water management perspective but a couple expressed concerns from an animal welfare perspective and how to cool down your pets and hot patio stones if they're banned.

Hosepipe ban target: customer feedback

How did household customers react to the target?

Consistently chosen as one the least important aspect of the plan, many had not experienced a ban in the past and were not anxious about doing so in the future.

What do they like about the U UW target?



- There do not seem to many inherent downsides to the target
- While not explicitly related by customers to the issue of hosepipe bans, the wider issue of water resilience was a viewed as an important aspect of United Utilities' longer-term plan

How would they like to see the U UW target improved?

- None

What concerns do they have about the U UW target?



- While few customers raise few concerns, this is felt to be much less important than the other targets

What other thoughts did customers have?

- Some felt that these measures were already uncommon, and had become even more so in recent years, making improvements unnecessary
- The discussion often spurred conversations regarding the use home water butts as a means of providing resilience to dry weather events, with some supportive of providing education on home water capture for garden use (in line with previous United Utilities campaigns)

Hosepipe bans: non-household customer feedback

How did NHH customers react to the target?

- This was lower on the list of priorities for NHH customers because it doesn't apply to them.
- A minority feel that it is more important from a personal perspective, but even then, some said they wouldn't take one too seriously.

"Because it doesn't affect businesses - the hosepipe ban."

Micro, Warrington

"Spent hundreds of pounds of flowers in your garden, you're not gonna think 'right I'll be that soldier and not use that'."

Micro, Stockport

"It wouldn't affect our business, and even from a personal point of view, I kind of understand the need sometimes for a hosepipe ban."

Large business

Business plan targets: carbon reduction

While not directly linked to their water service, customers do value commitments to reduce greenhouse gas emissions.

Despite a level of unclarity about how United Utilities produces carbon emissions, customers see a 40% reduction as acceptable movement in the right direction.

“It’s heading the right way..”

Household, Preston

“What is the biggest use of fossil fuels in United Utilities’ business?”

Household, Trafford

“I care deeply about the environment, and I think it’s a great thing that they want to reduce their carbon emissions, but the planting of trees slogan really annoys me. I feel all companies just say that to almost tick a box.”

Vulnerable, Merseyside

“I think like the environmental ones, like the pollution, the carbon footprint, like I feel they should be a priority.”

FBP, Liverpool

Carbon reduction to improve the environment

This relates to the carbon emissions generated by United Utilities in the process of providing its services.

40%
reduction

Target for 2030



How do United Utilities say they will do this?

£162m invested to improve treatment of sewage by using processes with lower emissions and moving away from fossil fuels by increasing our renewable energy sources.

We will also create woodland through planting a million trees and ensure key peatland and ecosystems are restored to protect the environment.

Vulnerable customers:

Those who are health or financially vulnerable on the whole view carbon reduction as a positive move for United Utilities in terms of environmental benefits but there is scepticism surrounding the planting of trees with some customers feeling as though all companies say they will do this.

Future customers:

Overall, future customers were keen on this PC as they are very environmentally conscious as a group. However, 1-2 questioned the investment into carbon reduction and whether it would be better spent on leakage, which would then reduce customer bills.

Carbon reduction target: customer feedback

How did household customers react to the target?

Customers recognise the danger climate change presents to them and the North West. They expect action from large organisations to reduce carbon emissions and see this target as a core part of United Utilities' sustainability responsibilities. However, they would like to see more detail about how bad a polluter United Utilities currently is and the impact of the 40% target.

What do they like about the U UW target?



- Climate change is a pressing issue and customers want to see United Utilities making bold changes
- A commitment to reduce emissions by 40% is felt to be fitting for an organisation the size of United Utilities
- Some noted that the newly planted trees may have a positive impact on flooding

How would they like to see the U UW target improved?

- None

What concerns do they have about the U UW target?



- Some scepticism about whether this figure is achievable

What other thoughts did customers have?

- Many are uncertain about how and when United Utilities produces carbon emissions
- Very little detail in the target, especially about how much greenhouse gas United Utilities currently produces and how that compares to other organisations
- This makes it hard to judge how ambitious it is

Carbon reduction: non-household customer feedback

How did NHH customers react to the target?

- The smaller the business, the less important this target is. Larger businesses are more likely to have carbon reduction plans and think that this is important.
- The 2030 carbon reduction target of 40% meant little on its own without data saying where United Utilities is now. The 100% Net Zero target for 2050 was more meaningful but most feel this is unrealistic, and that the Government is unrealistic in setting this goal.
- Nevertheless, most businesses, regardless of size, feel that the way United Utilities were planning to get to Net Zero deserved merit.

“I think it’s very important to have a target.”

Large business

“Yeah, 10 out of 10 for that brilliant target over the time scale. Love that one.”

Medium business

“They should advertise this more. I mean you know; a 40% reduction is high enough in anyone’s estimate and planting a million trees.”

Medium business

“I don’t think that’s possible by 2050. The UK government can’t do it.”

Micro, Warrington

Business plan targets: affordability support

Typically, customers welcomed the increased affordability support package for vulnerable customers.

The target of £500m was thought adequate by most, although some felt that in an economy of high inflation this still may not be sufficient come 2030.

Some questioned why it should be other bill-payers funding this support.

“£500 million support to households. There are a lot of people right now, especially the older, more vulnerable people. Good thing that they're trying to help the people who haven't got the money to pay for the water.”

Household, Preston

“It's probably not high enough, because the rate of inflation is going up. It's good that they are starting to do that, but nowhere near enough.”

Household, Carlisle

“I think additional support is good, people are struggling with bills at the moment, but it does make me nervous that they are increasing the support available because they are going to put the bills up so much to the point where people need extra support.”

Vulnerable, Merseyside

Affordability support

Under the proposed plan, United Utilities would assign £500m towards a fund for struggling bill payers.



£250
million

Performance
in 2021/22



£500
million

Target
for 2030



How do United Utilities say they will do this?

We are investing to ensure there is a support package of £500m to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package of any water company.

Vulnerable customers:

Vulnerable customers are often very positive about the additional affordability that the proposed plan could potentially offer struggling customers, but a handful of financially vulnerable customers are concerned that the support is being put in place due to hikes in bills.

Future customers:

This part of the business plan stood out to future customers, with half of them highlighting it as their most important area. They commended UU on supporting those struggling financially.

Affordability support target: customer feedback

How did household customers react to the target?

Overall, a positive move that will benefit the most vulnerable at a time of increasing financial insecurity. Doubling the pot available for support was seen as both acceptable and notable for most, although some feared that even this increase would not be enough to tackle households' financial pressures.

What do they like about the U UW target?



- Seen as a positive move to help the most vulnerable
- For those struggling with bills, this would make them more affordable
- The doubling of support was, typically, taken to be both an acceptable and notable increase in United Utilities' ability to support its most vulnerable customers

How would they like to see the U UW target improved?

- Clarity around who would qualify for support
- Less burden placed on bill-payers as a result of the increases

“It is the middle earners who are not going to get anything and are still going to struggle.”

Household, Trafford

What concerns do they have about the U UW target?



- With high inflation increasing the cost of bills and the number of people requiring support, a minority worried that the target figure would not be enough

What other thoughts did customers have?

- Some, are concerned that this rise is based on United Utilities' expectation that more people would struggle to pay their water bills over the coming years
- Some question the fairness of those in the middle paying more to offset others' bill reductions

“Is it aimed at like specifically people that don't work? What is the criteria, because I know plenty people are working that are struggling just as much as people aren't working.”

Household, Macclesfield

Affordability support: non-household customer feedback

How did NHH customers react to the target?

- This was better received by businesses than households. Businesses of all sizes were positive.

“I'd like to see that increase because of struggling families at the moment, there's a lot of struggling people; there's a lot of like, charities at the moment. Screaming for people to help them...”

Micro, Warrington

“That's a positive figure, that's a really positive figure £500 million from £250m. That's something tangible so someone can look at it and think yeah.”

Micro, Stockport

- As with household customers, it did spark some concern that bills were going to rise though:

“It suggests maybe that our water bills are going to increase. So, they need to double that pot to help people.”

Micro, Warrington

“I'd like to know a little bit more about doubling the pot of support, are businesses expected to maybe put into that pot as well? Will water rates increase, because that's increasing?”

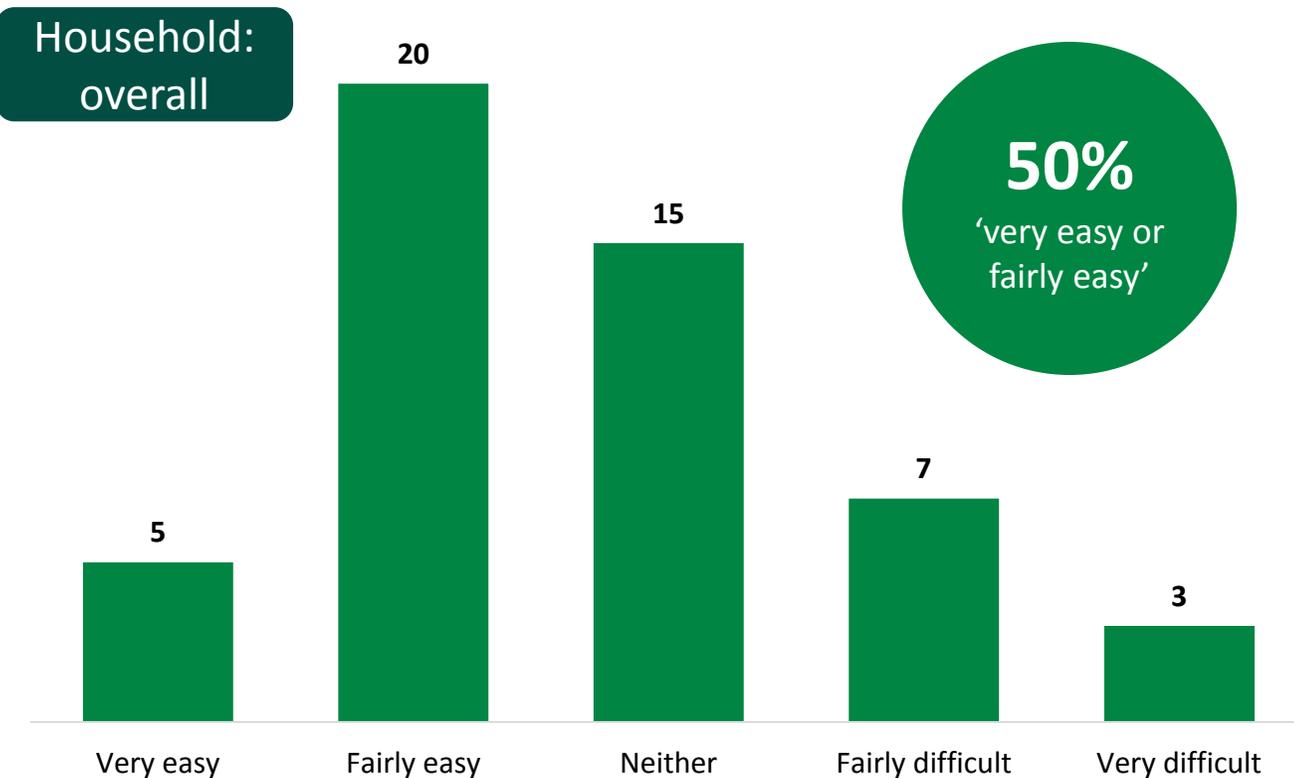
Micro, Warrington

Affordability

Affordability of the proposed plan: household customers

How affordable do household customers think the proposed plan is?

When looking at household customers independently, again whilst a proportion of customers (**25**) do perceive the affordability of the proposed plan as very easy or fairly easy, we again have the same number of customers (**25**) who are either unsure or say that they would find the plan fairly of very difficult to afford. Again, implying that perhaps the customer audience is split in their views as to whether the proposed plan is affordable. This highlights the importance of United Utilities considering all views when it comes to affordability.



Comments from customers who may struggle:

“My water bill is high enough and I think other people would agree that they’d just want the cheapest possible option at the moment.”

Health vulnerable, Merseyside

“In the current economic climate, I think we all accept that costs are rising, however, the lower bill amount figures are more attractive for me.”

Household, Cheshire

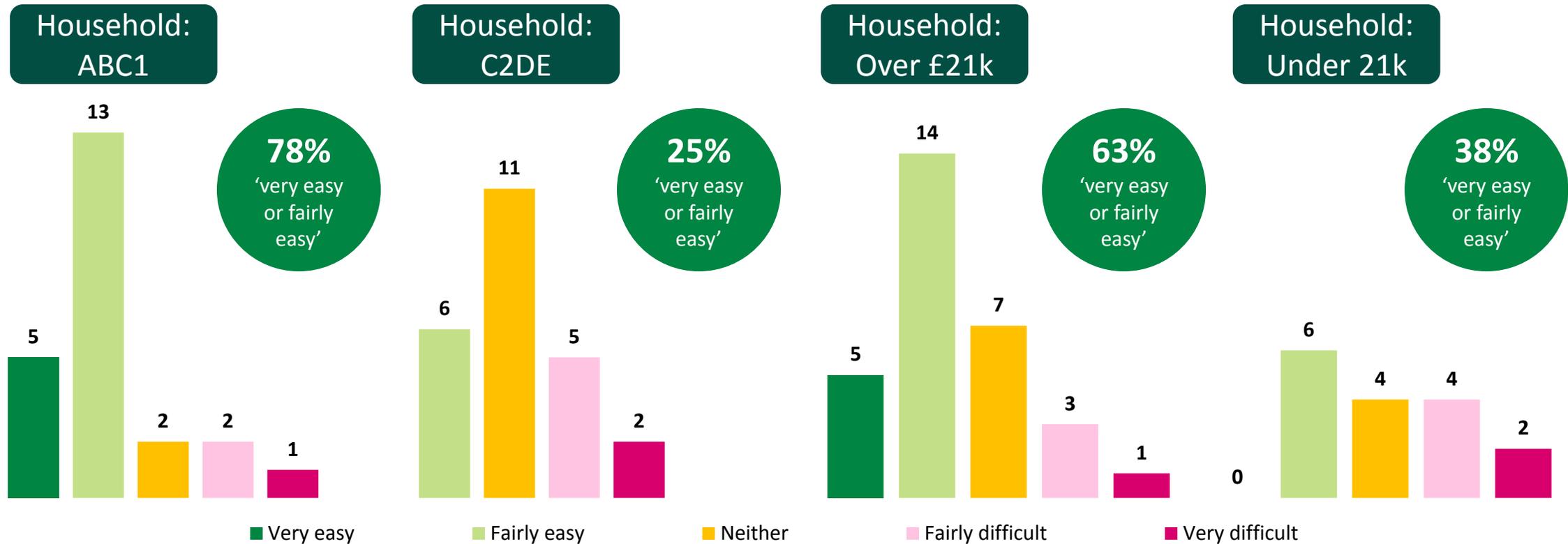
Note: where available, household customers were presented with a bill predictions based on a personalised water bill (provided by United Utilities).

Q01. Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? **Base:** All HH respondents from the qualitative phase (50)

Affordability of the proposed plan: household customers

How did household views of affordability differ by socio-economic group (SEG)?

When customers are split by socio-economic group, we start to see key differences in terms of the affordability of the proposed plan. Customers from socio-economic groups C2DE are less likely than ABC1 to say that they would find the proposed plan 'very easy' or 'fairly easy to afford' (**C2DE 6 of 24 cf. ABC1 18 of 23**). Additionally, C2DE customers are more likely to say they would find the proposed plan 'fairly' or 'very difficult' than ABC1 customers (**C2DE 7 cf. ABC1 3**).



Base: All HH respondents (50) ABC1 (23) C2DE (24) Post-task Q1 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

Positive views of affordability: household customers

What makes the plan feel affordable?

For most, water bills currently much lower than other household bills (gas & electric)

Accepting that improvements need to be paid for (if delivered and burden shared)

Phased increase and ability to budget

Overall, most customers feel that while a ~50% increase in their water bill by 2030 (including projected inflation) would be noticeable, it would not be unaffordable to them. This was often due to the fact that water bills themselves are seen as a much smaller part of household bills than other essential utilities such as gas and electricity.

Typically, customers accepted that bills would rise to cover service improvements, although many would like to see United Utilities and its shareholders picking up a larger portion of the cost (see next slide).

Having access to the planned roll-out of bill increases was thought to help customers plan a little better.

Crucially, perceptions of affordability were often tied to the condition that the promised work was fully delivered and that they were able to see tangible results across that time for their investment.

“I think it’s reasonable over a five-year period [and] if you know it’s coming you can budget for it as well.”

Household, Preston

“Your infrastructure is there you’re improving it yes, but 20% over seven years it’s actually not unreasonable.”

Household, Macclesfield

“I don’t think anyone would think twice about paying double what they’re actually going to be charging on the water rate if they fixed the actual leaks, or the upgraded the pipes, etc.”

Household, Preston

Negative views of affordability: household customers

What makes the plan feel unaffordable?

~50% increase (with inflation) over 7 years is a notable jump

Unpredictability of inflation

Other rising bills

Lack of support for those on middle incomes

Moral concerns about investment and profitmaking

Scepticism over delivery

While for most customers the proposed bill increases were technically affordable in isolation, for many, these increases formed part of an ecosystem of rising household bills that concerned them greatly, especially when uncertainty around future inflation was factored in.

Those who feel themselves to be on 'middle' incomes (i.e., restricted incomes but with no access to support or benefits) are sometimes worried that financial support to help cover rising water bills would not be available to them, leaving them simultaneously worse off and burdened with funding the enlarged affordability support scheme.

Coupled with this was a prevalent view that they, as bill payers, were being asked to foot a bill to cover necessary investment that protects United Utilities' profitability and shareholder dividends. Where people held this concern, they also expected most or all of the cost of implementing the plan's improvements to be covered from shareholders and/or profits.

"I can't do anymore, and I am on a water meter... so. It says that what you can do. Mine is nearly enough the same, top to bottom."

Household, Trafford

"But what have they done prior? That's the issue we've got. Why have they actually taken so much profit out of it without looking after the infrastructure? ... you're going to force a lot of people over the line where they've got fixed income... suddenly you've got the increase. You've got the electric, you've got the council tax gone up."

Household, Preston

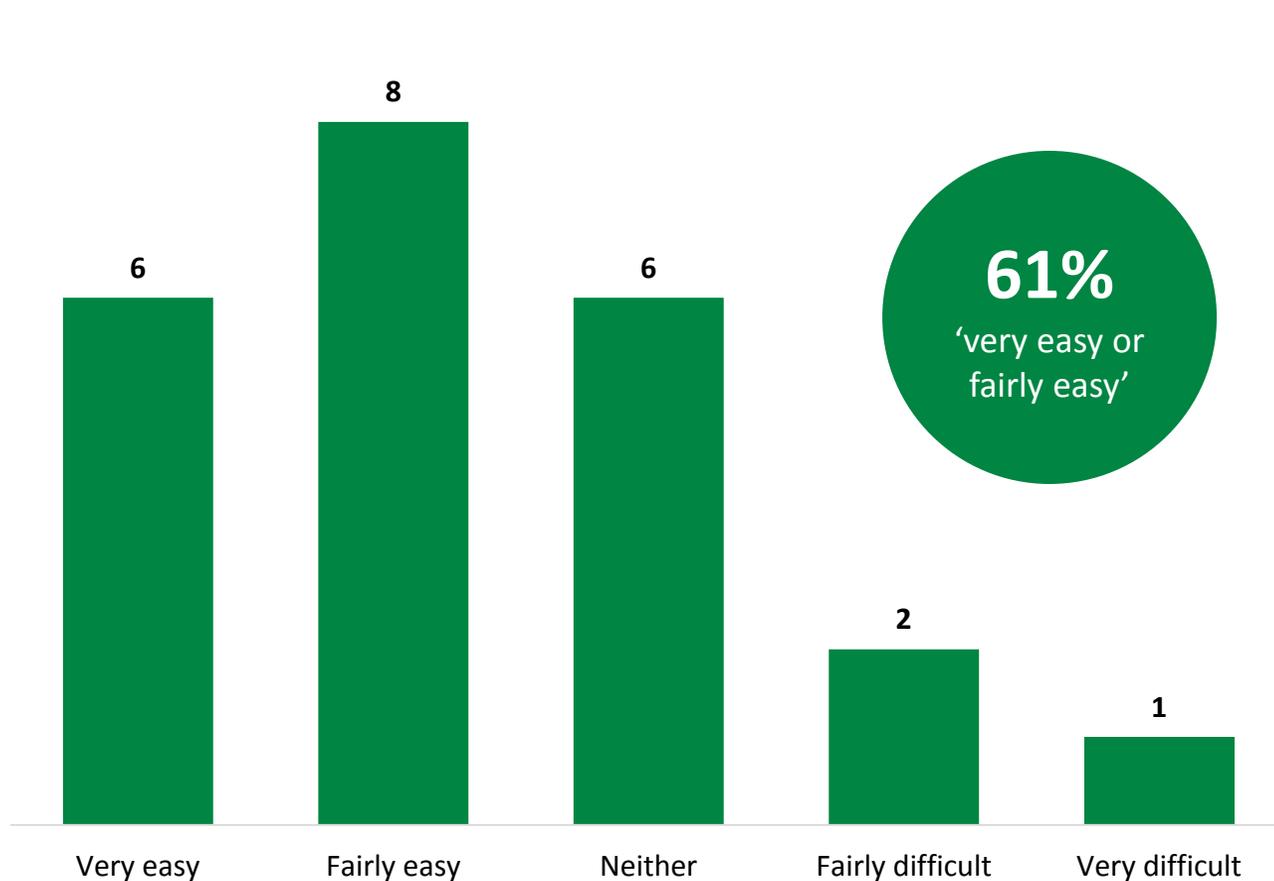
"You don't know what's going to happen about fuel bills, for example, which are forecast to come down, but who knows? ... [you're] just surrounded by all these bills aren't you?"

Household, Carlisle

Affordability: non-household customers

How affordable do non-household customers think the 'must do' plan is?

On balance, NHH customers find the plan slightly more affordable than household customers with 13% perceiving it is unaffordable as opposed to 20% of households. Just because they can afford it, doesn't mean that all of them are happy about it though.



"No one wants higher bills, but everyone wants better water quality and expects water bills will go up. But it's going up more than I would have expected! Do I accept it? We have no choice but to accept it."

Medium business

"This should say forecast because who knows whether it will actually be this number. It could be more ... The business currently isn't struggling, it's breaking even. So, it would be possible to pay this bill, but it's very frustrating!"

Large business

Note: non-household customers were presented with a personalised bill prediction based upon an estimate of their current bill provided by the respondent.

Q01. Thinking about how your organisations income and how it may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? **Base:** All NHH respondents from the qualitative phase (23)

Views on Affordability: non-household customers

- On balance, most businesses feel that the projected bill amount was affordable and particularly when compared to gas and electricity hikes.
- And some expressed concerns that whilst this increase was manageable on its own, when combined with other running costs increasing, it could be a struggle.
- A few businesses made the point that as long as United Utilities deliver, they don't mind paying it.
- But a minority said they'd not be able to pay.

"54% in like seven years, quite excessive...but when compared to gas and electric, it doesn't seem too bad. But that's because gas and electric is just ridiculous."

Micro, Stockport

"But also, with this, here it doesn't take into account over the next few years, or 20-50 years of the wage going up."

Micro, Stockport

"If they promise to do what they're doing with investing in the infrastructures, and they can actually prove that . . .it's gonna hurt a lot less knowing that they're actually putting that money to good use with the investments."

Small business

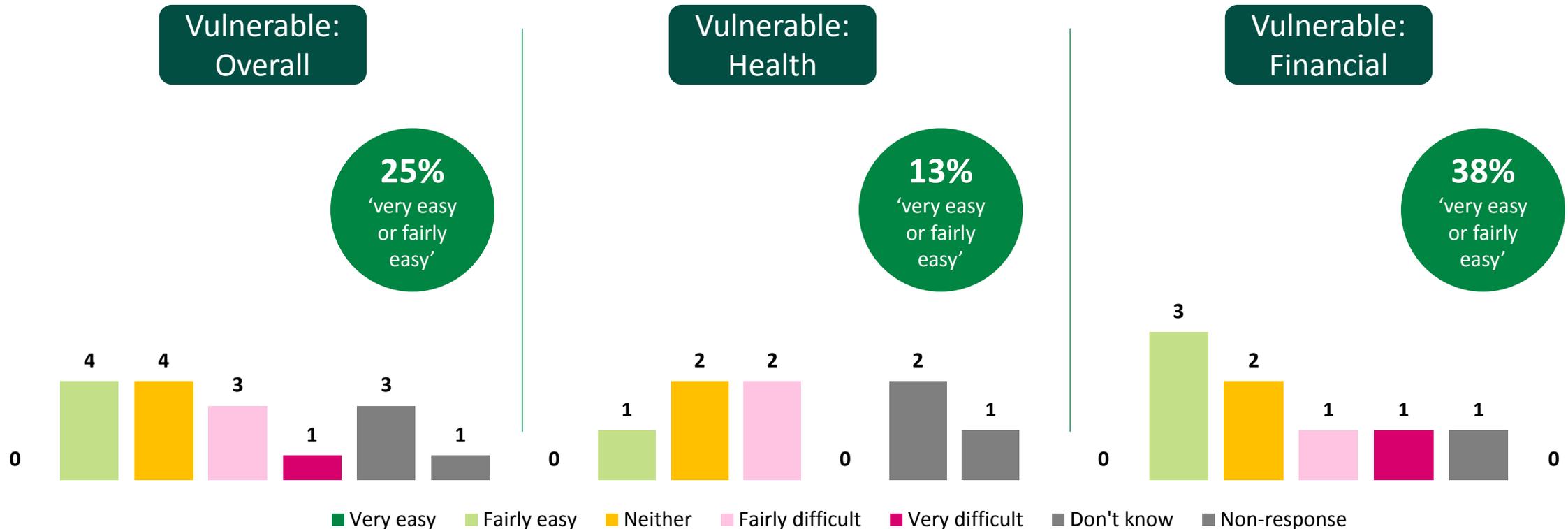
"This is really, really scary. It's going up over 50%, almost 100%. It's not affordable. It won't be possible for the school to pay."

Medium business

Affordability of the proposed plan: vulnerable customers

How did household views of affordability differ by vulnerability?

Overall, around a quarter of vulnerable customers (**4**) say that they would be able to afford the proposed plan either very or fairly easily. There are however key differences when the vulnerable audience is split out by health or financial vulnerability, with financially vulnerable customers being more likely to say that they would find the bill increase very or fairly easy compared to health vulnerable customers (**38% cf. 13%**). This could be due to the fact that financially vulnerable customers are already receiving support towards their water bill and expect this to continue given the high support package proposed by United Utilities.



Base: All Vulnerable respondents (16) Health vulnerable (8) Financial vulnerable (8) Post-task Q1 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

Views on affordability: vulnerable and future customers

Vulnerable customers perceive their water bill as a more manageable household bill in comparison to gas and electric bills, but they do have concerns as to whether United Utilities are going to increase prices like energy companies. Future customers also initially perceive water bills as reasonably priced (based on their parent's views), but this changes when they see the projected bill amounts, with a few feeling it would be unaffordable for them when they eventually leave home.

Vulnerable Customers



Vulnerable customers, like household customers tend to think that their water bill is one of the most reasonable bills they pay. Comparisons to gas and electric prices are commonly made with customers feeling as though their water bills tend to be more affordable than energy bills.

However, there is concern among some vulnerable customers that United Utilities are going to hike prices up in a similar way that energy companies have, this is frequently mentioned by health vulnerable customers when they see the affordability support package. Financially vulnerable customers appear less concerned, perhaps as they may currently receive support with their bills.



“Compared to the price of gas and electricity I'd say the water bill is pretty good and it's something you can't go without”

Financially vulnerable, Manchester

“The money they're putting aside to support people concerns me... are they increasing support because bills will be unaffordable?”

Health vulnerable, Merseyside

Future Bill Payers



Future customers had mixed reactions to the bill projections. Their earlier perceptions were that water bills aren't too much (based on parents). However, when they saw the average household amount it was higher than expected. Even the single occupancy amount surprised them.

Some future customers break it down into monthly amounts and feel it isn't too bad, whilst others say that the figure makes them anxious about how they are going to manage when they moved out from living with their parents who currently pay the bills. On balance, a larger proportion of future customer appear to be concerned with regards to affordability.



“To be fair, I didn't realise it was annual. I think it's a big increase. I think you'd be looking at monthly it might not be as bad.”

FBP, Liverpool

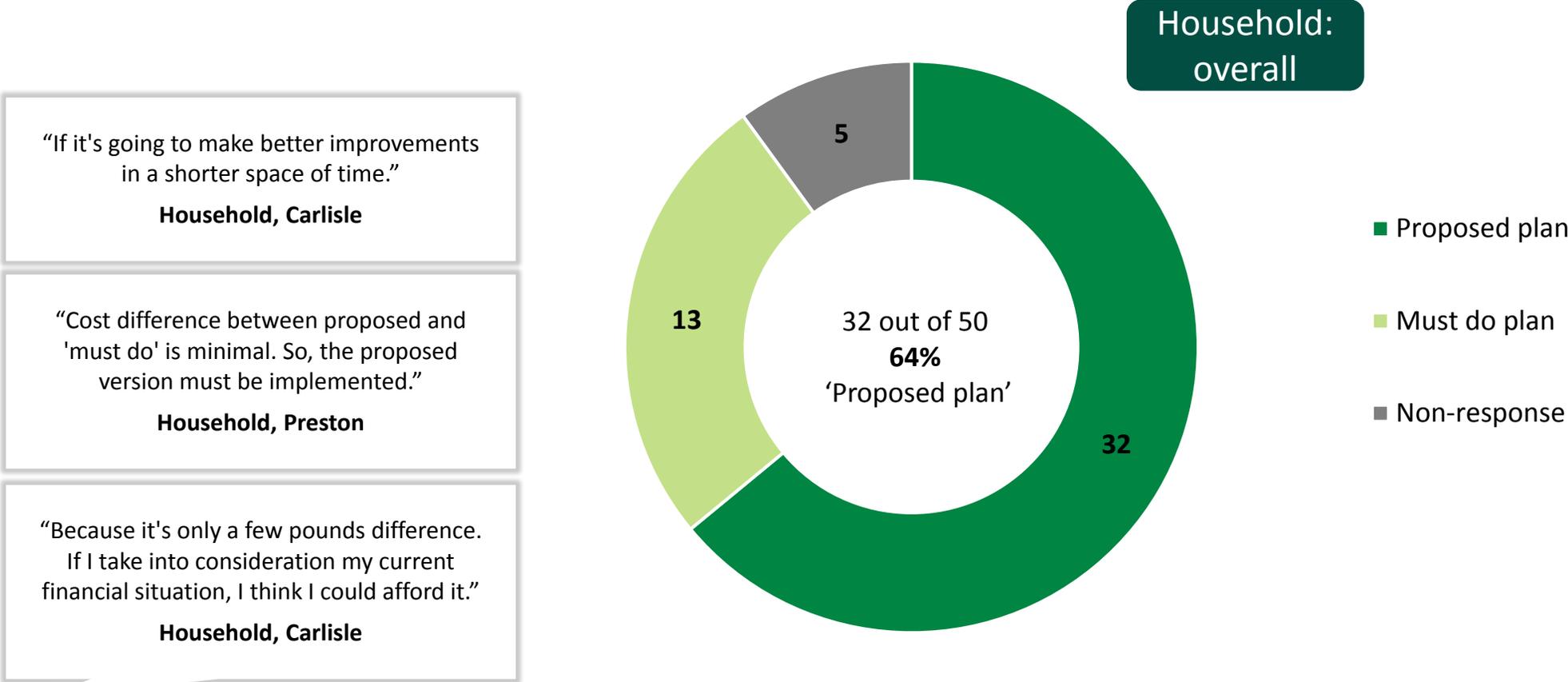
“I don't pay bills, so I don't know how much... It's not like that's the only thing that's going to increase, you've got outgoings as well, I think it will have an impact.”

FBP, Liverpool

Plan preference: household customers

Overall, did household customers prefer the proposed or the 'must do' plan?

Two thirds (32 of 50) of household customers viewed the proposed plan as their preferred option, with 13 preferring the reduced-cost 'must do' plan, and five providing a non-response (left blank or alternative option suggested). Reasons for preferring the proposed plan were most often tied to the small size of the difference in projected bill impact (only £2-3 difference for most, by 2030).



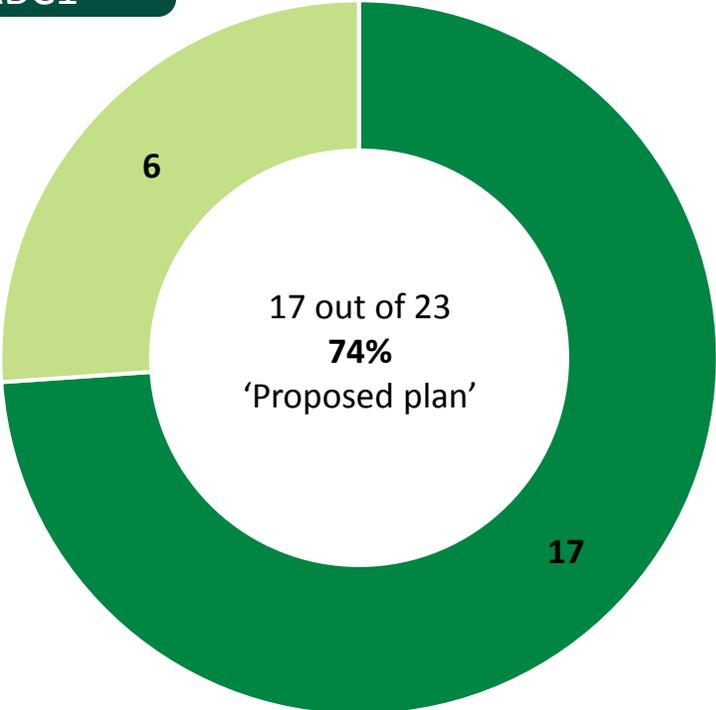
Base: All HH respondents (50) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: household customers

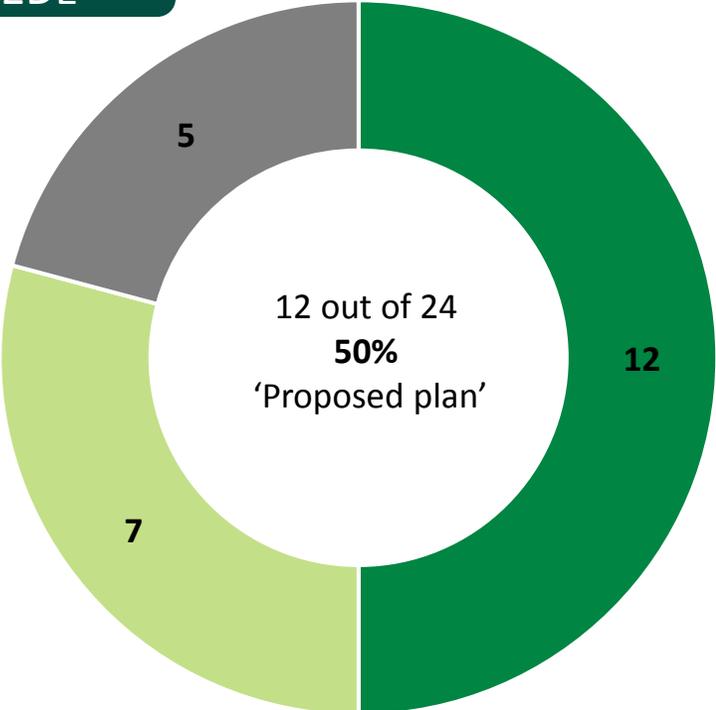
How did householder plan preference differ by socio-economic group (SEG)?

Both ABC1 (17 vs 6) and C2DE (12 vs 7) households preferred the proposed plan to the 'must do'. However, a number of C2DE participants provided an alternative or invalid response to this question, meaning that just half selected the proposed plan as their preferred option, compared to around three-quarters of ABC1 participants.

Household:
ABC1



Household:
C2DE



- Proposed plan
- Must do plan
- Non-response

Three participants unable to provide information to assign SEG all noted the plan to be 'acceptable'.

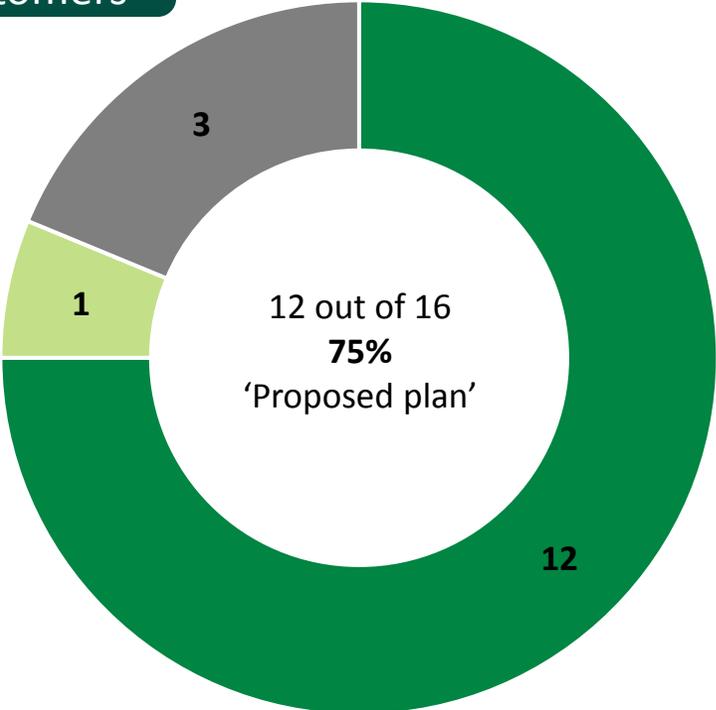
Base: All HH respondents (50) ABC1 (23) C2DE (24) Post-task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: vulnerable and future customers

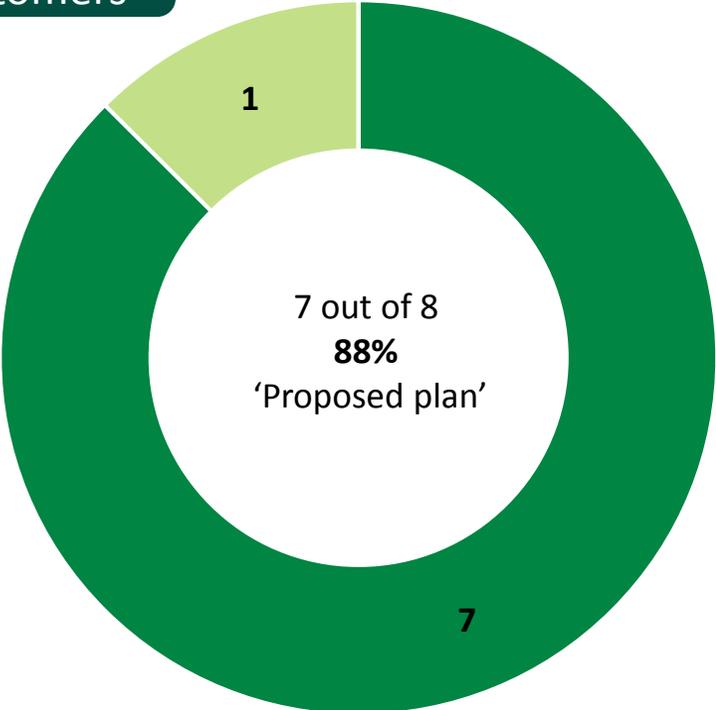
Overall, did vulnerable and future customers prefer the proposed or the 'must do' plan?

The majority of vulnerable and future customers prefer the proposed plan over the must do plan. Of those who say they prefer the must do plan, their main reason behind this is financial and saving money as and where they can...

Vulnerable customers



Future customers



- Proposed plan
- Must do plan
- Non-response

Base: All vulnerable (16) and future customers (8) Post-task Q4. Of the business plans you have seen today, which one do you prefer overall?

Plan preference: vulnerable and future customers

On the whole, vulnerable and future customers prefer the proposed plan. The main reason for their preference, is due to the service improvements that will come from the proposed plan at a relatively small price increase in comparison to the 'must do' plan. Differences do emerge in the decision-making process however with future customers feeling the environmental benefits of the proposed plan are also of value.

Vulnerable Customers



Overall, vulnerable customers would prefer United Utilities to move forward with the proposed plan. Whilst they feel there are elements of the proposed plan that could be further improved, when given the option of the 'must do' plan or the proposed plan, they tend to pick the proposed plan.



Like household and vulnerable customers, future customers perceive the proposed plan as being the best value for money in terms of service improvements. However, environmental impacts are also an important factor in their decision-making process with some expressing how greater efficiency will benefit the environment.

The most common reason for their preference for the proposed plan is that there is minimal difference between the cost of the 'must do' plan and the proposed plan. Therefore, in essence, they feel as though they are getting more service improvements for their money.



Ultimately, future customers feel as though the cost of the 'must do' plan is almost equivalent to the cost of the proposed plan and therefore feel as though the proposed plan gives customers more service improvements for a minor bill difference.



“When you look at the bill difference it’s minimal. I’d rather have more improvements and pay a bit more than have minimal work done.”
Health vulnerable, Merseyside

“There’s not much difference in terms of price, I would rather have greater improvements and have to pay a bit more.”
Financially vulnerable, Manchester

“Improvements need to be made for the environment and to make things more efficient, I think things need to be made more drastically.”
FBP, Liverpool

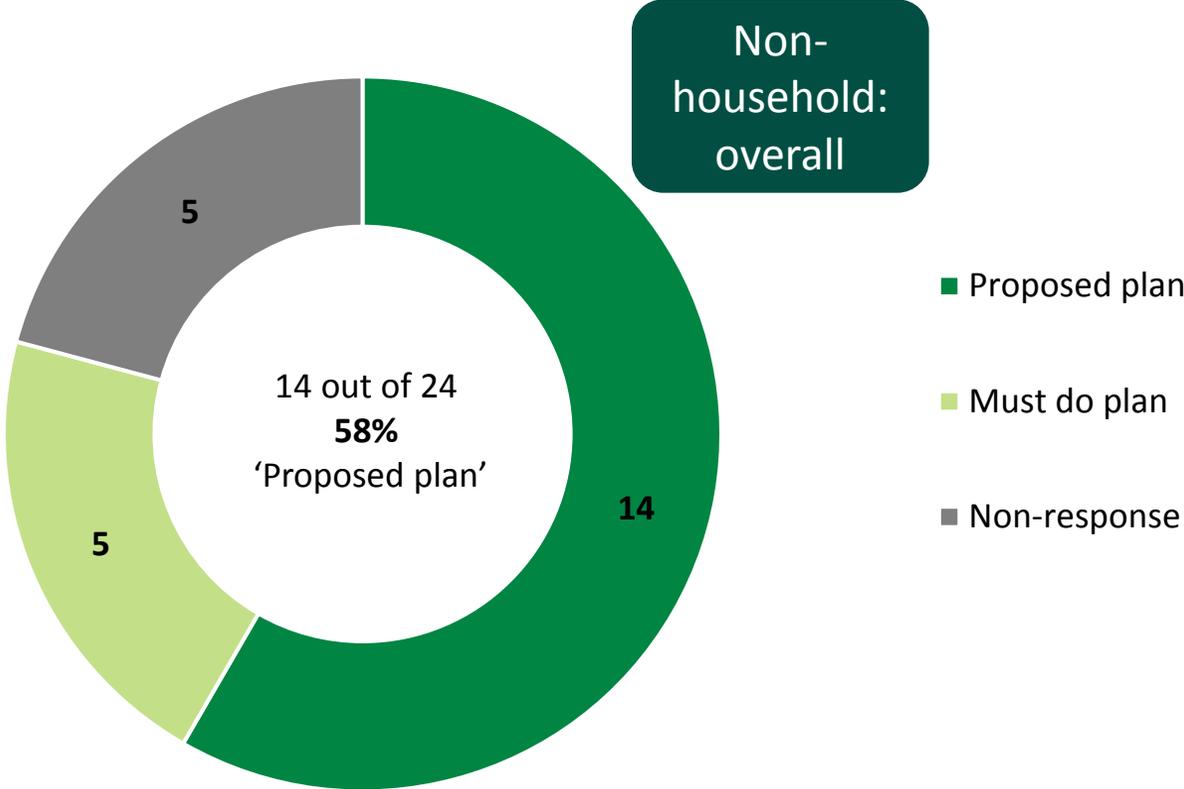
“Because you are paying the same (pretty much) for the proposed plan as the 'must do' plan, but it has more benefits.”
FBP, Liverpool

Plan preference: non-household customers

Overall, did non-household customers prefer the proposed or the 'must do' plan?

Slightly less non-household customers preferred the proposed plan than household customers, however, on balance the majority of businesses preferred it. The main reason for this was the higher level of service they'd receive for very little difference (1%).

"I think that most businesses that could afford it would prefer to get the highest targets."
Micro, Warrington



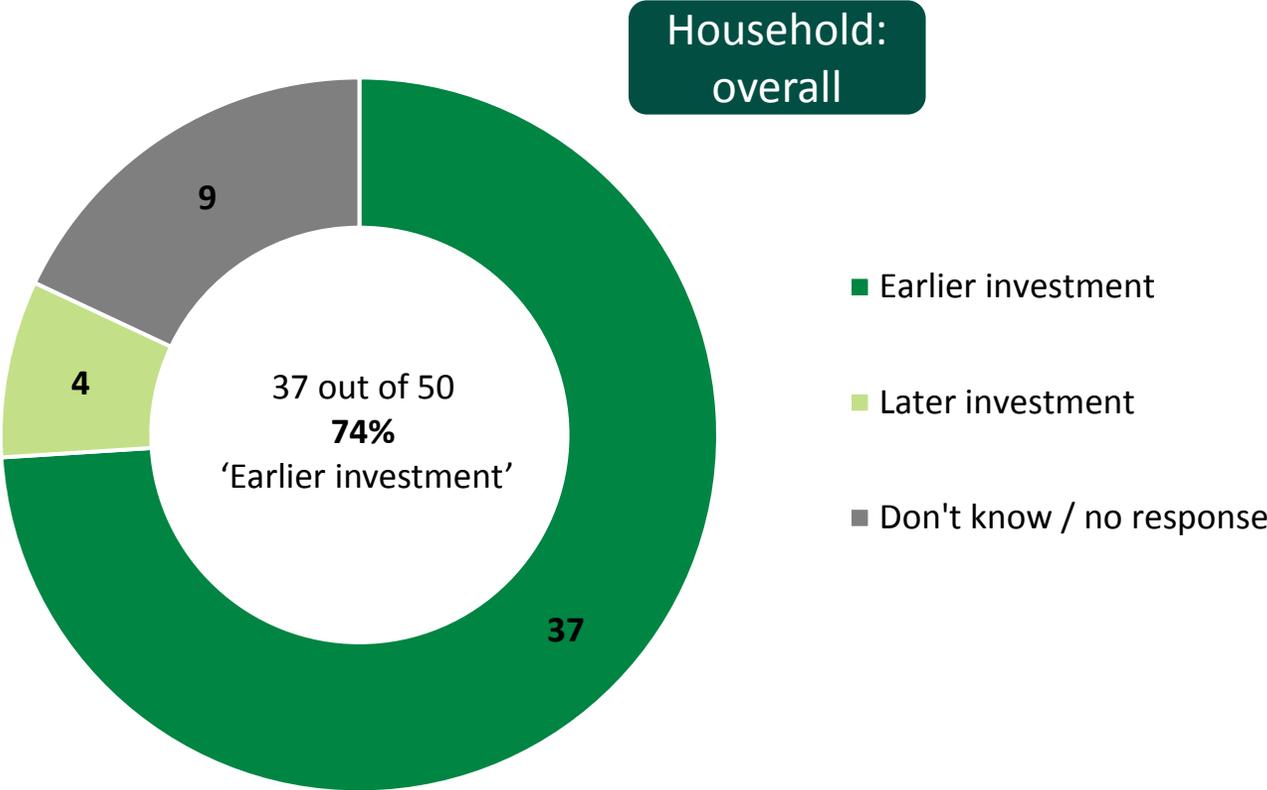
Base: All NHH respondents (24) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

Phasing and intergenerational fairness

Phasing preference: household customers

Overall, did household customers prefer the earlier or later investment?

In terms of phasing, three quarters (37 of 50) of household customers feel that earlier investment was preferable to later (4).



Base: All HH respondents (50) Post task Q6 When would you like investment to start?

Note for understanding:

Following the stipulated research guidance for the qualitative post-task questionnaire, quantitative data was gathered on participants' preference between two investment approaches, 'an increase in bills starting sooner, spreading increases across different generations of bill payers' (earlier investment) and 'an increase in bills starting later, putting more of the increases onto younger and future bill payers' (later investment).

However, included within each qualitative discussion was consideration of a third option under consideration by United Utilities, in which investment and improvements were both spread out gradually (see below).

Phasing over time

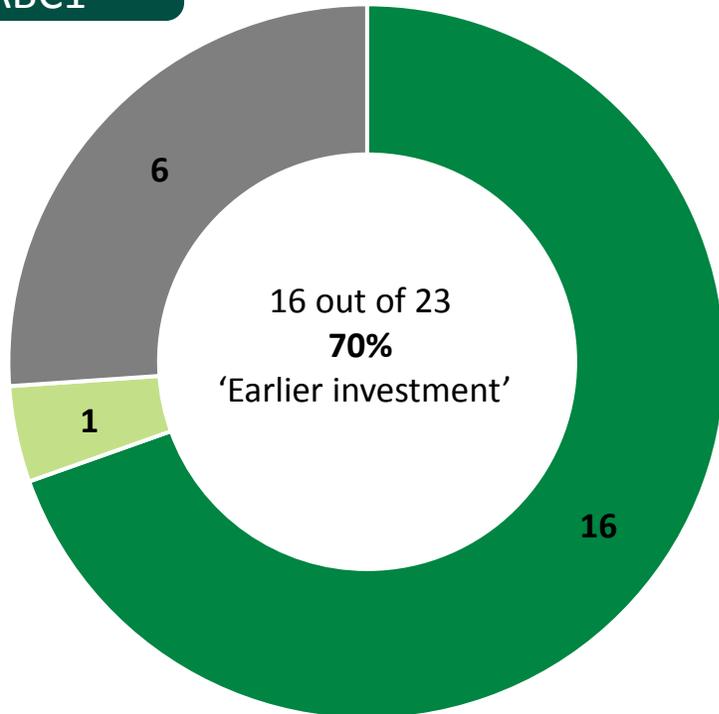
| | Option 1 | Option 2 | Option 3 |
|------------------------------------|---|--|---|
| Description | Investment is spread out across 2030 to 2050 to improve services, gradually improving levels of service | Investment is sooner to allow for improvements to services earlier | Investment is delayed, so service improvements happen later |
| What this means for bills | Bills will increase gradually from 2030 to 2050 | Bill increases happen earlier, with a steep increase sooner and then hold steady | Bill increases happen much later with a steeper increase later on |
| What this means for service | Steady and gradual improvement to services from 2030 to 2050 | Rapid improvement to services earlier, and then improvements hold steady | Little to no improvements to services until later on when investment is undertaken. Rapid improvement to services after this. |

Phasing preference: household customers

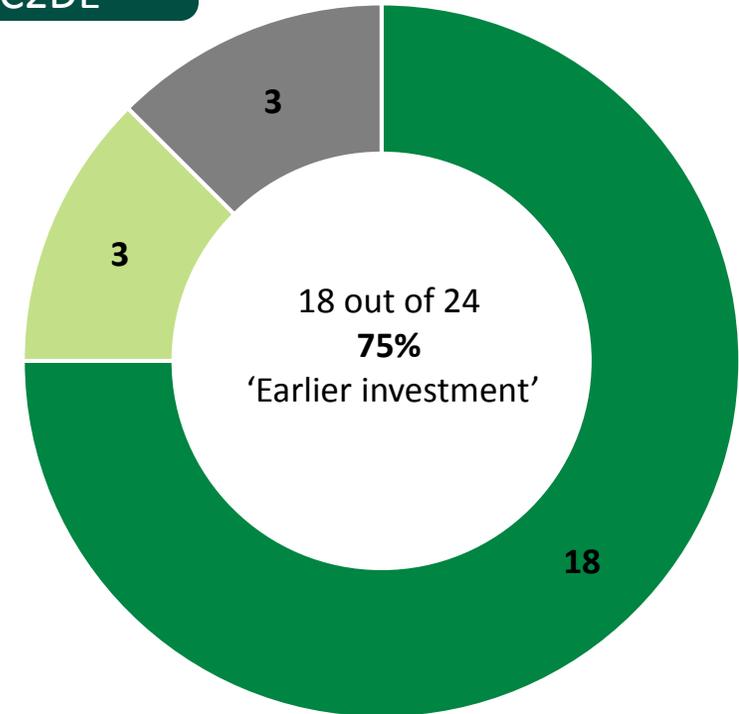
How did phasing preference differ by socio-economic group (SEG)?

Both ABC1 (17 vs 1) and C2DE (18 vs 3) households preferred earlier investment to later investment.

Household:
ABC1



Household:
C2DE



- Earlier investment
- Later investment
- Don't know / no response

Three participants unable to provide information to assign SEG all noted the plan to be 'acceptable'.

Base: All HH respondents (50) ABC1 (23) C2DE (24) Post-task Q6 When would you like investment to start?

Positive views of early investment: household customers

Benefits of earlier investment

These improvements need to be done anyway

Improvements overdue

Decreases impact of inflation

Expectation that bills will be reduced again when investment complete

Intergenerational fairness

In keeping with a common view that many of the infrastructure-related elements of the plan were both essential and overdue, customers were keen to see earlier investment in the network.

A further specific benefit to taking this approach was thought to be minimising the impact of inflation on the cost of the work, in an economic climate where the cost of materials and labour is assumed to be rising steeply.

Some customers expected bills to fall again once the investment is complete, which was seen as a benefit to earlier investment. However, others feel that once bills rose, they are unlikely to fall again (see next slide).

In terms of intergenerational fairness, customers were almost unanimous that early investment was more appropriate as it was felt to establish the infrastructure needed for the challenges new generations may face and would, hopefully, make water services cheaper for them, too.

“It needs rapid improvement so why delay it?”

Household, Preston

“The cost of the materials is just going to cost more if they run out of resources, so the longer you leave it, and the quicker you do it the cheaper it is for everyone.”

Household, Trafford

“But by that it should be cheaper again because it's all been done. So hopefully that makes it cheaper.”

Household, Preston

Negative views of early investment: household customers

Drawbacks of early investment

Coinciding with high bills just now

Don't trust that bills will drop or will keep on rising

While earlier investment was the more popular than delayed investment, some were put off by this option.

Most commonly, preference for a later investment approach was driven by an aversion to increased water bills while inflation and the cost of living is already high.

Because of this, many in the groups preferred the 'gradual' investment model which balances sustained investment with a smaller initial hike in bills. In all, those who rejected the later investment approach (for the reasons noted on the previous slide) were split in preference between an 'upfront' and 'gradual' investment over the long-term.

Customers were keen to be reassured that, once the investment was complete, bills would fall again, as some feared that if a large increase was implemented at an early stage, this would set the standard for future water bill levels.

"There's a lot of pressure. It does feel very pressured because, obviously, you're passionate about getting it sorted but then... I'm also struggling to pay my bills."

Household, Macclesfield

"But I'm thinking now, after this is finished, we spent all that money and fixed all the problems. This needs to go back down again. That won't happen. Because it's a private company. That's what I'd like to think would happen, because it's not to say we're going to spend all this we're going to fix this, everything's going to be fine. But when it's all paid for by us, then it should come back down again."

Household, Preston

Phasing preference: vulnerable and future customers

The overall consensus of vulnerable and future customers is that investment should start sooner, and this conclusion is reached for a variety of reasons including benefits to future generations and the environment. However, there are some members of each audience who feel investment should be more gradual and even come later given the current economic climate...

Vulnerable Customers



Vulnerable customers are often split on when they think investment should start but their preferences is typically for investment to start sooner or for investment to be a gradual process. They tend not to be in favour of the option of delaying investment until later as they feel this is counterproductive.



Future Bill Payers

Future bill payers tend to be keen for investment to start sooner. They feel that there is no point in delaying the inevitable and immediate action for the environment to stop pollution in seas / rivers and reduce the amount of water lost through leakage is needed sooner rather than later.

Some vulnerable customers, particularly those with children, are in favour of starting investment sooner perhaps in hope to lessen the financial burden on their children but others feel as though a gradual approach is best as people are already struggling with bills.



However, some future customers do feel a bit unsure as to when investment should start, perhaps this is as a result of their lack of bill paying experience, they may find it difficult to say which option they would be most happy with.



“I’d say sooner, I don’t think there’s much point delaying. I’d want it to be better for my kids you know where the bills will hold steady.”
Vulnerable, Greater Manchester

“I think do it gradually, people are already struggling they don’t need big bill increases for water on top of everything else.”
Vulnerable, Merseyside

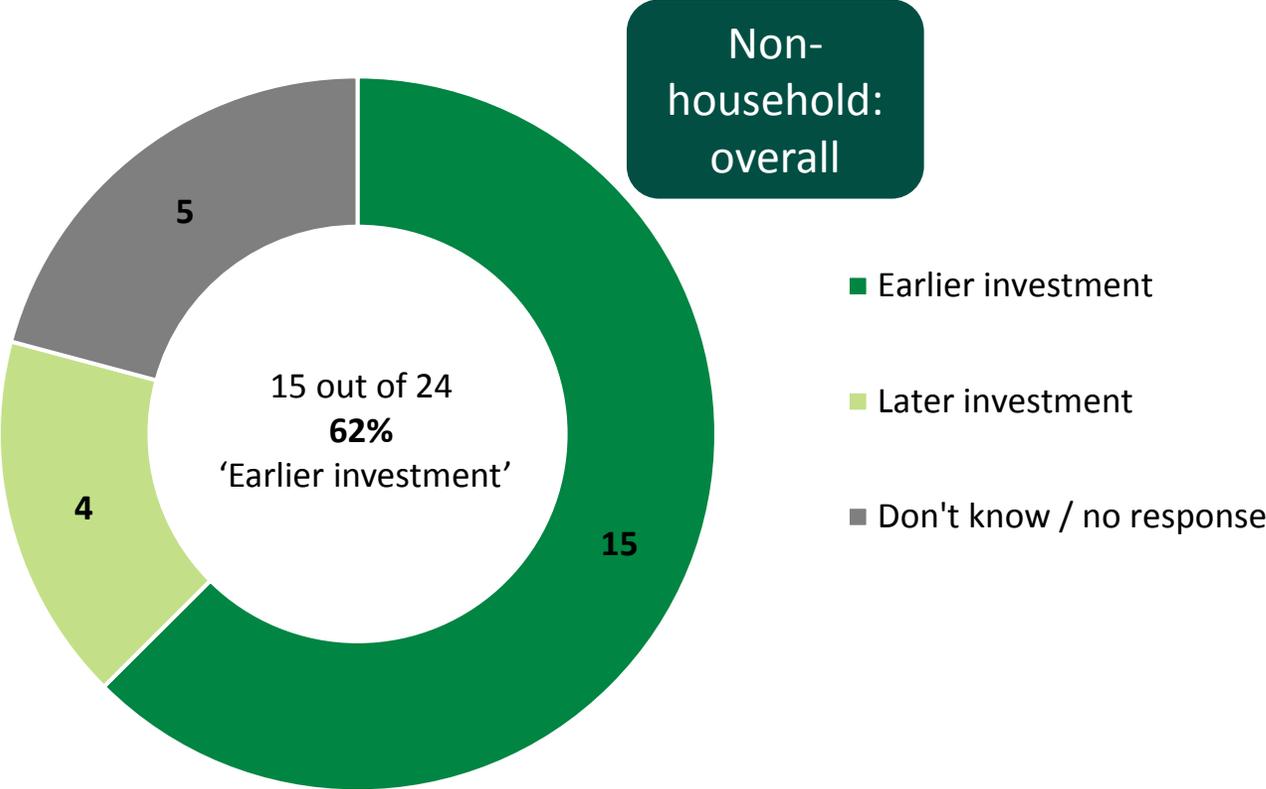
“The environment is a priority and needs an intervention as soon as possible I don’t think it should be delayed.”
FBP, Liverpool

“I’m a bit unsure. I think a more gradual approach is best, but I don’t know if investment should start right away or not.”
FBP, Liverpool

Phasing preference: non-household customers

Overall, did non-household customers prefer the earlier or later investment?

In terms of phasing, over half of non-household customers feel that earlier investment was preferable to later (15).



Base: All NHH respondents (24) Post task Q6 When would you like investment to start?

Phasing preference: non-household customers

- Of the three options presented to businesses, whilst earlier investment (Option 2) is the ideal, Option 1, a gradual improvement to service and bills, was preferred.
- The current financial climate means that many businesses are struggling financially and could not afford to fund the larger short-term bill increases associated with Option 2. This sentiment is shared across businesses regardless of size.
- A minority of businesses selected Option 2 despite the bill implications. Their reasons for this were that the improvements needed to be made sooner rather than later and they anticipated that it wouldn't hit them too hard financially.

Phasing over time

| | Option 1 | Option 2 | Option 3 |
|-----------------------------|---|--|---|
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“The first option is the most sensible, you don't know what's going to happen in the future. The business may not even exist 10 years from now so it makes no sense to do Option 2.”
(Option 1) Large Business

I guess the current climate...I'd rather have it steadily increase, rather than, like an initial increase at the start, you know, you don't know what's going to happen.”
(Option 1) Micro, Warrington

“The economy is unpredictable, so I prefer the option that spreads out the risk.”
(Option 1) Medium business

“It needs doing and needs improving. Again, I can only talk specifically with my business. I don't think it would impact me significantly.”
(Option 2) Micro, Warrington

Summary and conclusions

Summary and conclusions

To summarise...

Acceptability:

- Broadly acceptable (77% acceptability across all audiences) that covers the issues important to customers
- Certain areas such as leakage and pollution - customers want to see most urgent action and they feel that United Utilities could set more ambitious targets here
- Some household customers will need reassurance that smart meters are not and will not become compulsory and that the forced metering seen in the energy sector won't be repeated with water. Non-household customers, who are already metered, are much more positive about this target
- The inclusion of hosepipe ban is not important for most. However, the underlying theme of water resilience is valued
- Some customers do have deep concerns regarding bill payers picking up the tab for these improvements, given United Utilities' perceived continued profitability and payment of shareholder dividends

Affordability:

- In itself, the rise is affordable to most – water bills are currently lower than other expenses and water is essential
- However, there are strong concerns, especially among those from lower incomes and C2DE socio-economic groups about how affordable their wider bill package will be, once rising energy bills and other household expenses are factored in
- Strong preference for the proposed plan, due to the fact that the cost saving with the 'must do' plan is negligible. This should not be taken as a sign that customers are willing to pay more – purely that the savings for the 'must do' are not significant enough to warrant a less ambitious plan
- In terms of phasing, it's clear that there is no appetite for delaying investment
- However, customers are split between those who want to see overdue investment and improvements right away, and those who want a more gradual approach that protects bills in the short term and does not set a precedent for much higher bills in the long term

Ofwat targets: summary of reactions to targets

Water leakage

- ✓ It's addressing a high importance topic that triggers customers' aversion to waste, environmental damage and high bills
- ✓ Customers were surprised to see how much water is currently lost to leakage and were keen to see this fixed
- ✓ Upgrading pipes is expected to solve a number of problems
- x Customers (in-particular households and micro-businesses) want to see more ambitious targets, ranging from 40% decrease to the elimination of waste through a full and systematic update of the pipe network
- x Both the £150m investment and the 300km of new pipes were thought to be dwarfed by the scale of the issue and reduced by inflation
- x Fears about the disruption caused for work

Supply interruption

- ✓ Reliability of supply is a core expectation of United Utilities and a key aspect of customer satisfaction with service
- ✓ Customers recognised the importance of a reliable supply for vulnerable customers in particular
- ✓ Current performance thought to be good
- x Larger businesses expect a more ambitious target

Water quality

- ✓ As with supply reliability, customers expect United Utilities to provide clean, drinkable water and were pleased to see targets addressing this
- ✓ In particular, those who stated recent quality issues with their water supply were likely to support this
- ✓ The target of 61% reduction in contacts felt like a sizeable improvement to many

Pollution

- ✓ A very important issue that is high in the public consciousness right now
- ✓ Investment is needed and worthwhile
- ✓ The scale of the investment (£3bn) indicates that United Utilities is prioritising resources to this area
- x The overall scale of the target (37%), in contrast to the size of the investment, was thought to be low, given how pressing this issue is felt to be
- x It's a large investment and customers worry that they will be asked to shoulder the cost

Pollution

- ✓ Strong empathy for those affected by sewer flooding and how unpleasant and upsetting it must be for them – making this a welcome part of the business plan

Voluntary targets: summary of reactions to targets

Smart meters

- ✓ It is providing a free tool that can help save money
- ✓ Especially popular with those who are looking to save on water usage, those who use less water, and those already on a meter
- ✓ Many found it interesting/positive that it could help identify leaks in the water network
- x Question about how the delivery of 670,000 meters would impact bills were raised by some
- x A small number questioned how accessible it would be for older people (on the presumption that it would need to be read from a mobile app)

Hosepipe bans

- ✓ There do not seem to many inherent downsides to the target
- ✓ While not explicitly related by customers to the issue of hosepipe bans, the wider issue of water resilience was viewed as an important aspect of United Utilities' longer-term plan
- x While few customers raise few concerns, this is felt to be much less important than the other targets

Carbon reduction

- ✓ Climate change is a pressing issue and customers want to see United Utilities making bold changes
- ✓ A commitment to reduce emissions by 40% is felt to be fitting for an organisation the size of United Utilities
- ✓ Some noted that the newly planted trees may have a positive impact on flooding
- x Some scepticism about whether this figure is achievable

Affordability support

- ✓ Seen as a positive move to help the most vulnerable
- ✓ For those struggling with bills, this would make them more affordable
- ✓ The doubling of support was, typically, taken to be both an acceptable and notable increase in United Utilities' ability to support its most vulnerable customers
- x With high inflation increasing the cost of bills and the number of people requiring support, a minority worried that the target figure would not be enough

Ofwat targets: customer recommendations

Water leakage

- A more ambitious plan in terms of the amount of money invested and length of pipe upgraded
- (In Cumbria) reassurance that improvements will be made to all regions and not just focus on major urban centres

Supply interruption

- In Cumbria, customers would like to see a localised measure included within the plan, in addition to that for the North West as a whole, as some feared that improvements would not be made in northern or rural areas

Water quality

- None

Pollution

- A large enough UuW target that communicates that United Utilities is serious about *eliminating* this issue rather than simply chipping away at it

Sewer flooding (inside and outside)

- Customers would like to see additional targets relating to education about what not to flush included in the plan
- Commitment to balancing investment across the region

Voluntary targets: customer recommendations

Smart meters

- Reassurance that meters will be free, voluntary, and unable to cut off water supply will be important for public buy-in

Carbon reduction

- None

Hosepipe bans

- None

Affordability support

- Clarity around who would qualify for support
- Less burden placed on bill-payers as a result of the increases

Appendix 1

Stimulus

Session and interview stimulus

Session and depth interview discussion guides:

[United Utilities AAT Non-household session discussion guide.pdf](#)

[United Utilities AAT Non-household depth interview discussion guide.pdf](#)

[United Utilities AAT Household session discussion guide.pdf](#)

[United Utilities AAT FBP session discussion guide.pdf](#)

[United Utilities AAT Vulnerable depth interview discussion guide.pdf](#)

Session and depth interview slides:

[United Utilities – Session Stim Non-household.pdf](#)

[United Utilities - Session Stim Household.pdf](#)

[United Utilities – Session Stim FBP.pdf](#)

[United Utilities - Session Stim Vulnerable depths.pdf](#)

Appendix 2

Pre and post task questions

Pre task questions: Non-household

| | How easy or difficult is it for your organisation to afford to pay your current water and sewerage bill? | Which of the following aspects of service is most important for the day-to-day operation of your business? | What are your business's expectations for future water and sewerage services – what would you most like to see improved? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|----------|--|--|--|--|
| NHH (24) | Very easy 38% | A reliable water supply service 38% | A reliable water supply service 46% | <p>“All really good, watched the video.”</p> <p>“Everything in the plan seems really good. Surprised by the additional support and that they are future proofing the system.”</p> <p>“How it is getting recycled, thought this would be higher but also a lot more chemicals in the system that 40/50 years ago thought it would be around 50% mark surprising what they do aside from supplying water.”</p> <p>“Found it interesting, some things you don't think about and surprised at some of the figures.”</p> <p>“Number of properties affected by sewer floods.”</p> <p>“Support for underprivileged.”</p> <p>“I found the amount of pollution incidents surprising and the fact that UU are doing well in this area and conversely that flooding seems to be an issue. I did not know that smart water meters were a thing and am surprised that it is aimed that they must not use storm overflows except in storm conditions.”</p> |
| | Fairly easy 33% | Consistent water pressure 4% | Consistent water pressure 21% | |
| | Neither 4% | Reliable and consistent water supply quality 46% | Reliable and consistent water supply quality 33% | |
| | Fairly difficult 4% | Responsive customer service 0% | Responsive customer service 21% | |
| | Very difficult 8% | Accurate bills 8% | Accurate bills 13% | |
| | Non-response 13% | Reliable removal and treatment of water 4% | Reliable removal and treatment of water 13% | |
| | | Reliable removal of rainwater from the site 0% | Reliable removal of rainwater from the site 21% | |

Post task questions: Non-household (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|----------|--|--|---|---|---|--|---|---|
| NHH (24) | Very easy 25% | Completely acceptable 21% | Too expensive 4% | It's not too expensive 13% | Proposed 58% | Starting sooner 63% | Trust United Utilities to deliver it all 4% | United Utilities give me a good service 46% |
| | Fairly easy 38% | Acceptable 54% | United Utilities profits too high 4% | The plan is good value for money 17% | Must do 21% | Starting later 17% | Trust United Utilities to deliver some of it 67% | United Utilities services are good value for money 42% |
| | Neither 25% | Unacceptable 4% | The plan won't improve things enough 0% | United Utilities plan focuses on the right things 8% | Non-response 21% | Non-response 21% | Trust United Utilities to deliver a little of it 21% | United Utilities keep their service promises 4% |
| | Fairly difficult 8% | Completely unacceptable 4% | United Utilities should pay using profits 8% | I trust United Utilities to do what's best for their customers 8% | | | Don't trust United Utilities to deliver it 8% | United Utilities don't update their customers 29% |
| | Very difficult 4% | Non-response 4% | The plan is poor value for money 4% | The plan will make big / good improvements to things 25% | | | | United Utilities don't give me a good service 17% |
| | | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 4% | | | | United Utilities services are poor value for money 0% |
| | | | I won't be able to afford this 0% | Plan is environmentally friendly 25% | | | | Shareholders are more important to United Utilities 33% |
| | | | I don't trust United Utilities to make these service improvements 8% | I will be able to afford this 13% | | | | United Utilities will want to put bills up by more than this 13% |
| | | | Plan isn't good enough for future generations 4% | Plan is good for future generations 33% | | | | United Utilities customers are their top priority 4% |
| | | | I don't trust United Utilities to do what's best for their customers 8% | | | | | |
| | | Plan is not environmentally friendly 0% | | | | | | |

*Q5 is an open text response

Post task questions: Non-household (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my organisation | My responses were based on how much the business plan would cost my organisation | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|----------|--|---|---|--|---|--|
| NHH (24) | Very easy 25% | Strongly disagree 8% | Strongly disagree 8% | Strongly disagree 8% | Strongly disagree 4% | Strongly disagree 4% |
| | Fairly easy 46% | Disagree 0% | Disagree 0% | Disagree 4% | Disagree 4% | Disagree 0% |
| | Neither 17% | Neutral 4% | Neutral 29% | Neutral 25% | Neutral 13% | Neutral 4% |
| | Fairly difficult 8% | Agree 17% | Agree 33% | Agree 33% | Agree 29% | Agree 21% |
| | Very difficult 0% | Strongly agree 71% | Strongly agree 29% | Strongly agree 29% | Strongly agree 50% | Strongly agree 71% |
| | Non-response 4% | | | | | |

Pre task questions: Household

| | How easy or difficult is it for you to afford to pay your water and sewerage bill? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|---------|--|--|
| HH (50) | Very easy 34% | “Surprising: Carbon reduction to improve the environment, planting millions of trees, providing 500m in support.” |
| | Fairly easy 32% | “How much United Utilities could make a difference to the environment. The process of supplying the water. My water bill yearly compared to others.” |
| | Neither 14% | “Did not realise it went back into the environment. Surprised UU is underperforming. Did not understand the end-to-end process. Did not consider the effect of climate change and how far forward you have to plan.” |
| | Fairly difficult 18% | “Planting of 1 million trees and work with environment. Number of jobs 5700 in water service. Number of customers who contacted UU about the water colour and taste.” |
| | Very difficult 0% | “Sewage still being pumped 2035 will have improved overflow. Pretty high targets. Million trees being planted is good.” |
| | Non-response 2% | “Where is the investment from? Will smart meters be optional? Think more should be done on pollution. Affordability support - as a middle earner on no benefits what help would I get? What incentives for reducing waste? I liked the fact that it's based on ecofriendly initiatives. Think it is very positive. Ofwat - are there any penalties / rewards going to be passed to the customer? Who is driving the initiative?” |
| | | “16 water companies in total - didn't realise there were so many. Treatment works - fascinating process. Ofwat - never heard of them before interesting how they monitor performance.” |

Post task questions: Household (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|---------|--|--|---|---|---|--|---|---|
| HH (50) | Very easy 10% | Completely acceptable 20% | Too expensive 8% | It's not too expensive 4% | Proposed 64% | Starting sooner 74% | Trust United Utilities to deliver it all 20% | United Utilities give me a good service 58% |
| | Fairly easy 40% | Acceptable 58% | United Utilities profits too high 8% | The plan is good value for money 30% | Must do 26% | Starting later 8% | Trust United Utilities to deliver some of it 54% | United Utilities services are good value for money 38% |
| | Neither 30% | Unacceptable 8% | The plan won't improve things enough 4% | United Utilities plan focuses on the right things 28% | Non-response 10% | Non-response 18% | Trust United Utilities to deliver a little of it 22% | United Utilities keep their service promises 8% |
| | Fairly difficult 14% | Completely unacceptable 6% | United Utilities should pay using profits 12% | I trust United Utilities to do what's best for their customers 8% | | | Don't trust United Utilities to deliver it 4% | United Utilities don't update their customers 34% |
| | Very difficult 6% | Non-response 8% | The plan is poor value for money 2% | The plan will make big / good improvements to things 24% | | | | United Utilities don't give me a good service 0% |
| | | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 12% | | | | United Utilities services are poor value for money 4% |
| | | | I won't be able to afford this 2% | Plan is environmentally friendly 22% | | | | Shareholders are more important to United Utilities 28% |
| | | | I don't trust United Utilities to make these service improvements 2% | I will be able to afford this 18% | | | | United Utilities will want to put bills up by more than this 10% |
| | | | Plan isn't good enough for future generations 2% | Plan is good for future generations 24% | | | | United Utilities customers are their top priority 2% |
| | | | I don't trust United Utilities to do what's best for their customers 0% | | | | | |
| | | Plan is not environmentally friendly 0% | | | | | | |

*Q5 is an open text response

Post task questions: Household (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|---------|--|---|--|---|---|--|
| HH (50) | Very easy 18% | Strongly disagree 8% | Strongly disagree 2% | Strongly disagree 2% | Strongly disagree 8% | Strongly disagree 6% |
| | Fairly easy 62% | Disagree 10% | Disagree 26% | Disagree 16% | Disagree 16% | Disagree 14% |
| | Neither 14% | Neutral 14% | Neutral 18% | Neutral 28% | Neutral 14% | Neutral 6% |
| | Fairly difficult 4% | Agree 40% | Agree 18% | Agree 34% | Agree 26% | Agree 18% |
| | Very difficult 0% | Strongly agree 26% | Strongly agree 32% | Strongly agree 4% | Strongly agree 32% | Strongly agree 52% |
| | Non-response 2% | Non-response 2% | Non-response 4% | Non-response 4% | Non-response 4% | Non-response 4% |

Pre task questions: FBP

| | If 10 is 'very impressed' and 0 is 'very unimpressed', how are you feeling about your water company? | Please write a sentence or two in the box below explaining your view | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|-----------|--|---|---|
| FBP (8) | 0 0% | <p>10 - "They are the most helpful for those who cannot afford the bills, giving the best grants. I also think it's very good how they work with the environment."</p> <p>5 - "Average service."</p> <p>8 - "Mixed feelings but recycling of water is useful. When thinking of a future, as I am aware, materials need to be recycled in order to achieve sustainability for current and future generations. Pollution numbers impressed me as I am aware of the decrease in diversity i.e., sea animals."</p> <p>9 - "I didn't realise just how many people are directly employed by United Utilities. The number employed/jobs created is impressive."</p> <p>10 - "It sounds like amazing opportunities are going to come from this along with environmental benefits."</p> <p>8 - "Impressed with targets being met and future plans to help people with costs."</p> <p>8 - "There are several steps to ensure our water is safe to drink; especially with the new investment of £150m in pipes that are sustainable for the future."</p> <p>8 - "Impressed. All for the greater good, trying to make the NW greener and better for future generations."</p> | <p>"The water's recycled. That they're spending £150m on new pipes. That they're buying lots of land. How much waste they're going to reduce."</p> <p>"Interesting - insight into running water system."</p> <p>"How the cost is split - I had never considered the cost of water when using on a daily basis as I do not pay any bills. How many water companies there are in the UK."</p> <p>"The number of jobs provided is surprising. The amount of businesses connected. The amount of household customers is also surprising."</p> <p>"Affordability support; a greener NW - reducing wastage/sewage; a healthier NW - quality of drinking water."</p> <p>"Interesting to see the distribution of costs per pound. Surprised how much water is lost due to leaks. New to understand the format/structure of business plans/aims."</p> <p>"£500m for support with bills - how? Interesting 5 year plan. How will smart meters help customers. Interests me how the water is taken away and recycled."</p> <p>"How the water is taken away, the reducing number of pollution incidents, thought it would be more. 40% reduction in carbon is good, thought it would be less, targets are good. Interesting on what £1 per day does."</p> |
| | 1 0% | | |
| | 2 0% | | |
| | 3 0% | | |
| | 4 0% | | |
| | 5 13% | | |
| | 6 0% | | |
| | 7 0% | | |
| | 8 50% | | |
| | 9 13% | | |
| 10 25% | | | |

*CAUTION – low base size (8)

Post task questions: FBP (I)

| | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? |
|---------|--|---|---|---|--|
| FBP (8) | Completely acceptable 13% | Too expensive 0% | It's not too expensive 0% | Proposed 88% | Starting sooner 50% |
| | Acceptable 75% | United Utilities profits too high 13% | The plan is good value for money 38% | Must do 13% | Starting later 13% |
| | Unacceptable 13% | The plan won't improve things enough 13% | United Utilities plan focuses on the right things 25% | Non-response 0% | Non-response 38% |
| | Completely unacceptable 0% | United Utilities should pay using profits 0% | I trust United Utilities to do what's best for their customers 0% | | |
| | Non-response 0% | The plan is poor value for money 0% | The plan will make big / good improvements to things 38% | | |
| | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 0% | | |
| | | I won't be able to afford this 0% | Plan is environmentally friendly 25% | | |
| | | I don't trust United Utilities to make these service improvements 13% | I will be able to afford this 0% | | |
| | | Plan isn't good enough for future generations 13% | Plan is good for future generations 50% | | |
| | | I don't trust United Utilities to do what's best for their customers 13% | | | |
| | Plan is not environmentally friendly 13% | | | | |

*Q4 is an open text response. **CAUTION – low base size (8)

Post task questions: FBP (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|---------|--|---|--|---|---|--|
| FBP (8) | Very easy 0% | Strongly disagree 13% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% |
| | Fairly easy 38% | Disagree 0% | Disagree 0% | Disagree 0% | Disagree 25% | Disagree 0% |
| | Neither 38% | Neutral 13% | Neutral 13% | Neutral 25% | Neutral 38% | Neutral 0% |
| | Fairly difficult 25% | Agree 38% | Agree 38% | Agree 25% | Agree 38% | Agree 38% |
| | Very difficult 0% | Strongly agree 38% | Strongly agree 50% | Strongly agree 50% | Strongly agree 0% | Strongly agree 63% |
| | Non-response 0% | Non-response 0% | Non-response 0% | Non-response 0% | Non-response 0% | Non-response 0% |

*CAUTION – low base size (8)

Pre task questions: Vulnerable

| | How easy or difficult is it for you to afford to pay your water and sewerage bill? | which of the following do you receive from your water company? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|-----------------|--|--|--|
| Vulnerable (16) | Very easy 19% | A bill in you preferred format 0% | <p>“Good that they are working to stop sewerage going into the rivers. Not very transparent as an organisation, first time seeing CEO in video.”</p> <p>“The video brought it to life with facts and data, the detail was brilliant.”</p> <p>“No surprises as such but I hadn't thought about it creating jobs.”</p> <p>“The financial support was interesting. It was interesting to see the info about priority services and health vulnerabilities.”</p> <p>“I didn't realise how many water companies there actually are, I though United Utilities was everyone's supplier.”</p> <p>“I didn't realise they have links to that many jobs.”</p> |
| | Fairly easy 44% | A password used by meter readers and other water company staff who might visit your home 6% | |
| | Neither 6% | Delivery of bottled water to your home if your water supply is disrupted for more than a few hours 6% | |
| | Fairly difficult 25% | No none of these 81% | |
| | Very difficult 0% | | |
| | Non-response 6% | | |

Post task questions: Vulnerable (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed additional support to you? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|-----------------|--|---|--|---|---|---|---|--|
| Vulnerable (16) | Very easy 0% | Completely acceptable 56% | Completely acceptable 31% | Too expensive 6% | It's not too expensive 6% | Proposed 75% | Trust United Utilities to deliver it all 6% | United Utilities give me a good service 75% |
| | Fairly easy 25% | Acceptable 25% | Acceptable 38% | United Utilities profits too high 6% | The plan is good value for money 6% | Must do 6% | Trust United Utilities to deliver some of it 63% | United Utilities services are good value for money 6% |
| | Neither 25% | Unacceptable 0% | Unacceptable 13% | The plan won't improve things enough 0% | United Utilities plan focuses on the right things 19% | Non-response 19% | Trust United Utilities to deliver a little of it 13% | United Utilities keep their service promises 25% |
| | Fairly difficult 19% | Completely unacceptable 6% | Completely unacceptable 13% | United Utilities should pay using profits 6% | I trust United Utilities to do what's best for their customers 0% | | Don't trust United Utilities to deliver it 13% | United Utilities don't update their customers 0% |
| | Very difficult 6% | Non-response 13% | Non-response 6% | The plan is poor value for money 6% | The plan will make big / good improvements to things 25% | | Non-response 6% | United Utilities don't give me a good service 0% |
| | Non-response 25% | | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 13% | | | United Utilities services are poor value for money 0% |
| | | | | I won't be able to afford this 6% | Plan is environmentally friendly 25% | | | Shareholders are more important to United Utilities 25% |
| | | | | I don't trust United Utilities to make these service improvements 0% | I will be able to afford this 13% | | | United Utilities will want to put bills up by more than this 0% |
| | | | | Plan isn't good enough for future generations 6% | Plan is good for future generations 19% | | | United Utilities customers are their top priority 0% |
| | | | | I don't trust United Utilities to do what's best for their customers 0% | | | | |
| | | | Plan is not environmentally friendly 0% | | | | | |

*Q5 is an open text response

Post task questions: Vulnerable (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|-----------------|--|---|--|---|---|--|
| Vulnerable (16) | Very easy 19% | Strongly disagree 0% | Strongly disagree 13% | Strongly disagree 6% | Strongly disagree 0% | Strongly disagree 0% |
| | Fairly easy 63% | Disagree 6% | Disagree 6% | Disagree 13% | Disagree 0% | Disagree 0% |
| | Neither 13% | Neutral 13% | Neutral 19% | Neutral 19% | Neutral 13% | Neutral 6% |
| | Fairly difficult 0% | Agree 31% | Agree 6% | Agree 19% | Agree 31% | Agree 0% |
| | Very difficult 0% | Strongly agree 38% | Strongly agree 44% | Strongly agree 31% | Strongly agree 44% | Strongly agree 81% |
| | Non-response 6% | Non-response 13% | Non-response 13% | Non-response 13% | Non-response 13% | Non-response 13% |

Appendix 3

Customer questions and answers

Customer questions: Stockport (NHH)



1. How do United Utilities report on their performance figures and ensure accuracy. Do Ofwat check and challenge these figures?

Since 2015/16 we have published our Annual Performance report (APR) on our website. The APR describes our performance for the year against our targets and provides a year-by-year view of our performance for each commitment for the period. We also complete a series of data tables (provided to us by Ofwat) that all companies use to provide a wealth of information on financial and non-financial information as well as information that is deemed necessary to understand how we run the business and the costs of doing so. They use this to assess our progress against our expected performance. The APR also contains an assurance section which helps to give Ofwat confidence in our reporting. Sitting behind this is our Assurance Framework that sets out the overall assurance (internal and external) we have in place to provide reliable, accurate and complete data.

After we submit the APR in July there is a lengthy process where Ofwat can ask us questions on any aspect of our submissions. If something isn't clear to them or they think a number is out of step or inconsistent with previous years they may ask us about it.

2. Why are we scoring low for Taste Smell and Appearance?

We have missed our performance commitment for year 2 – the target was 16 contacts per 10,000 population and we achieved 17.9 compared with performance in the previous year we have seen a slight increase in taste smell appearance contacts. There has been an improvement in contacts about taste and odour, but an increase in contacts about the appearance – specifically discolouration. Interruptions can cause discoloured water by disturbing the natural sediment in pipes, and sometimes water use by fire service or water misuse through standpipes can impact on water quality too.

Changes in water sources can change the taste of water that a customer is familiar with. UU have developed a comprehensive plan to deal with these issues, including better consistency of chlorine dosing to make sure there's more consistency across the region.

3. Can we provide any information on our previous track record on performance? How have we performed previously?

This information is available in the Annual Performance Report which is published on our website.

Customer questions: Stockport (NHH)



4. Do fines get paid by customers?

Customers do not pay for any fines which a regulator may impose on a water company – any such penalty would ultimately be borne by shareholders or the company itself. Customer bills are protected from the impact of such action.

5. How does United Utilities remuneration and profits work?

- *Executive pay is linked to meeting customer service, operational and environmental targets, individual performance and company share price.*
 - *The level of exec pay is set by an independent committee based on the market rate.*
 - *We invest twice as much as we make in profit. (around £800m a year)*
 - *Shareholders invest money in the company which we rely on to help fund our investment programme.*
- *Many of our shareholders are pension funds, so the dividends we pay are a key income source for many pensioners.*

6. Who is in charge of different types of flooding and pollution?

- *Sewers, including rainwater entering sewers – United Utilities*
 - *Main rivers – EA*
- *Ordinary watercourses (rivers and streams), surface water and groundwater – Local Authorities*
 - *Coastal – EA and Local Authorities (Rainfall Management)*

7. Why do overflows happen?

Storm overflows exist on combined sewers. A combined sewer collects wastewater from our homes (toilets, showers and washing machines etc.) and rainwater that falls on our roofs and roads. This wastewater then goes to a treatment facility to be cleaned before being returned to local watercourses.

In periods of heavy or prolonged rainfall, rainwater can overwhelm a combined system causing overflows to spill. Where sewer systems are fully separated there is no need for storm overflows as the variation in flow in the sewer is significantly reduced and the risk of flooding can be adequately managed.

In the North West we have the highest proportion of combined sewers in England, 54% of our sewer network is combined.

This is likely to result in a greater number of spills from our storm overflows.

Overflows can happen for a variety of reasons, and some of these are outside off United Utilities including farming and other industry overflows

Customer questions: Preston (HH)



1. What are our current Carbon emission levels?

We are progressing towards our science-based target to reduce emissions by 42 per cent from our baseline by 2030.

2021/22: 135,936 tCO₂e

2019/20: 138,961 tCO₂e (baseline year)

2. How much has United Utilities paid in Penalties?

We report our Penalties and Rewards in our Annual Plan every year via our scorecard.

Customer questions: Carlisle (HH)



1. How does having a water meter work? What's the impact on my bill?

Water meters work by tracking your exact water usage, and this is what your bill is based on, i.e., you pay for what you use. They're free to install, and there is a lowest bill guarantee for the first two years, so you won't pay more than what you do currently. There's lots more information on the United Utilities website.

2. Who is responsible for flooding and flooding defenses?

- Sewers, including rainwater entering sewers – United Utilities
 - Main rivers – EA
- Ordinary watercourses (rivers and streams), surface water and groundwater – Local Authorities
 - Coastal – EA and Local Authorities (Rainfall Management)

3. How much pipework is there?

There are 120,000 km of pipe on the United Utilities network.

Customer questions: Trafford (HH)



1. Will people be forced to get a smart meter?

United Utilities do not undertake forced metering. If customers do not wish to have a smart meter, then they are under no obligation to have one fitted.

2. How will they control the amount of water people are using at home?

We aim to reduce the amount of water used at home through a variety of ways, including education and communication on water efficiency and water meters.

3. Do United Utilities work with housing developers?

United Utilities regularly work with housing developers in a variety of areas including rainfall management, sewer capacity, water resources and innovation. We have a number of ongoing partnerships.

4. How do United Utilities restore coastal areas?

United Utilities complete coastal investigation studies for the North West coast focusing on pollution sources to bathing waters, where we look to identify which of United Utilities' assets are contributing to a bathing water not achieving good or excellent. We also work with the Environment Agency to ensure we are doing our fair share to improve beach health.

5. Will pipe replacements be done in more affluent areas first?

No, there will be two main approaches to replacing lead:

- The grant scheme for lead replacement – all properties that have a lead pipe can apply for a grant to support the cost of replacing the customer owned supply pipe, we will then replace the United Utilities owned communication pipe.*
- We are planning a targeted replacement programme to support customers who cannot remove their own lead pipe such as where there are reduced levels of home ownership and less disposable income to enable people to pay for works. This will focus on partnership working with e.g., social housing landlords and councils.*

Customer questions: Warrington (NHH)



1. Why do we have to go through a third party for our water?

The principal thinking is because it allows some competition for the retail part of your bill. So, a little bit of what you pay goes to the retailer and then you still provide the actual water and sewer services is still United Utilities. The market opened in April 2017 when more than 1.2 million business customers in England and Wales became eligible to choose their water and wastewater retail services provider

More detail can be found at the open water website where they state “ The business retail water market works in a similar way to the other utility markets, such as gas, electricity and telecoms. Wholesalers provide water and wastewater services to retailers, who in turn sell these services to business customers. Retailers compete with each other by offering the best deal and eligible customers can choose which retailer to buy water and wastewater services from”

2. Why are we the wettest country in Europe, but we pay the highest for our water bills?

Water bills are linked to a combination of population and population density and usage as well as rain. A large proportion of the bill goes towards the treatment and cleaning of water, which is very linked to how dense your population is and how many people you've got any given area.

Customer questions: Warrington (NHH)



3. When they are treating the water, who says it is ok to consume?

There is the Government Agency Drinking Water Inspectorate. They set standards for drinking water. Those were previously important by EU regulation; the now British regulations have. We have testing standards and frequencies that we have to comply with. And we comply with those standards in terms of safe safety. 99.95% of the tests will pass entirely and then there'll be a small number of which are relayed to technical concerns after result. If we ever were to failure had been quite a few years since we've had a concern, we would issue water notices and do not drink notices.

4. When we're talking about boring, is there any way you can get more water down there?

We are in a roundabout 70% of our supplies come from upland reservoirs and familiar with, with about the rest coming either from rivers or from boreholes, underground water, it's different in different parts of the country. In the northwest, it's quite small at the moment, this would be focused on increasing that percentage.

5. Whose responsibility is it to make sure businesses have a water meter?

Ultimately the responsibility for the meter rests with United Utilities and it belongs to United Utilities. The retailer's involvement is to keep United Utilities informed of anything we might need to know (if they can't locate it and they think it's been removed, if it's stopped or defective etc). In a nutshell we are responsible for the physical meter itself, the retailer is responsible for reading it.

Customer questions: Liverpool (FBP)



1. Do you need to pay to have a water meter fitted?

We fit meters for free and you have up to two years to see how much you save before deciding whether to stay on meter charges. And our lowest bill guarantee means that you won't pay more than you do now during the two-year trial and any savings you make are yours to keep.

2. How do United Utilities identify leaks?

Through technology we can even detect some before they happen and identifying and prioritising hidden leaks that would have previously gone undetected for some time.

3. How many years will £500m last?

This will last 5 years, as it's for our next business plan up to 2030.

Customer questions: Macclesfield (HH)



1. How will United Utilities reduce household consumption?

We aim to reduce the amount of water used at home through a variety of ways, including education and communication on water efficiency and water meters.

2. When was the last hosepipe ban in the North West?

There was nearly a hosepipe ban in 2018, but this was cancelled last minute. Before that, the last one was in 2010.

3. What is the percentage bill increase?

57% from the average bill (calculated within group).

4. What is in the water in terms of chemicals?

Raw water has to be treated and disinfected to kill any harmful germs that may be present. All stages of water treatment will remove some of the micro-organisms present, however, chemical disinfection is still needed to make sure the water is completely free from harmful bacteria and viruses. We do this by adding small amounts of chlorine, which is the final stage of treatment before the water is piped to our customers. The chlorine levels in the water supply are constantly monitored, and the water that leaves our works meets strict water quality standards.

At every stage in its journey from source to your tap, we sample, analyse, and continually monitor the effectiveness of water treatment to make sure we are providing all our customers with the highest quality drinking water

Appendix 4

Limitations of the prescribed approach

Limitations of the prescribed approach

Recruitment:

- **Recruitment from customer lists is renowned as a difficult recruit** in the industry. The rate of drop-outs proved much higher with respondents recruited from a list.
- **With scams so prevalent**, some customers were suspicious and contacted United Utilities/the venue to check that the research was legitimate.
- **The length of the sessions** (3 hours+) put some customers off, despite the incentive.

Session attendance

- **Attendance at some face-to-face sessions was low** e.g. 9/16 in Carlisle and 12/16 in Preston. Recruits had all received confirmation emails and reminder calls.
- **Drop out rates** were especially high amongst vulnerable customers and particularly the financially vulnerable.
- Despite integrating feedback from cognitive testing, the main feedback from these audiences was that the prescribed pre-task information put them off/was too overwhelming.

Research Content

- **The general consensus was that there was too much information to digest and that some of this information (the prescribed information) was too wordy:**
 - An explanation of the role of research with customers in PR24
 - An explanation of how water company performance is monitored
- **The comparative company performance** on key performance commitments presented a lot of technical information and was especially difficult for customers to understand, in particular the measure of water supply interruptions. While changes were made to the presentation of the figures following the cognitive tests, the underlying prescribed content was dense and difficult to digest.
- **What was missing?** Customers felt that, rather than seeing comparative data, they would have found it more useful to have seen how United Utilities had performed over time and whether it had met its own previous targets. They also wanted explanations as to *why* targets had not been met.

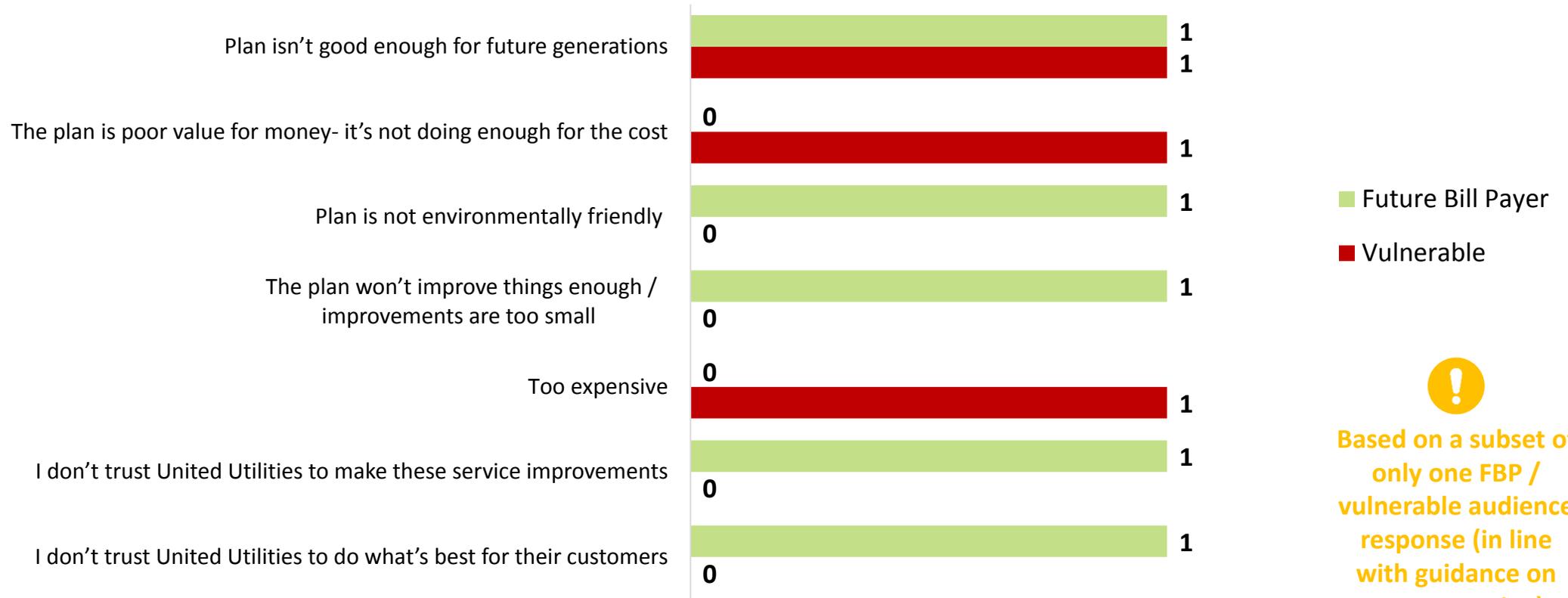
Appendix 5

Vulnerable audiences: reasons for finding the plan unacceptable

Acceptability of the proposed plan: vulnerable and future customers

What motivated vulnerable and future customers to say that the plan *was not* acceptable?

One vulnerable and one future customer believe the plan to be unacceptable and stated that they feel this way because it requires so little of the cost burden to be borne by United Utilities (2) and due to the plan not being good enough for future generations (2).



Base: Vulnerable (4) and FBP (1) respondents stating the plan is not acceptable. Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

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Pre-task: Background to the water industry

16

water companies in total

Water and wastewater companies

ANH: Anglian Water
WSH: Dwr Cymru
HDD: Hafren Dyfrdwy
NES: Northumbrian Water
SVE: Severn Trent Water
SBB: South West Water
SRN: Southern Water
TMS: Thames Water
Uuw: United Utilities Water
WSX: Wessex Water
YKY: Yorkshire Water

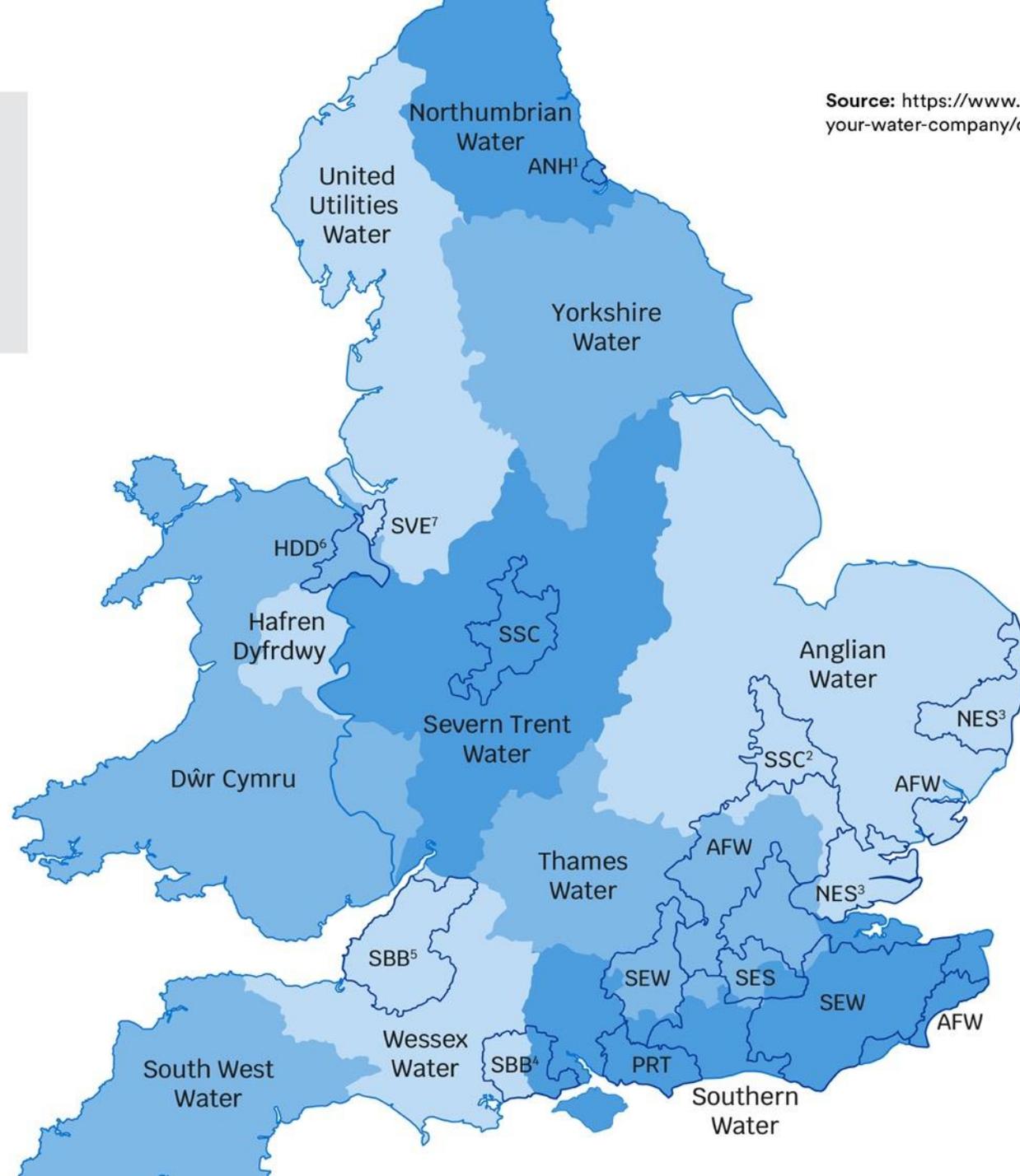
Water only companies

AFW: Affinity Water
PRT: Portsmouth Water
SEW: South East Water
SSC: South Staffs Water
SES: SES Water

Key

1. Water services provided under the Hartlepool Water name.
2. Water services provided under the Cambridge Water name.
3. Water services provided under the Essex & Suffolk Water name.
4. Water services provided under the Bournemouth Water name.
5. Water services provided under the Bristol Water name.
6. Hafren Dyfrdwy provides water services only in this area.
7. Severn Trent Water provides water services only in this area.

Source: <https://www.ofwat.gov.uk/households/your-water-company/contact-companies>



United Utilities: the North West region

3 million
household customers



200,000
businesses



830mm
rainfall each year, higher
than the UK average



34%
of the region is National
Park, Area of Outstanding
Natural Beauty or Sites
of Specific Natural Interest



7.4m
population, expected to grow
significantly in the next 25 years



5,000
people are directly
employed by United Utilities



88
water treatment works



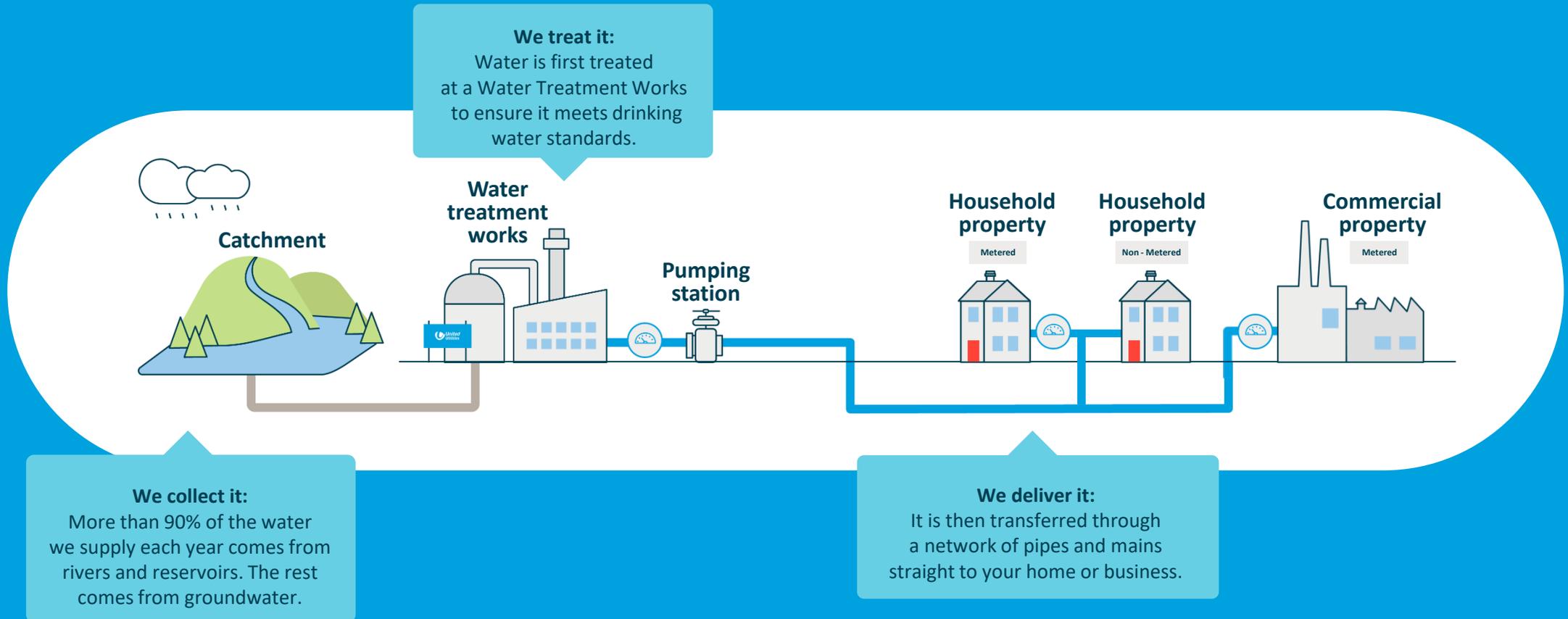
566
wastewater treatment works



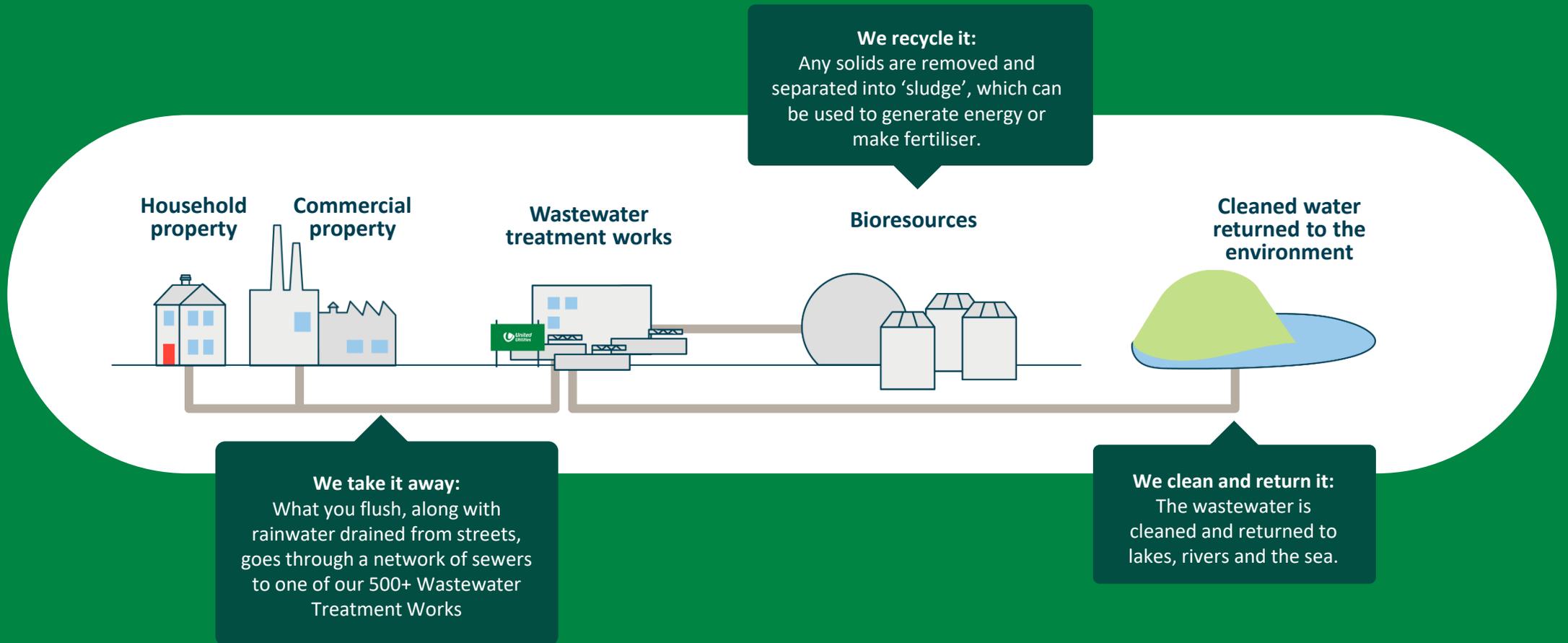
22,700
North West jobs connected
to United Utilities work



How does your water get to you?



How is your wastewater taken away?



Pre-task: Background to the consultation

“

Every five years, water companies develop a ‘business plan’ that sets out how they want to develop their services, and the proposed cost to customers. As customers are not able to choose their water company, water companies must give them a say about what they want from their services and the price they pay. Talking to customers also helps water companies prioritise what to do first or what to do most of – because they are not able to fund everything they would like to do or do all of the things that customers might want them to do.

The business plan and prices are then finalised by Ofwat in a process known as the Price Review.

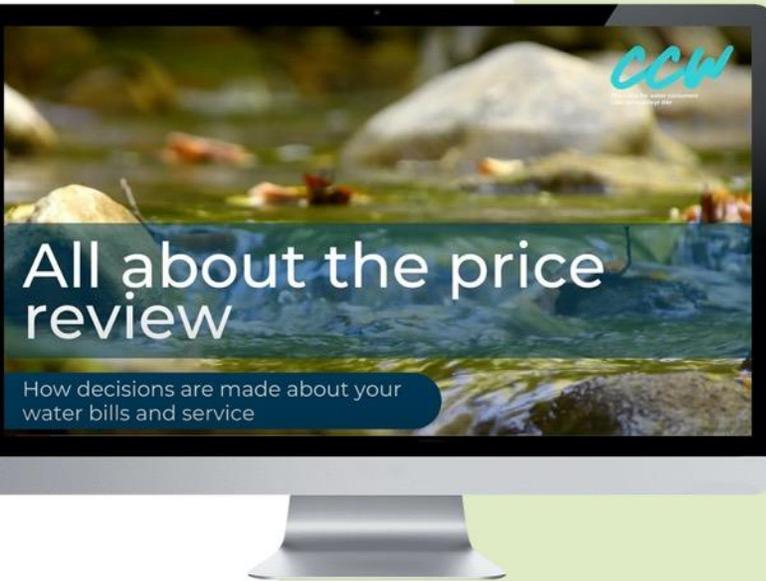
There is more information about this here: ‘All about the price review’.

Available at: www.youtube.com/watch?v=OWmivC93AF8

One of the ways that people have their say is through this research, which will explain what the plans are for where you live, and ask what you think – whether the plans are ‘acceptable’ to you and whether you can afford the proposed bills from 2025–2030.

Companies also have to show to Ofwat that their plans reflect what their customers want – that means refining the plans based on what customers tell them.

”



Ofwat

CCW
The voice for water consumers
Y corff sy'n rhoi llais i ddefnyddwyr dŵr

Water companies are currently part way through their five-year business plan for 2020 to 2025. They have service level targets, called ‘performance commitments’, in every five year business plan. These targets are based on what customers have previously told companies they would like them to do, and on Ofwat’s assessment of what companies should deliver. These targets cover a wide range of the different services that water companies provide.

Ofwat monitors water company performance against each performance commitment every year to see if they have met the service level in their business plan. We are now going to show you how well your water and/or sewerage company is doing on some of their performance commitments, compared to other water companies in England & Wales.

These performance commitments are a snapshot out of the wide range of services companies provide. We are showing these examples as customers have told us they are particularly important to them.

Water companies have to provide reliable services, and plan for their services to be resilient to changing weather patterns and demand from consumers. Companies can miss or exceed performance commitment targets for a number of reasons. For example, leaks from pipes happen more often after very cold weather, which can contribute to a company not meeting the target, and flooding from sewers is less likely in dry weather, which can lead to higher performance for sewer flooding service targets.



Pre-task: Comparative water company performance

Water company performance

As the regulator, Ofwat monitors the performance of water companies against their targets.

To encourage them to reach their targets, Ofwat instructs companies to develop performance incentives.

These can be penalties or rewards:

Penalties:



Financial penalties for the water company, applied when the company fails to meet the target set, or if the company delivers much worse levels of service than promised.

Rewards:



Financial reward where the water company has over-delivered against a set target (delivering a significantly improved service) or reduced its costs through innovation for example (without impacting on service).

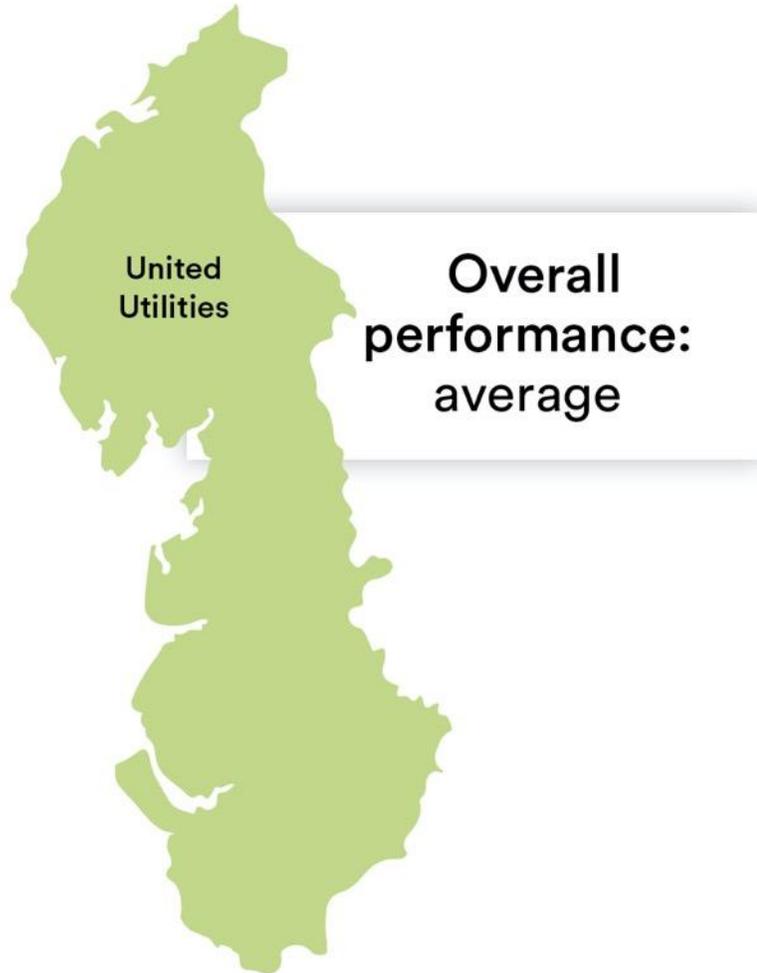
Consequences of poor performance:

If water companies are failing to deliver, they will need to address how they are putting things right through a clear improvement plan which Ofwat will monitor.



How did United Utilities perform in the most recent assessment?

Overall, United Utilities' performance in 2021/22 was scored as 'average' for the sector by Consumer Council for Water.



The following slides show United Utilities' performance for six important service areas for the year 2021/22. These will be discussed in more detail as part of the research.

- Best in class
- Meeting or exceeding targets
- Below target

| | |
|--|---------------------------------|
| Pollution incidents | BEST IN CLASS |
| Customer satisfaction | MEETING/ EXCEEDING TARGET |
| Priority services for customers needing extra help | |
| Leakage | |
| Mains repairs | |
| Unplanned supply interruptions | |
| Sewer collapses | |
| Household water use | BELOW TARGET |
| Planned supply interruptions | |
| Water quality | |
| Internal sewer flooding | |
| Treatment works compliance | |

Water companies measured on the amount of water lost due to leaks from water mains and pipes.

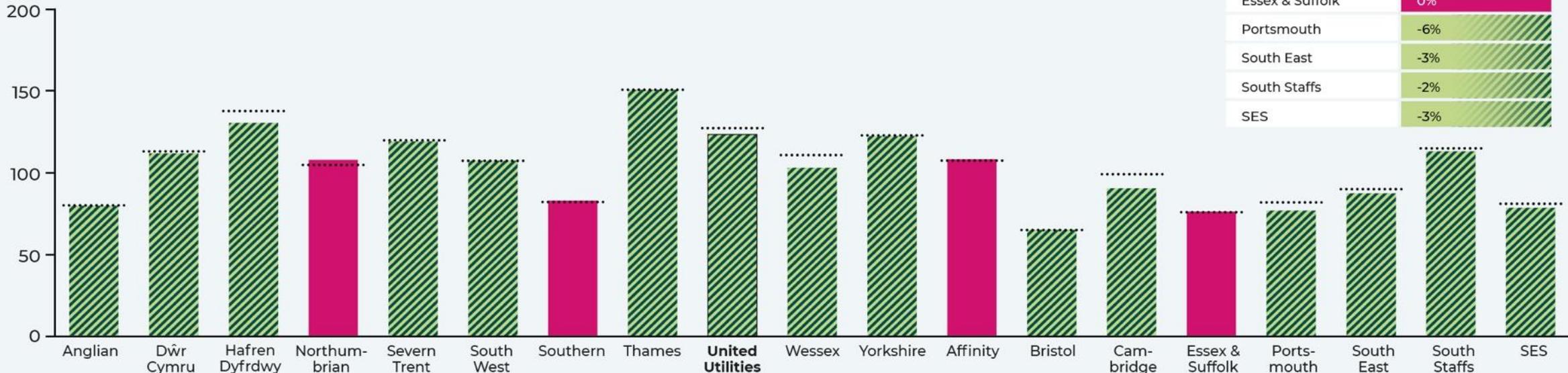
Number of litres lost per day per property served.
(A lower number is better.)

Company performance against targets.
(A lower percentage is better.)

- Target number for water lost due to leaks
-  Performing at or better than target
-  Performing poorer than target

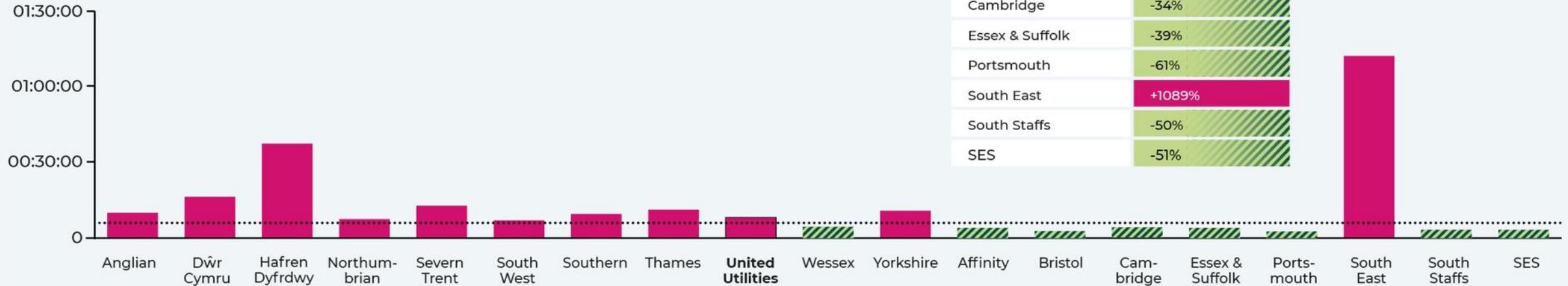
This bar chart and table include information from United Utilities.

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | -1% |
| Dŵr Cymru | -1% |
| Hafren Dyfrdwy | -5% |
| Northumbrian | +3% |
| Severn Trent | -1% |
| South West | 0% |
| Southern | +1% |
| Thames | 0% |
| United Utilities | -3% |
| Wessex | -7% |
| Yorkshire | -1% |
| Affinity | +1% |
| Bristol | 0% |
| Cambridge | -9% |
| Essex & Suffolk | 0% |
| Portsmouth | -6% |
| South East | -3% |
| South Staffs | -2% |
| SES | -3% |



Water companies measured on the length of time properties are without water.

Duration without water for more than 3 hours by minutes per property.
(A lower bar / number is better.)



Company performance against targets. **(A lower percentage is better.)**

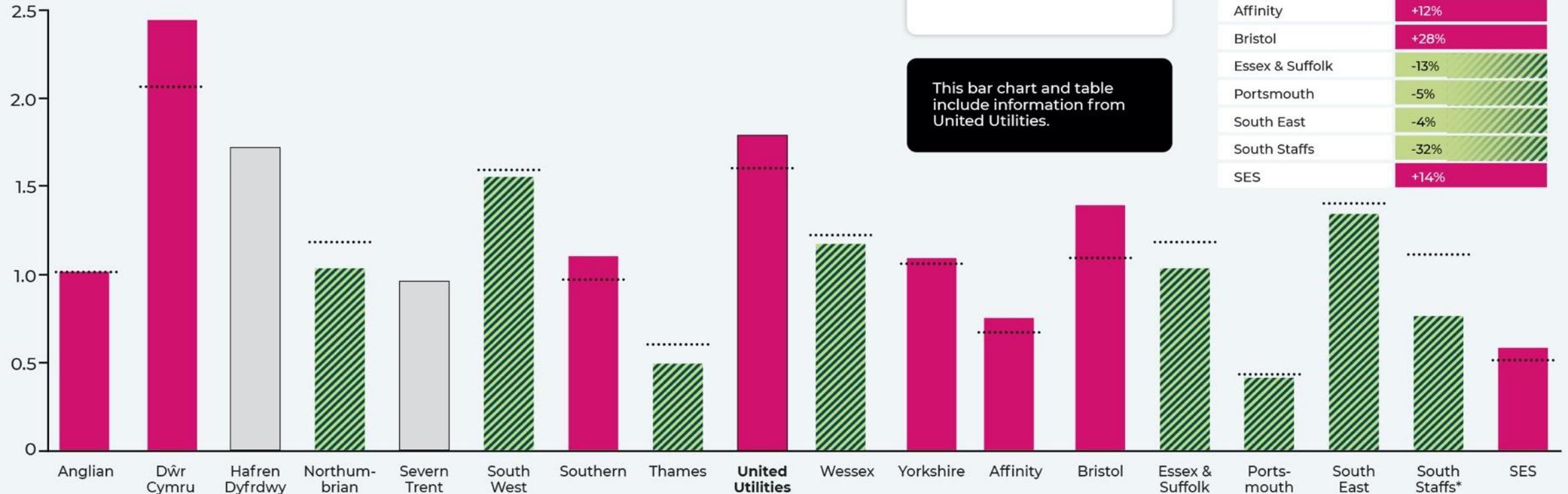
| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +61% |
| Dŵr Cymru | +166% |
| Hafren Dyfrdwy | +514% |
| Northumbrian | +19% |
| Severn Trent | +107% |
| South West | +11% |
| Southern | +54% |
| Thames | +81% |
| United Utilities | +31% |
| Wessex | -31% |
| Yorkshire | +74% |
| Affinity | -39% |
| Bristol | -59% |
| Cambridge | -34% |
| Essex & Suffolk | -39% |
| Portsmouth | -61% |
| South East | +1089% |
| South Staffs | -50% |
| SES | -51% |

- Target number for time properties are without water
- Performing at or better than target
- Performing poorer than target

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water.

Number of customer contacts received regarding incidents, per 1,000 customers. **(A lower number is better.)**

NB: Severn Trent and Hafren Dyfrdwy did not have comparable performance targets published.
* including Cambridge Water.



Company performance against targets. **(A lower percentage is better.)**

- Target number for customer contacts
- ▨ Performing at or better than target
- Performing poorer than target
- Do not have a target

This bar chart and table include information from United Utilities.

Water companies measured on the number of incidents of pollution of rivers and streams.

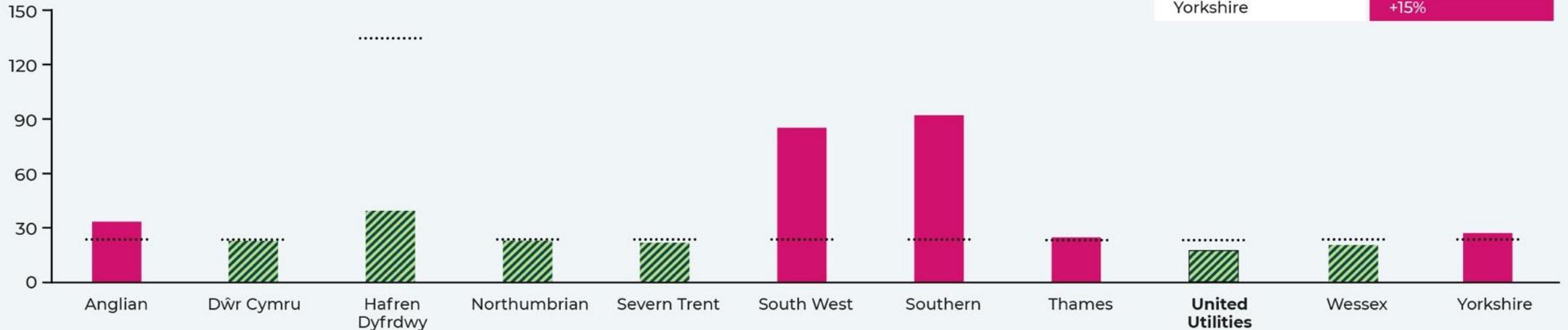
Number of incidents per 10,000km of sewer.
(A lower bar / number is better.)

..... Target number for pollution incidents

 Performing at or better than target

 Performing poorer than target

NB: Hafren Dyfrdwy does not have a common target in line with the other water companies due to the small size of its sewerage system.

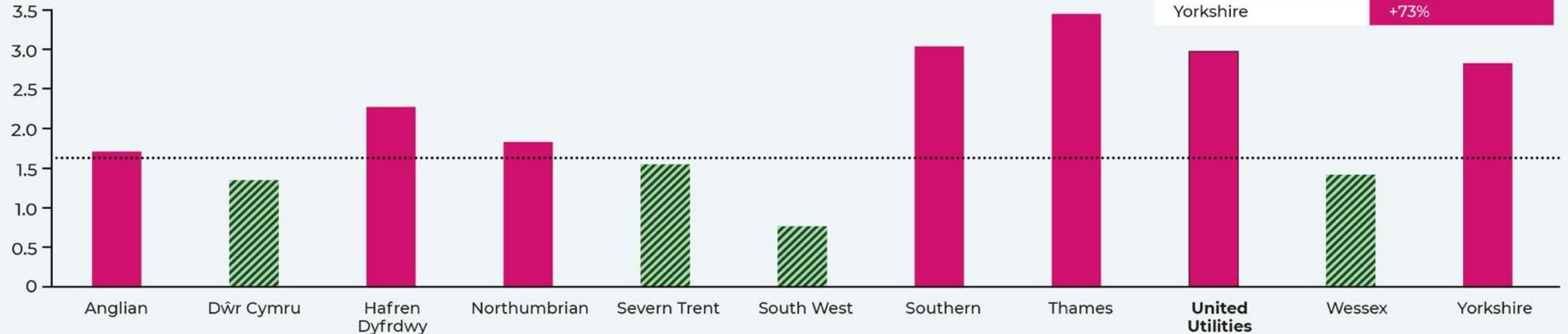


Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +42% |
| Dŵr Cymru | -4% |
| Hafren Dyfrdwy | -71% |
| Northumbrian | -3% |
| Severn Trent | -8% |
| South West | +265% |
| Southern | +294% |
| Thames | +5% |
| United Utilities | -25% |
| Wessex | -13% |
| Yorkshire | +15% |

Water companies measured on incidents of sewage flooding properties.

Number of properties affected, per 10,000 properties.
(A lower number is better.)



Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +5% |
| Dŵr Cymru | -17% |
| Hafren Dyfrdwy | +39% |
| Northumbrian | +12% |
| Severn Trent | -5% |
| South West | -53% |
| Southern | +86% |
| Thames | +111% |
| United Utilities | +82% |
| Wessex | -13% |
| Yorkshire | +73% |

Water companies measured on incidents of sewage flooding gardens or outbuildings.

Number of properties affected, per 10,000 properties.
(A lower number is better.)

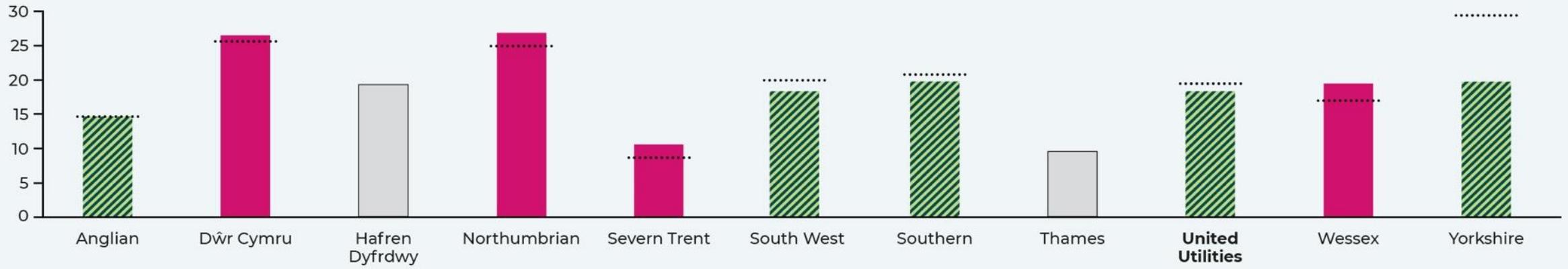
- Target number for incidents of sewage flooding gardens/outbuildings
-  Performing at or better than target
-  Performing poorer than target

NB: external sewer flooding is not measured by all Water and Sewerage companies, Hafren Dyfrdwy and Thames do not include this as a performance measure.

This bar chart and table include information from United Utilities.

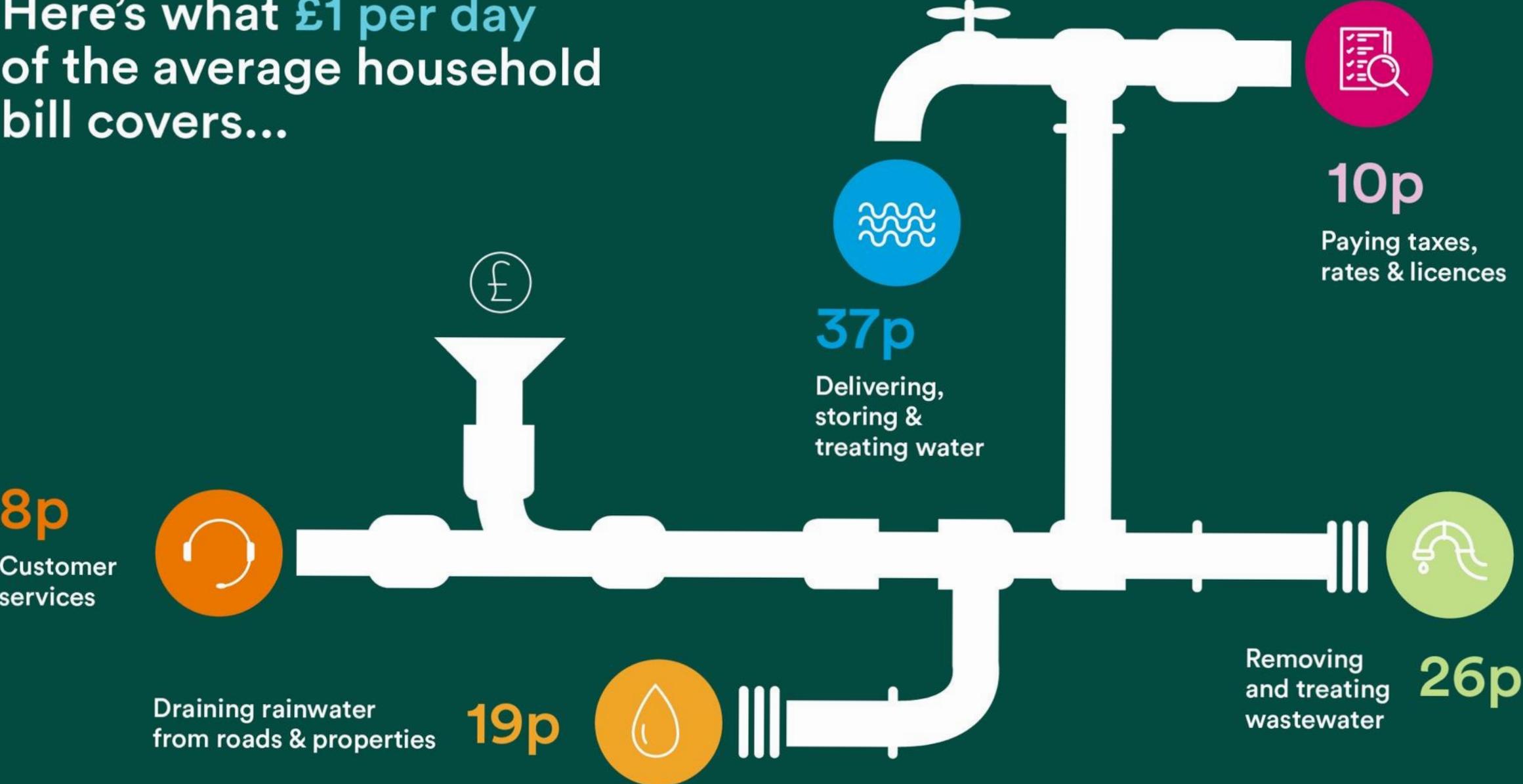
Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +0% |
| Dŵr Cymru | +3% |
| Hafren Dyfrdwy | N/A |
| Northumbrian | +8% |
| Severn Trent | +22% |
| South West | -8% |
| Southern | -5% |
| Thames | N/A |
| United Utilities | -6% |
| Wessex | +15% |
| Yorkshire | -33% |



Pre-task: What customers' bills pay for

Here's what £1 per day of the average household bill covers...





Household Pre Task Questionnaire:



| | |
|----------------------|---|
| Client name: | United Utilities |
| Project name: | Affordability and acceptability research (HH) |
| Job number: | 8942 |



Introduction

Thank you once again for agreeing to participate in United Utilities' Business Plan 2025-2030 Research.

You are scheduled to take part in a group discussion which last approximately 3.5 hours.

Ahead of the session, we would just like to ask you a few questions about the pre-task information which you have received. Once you have read all of the materials thoroughly, please complete this short questionnaire ahead of the session, it should take you no longer than 5-10 minutes.



MAIN QUESTIONNAIRE

Q01.

Base: All respondents

Your current water and sewerage services bill is X (X = current years bill amount pulled through water company sample).

How easy or difficult is it for you to afford to pay your water and sewerage bill?

Please select one answer only.

| Code | Answer list | |
|------|----------------------------|--------------------------|
| 1 | Very easy | <input type="checkbox"/> |
| 2 | Fairly easy | <input type="checkbox"/> |
| 3 | Neither easy nor difficult | <input type="checkbox"/> |
| 4 | Fairly difficult | <input type="checkbox"/> |
| 5 | Very difficult | <input type="checkbox"/> |

Q02.

Base: All respondents

We will start the session discussing your reactions to this information.

Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you?

Please write a sentence or two in the box below explaining your view and keep a note of your response to bring to the session with you.

| Answer |
|--------|
| |
| |
| |
| |
| |



**THANK YOU FOR YOUR PARTICIPATION.
DON'T FORGET TO BRING THIS COMPLETED QUESTIONNAIRE TO THE
SESSION.**

Overview of 'Our Plan' 2025–2030

United Utilities' business plan, 'Our Plan', for 2025 to 2030 is focussed on the company investing to improve the core services it provides to customers and to improve the region as a whole with more jobs and greater investment in the local environment and economy. 'Our Plan' is centred around three key ambitions for the North West, all of which have been identified by customers and communities in the region as important to them. By working together to address the challenges the region faces, United Utilities hopes to make the region **stronger**, **greener**, and **healthier**.

| | | |
|--|--|---|
| <p>A STRONGER NORTH WEST:</p> <p>Proactively protecting our service against future challenges like climate change</p>  | <p>A GREENER NORTH WEST:</p> <p>Reducing water wastage and protecting and enhancing the North West's nature and ecosystems</p>  | <p>A HEALTHIER NORTH WEST:</p> <p>Proving additional social benefits to North West communities</p>  |
| <ul style="list-style-type: none"> Investing £150m in pipes that are fit for the future Employing an inclusive and diverse workforce with 5,700 jobs Investing now to reduce the future impact of storms on the network... ...reducing the likelihood of future water restrictions Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment | <ul style="list-style-type: none"> Reducing water wastage by 25% on our network and reducing usage Significantly reducing sewage water spills into water courses by 39% Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term Protecting 200km of cleaner rivers to promote biodiversity and wildlife Planting a million trees Investing £162m to reduce carbon emissions by 40% through upgrading to processes with lower emissions and using renewable energy sources | <ul style="list-style-type: none"> Continuing to provide great quality drinking water across the North West Restoring six coastal water areas in the North West used for wild swimming and water sports Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches) Leading the utility sector on supporting vulnerable customers with services tailored to their health needs Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company |

Service improvements

All of these investments from 2025 to 2030 are expected to deliver significant improvements to many of the day-to-day services that United Utilities' customers rely on. In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives.

The first six of these ten are improvements that the water regulator, Ofwat, says water companies must include in their business plans. The last four, are voluntary targets that United Utilities wants to set itself, but these aren't required by Ofwat.

United Utilities targets for 2030

| | | | | | |
|---|--|---|---|---|--|
|  <p>Reducing the amount of water leakage</p> <p>25% improvement</p> |  <p>Reducing interruptions to your water supply</p> <p>45% improvement</p> |  <p>Reducing the number of water quality issues customers experience</p> <p>61% improvement</p> |  <p>Reducing the number of pollution incidents</p> <p>37% improvement</p> |  <p>Reducing the number of properties affected by sewer flooding inside their property</p> <p>36% improvement</p> |  <p>Reducing the number of properties affected by sewer flooding outside their property</p> <p>27% improvement</p> |
|---|--|---|---|---|--|

Voluntary improvements set by United Utilities: targets for 2030

| | | | |
|---|---|--|--|
| <p>Smart meters to help reduce usage & lower bills</p>  <p>670,000 new smart meters</p> | <p>Reducing the chances of a hosepipe ban</p>  <p>Halving the chance of experiencing a hosepipe ban or other water restrictions in dry weather</p> | <p>Carbon reduction to improve the environment</p>  <p>40% reduction</p> | <p>Affordability support</p>  <p>£500 million for support with bills</p> <p>More than any other water company</p> |
|---|---|--|--|

Wider statutory responsibilities

As part of its business plan for 2025 to 2030, United Utilities must adhere to the laws and regulations in place that affect how all water companies in England and Wales must act. These cover environmental legislation, as well regulations regarding their drainage, wastewater, and storm overflow infrastructure.

Environmental laws:

The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.

All water companies have a programme of work to meet these laws, including a Water Resources Management Plan (WRMP) and the Water Industry National Environment Programme (WINEP). These include:

- Reducing pollution of seas and rivers by sewage overflows.
- Not taking too much water from rivers and the ground.

- Making sure there is enough water available to protect the natural environment as well as providing a public water supply.

- Treating water and wastewater to a standard that does not harm the natural environment.

All water companies must produce a Water Resources Management Plan every 5 years which forecasts water supply and demand over a minimum period of 25 years.

Water companies must also meet legal requirements for the quality and safety of drinking water and protect reservoirs, treatment works and other sites to ensure they are safe and secure.

Storm overflow infrastructure:

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.

This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, of which 2,191 are in the United Utilities region.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites.
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm.

Drainage & wastewater:

The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks. The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.



Water for the North West



8942/United Utilities
HH Deliberative Session Discussion Guide (v9)
3.5 hours

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| (I) Introduction | 10 mins |
| Brief explanation of the purpose of the research | <p><i>Moderator to explain the nature of the research.</i></p> <ul style="list-style-type: none"> • I work for a company called DJS Research, we are an independent market research company and today we are working on behalf of United Utilities • Our client is looking to speak to their customers about United Utilities’ business plan for the period leading up to 2030, the impact of this plan on the service customers will receive and their bills, and your views on whether the proposed plan is acceptable to you as a customer. United Utilities have already done a lot of consultation with customers, stakeholders and communities on their 2025-2030 business plan and actioned feedback. Today is another stage in this consultation. <p><i>Moderator to reassure respondents about confidentiality / GDPR compliance.</i></p> <ul style="list-style-type: none"> • Feedback will be summarised into a report along with other research, we won’t pass names/specific details of who we have spoken to back to our client. • There are no right and wrong answers; we are just interested in your views, opinions and ideas. • Brief explanation about audio/video recording information – we may use anonymised quotes &/or video clips in our report to illustrate the research findings for our client, but these will not be attributed to you personally. Audio recording will be shared with United Utilities. • Introduce any client observers. • I am not an industry expert and, so, there may well be questions that you have that I cannot answer. We have representatives from United Utilities present today, who may be able to answer some questions depending on the department they work in. We’ll take other questions away and can send out the answers to those interested. • [Moderator: throughout, note down any unanswered respondent questions, along with response given] |
| Introductions | <p><i>Moderator to invite respondent(s) to introduce themselves.</i></p> <ul style="list-style-type: none"> • Please tell me your name and share a bit about yourself: <ul style="list-style-type: none"> • Hobbies • Family/household • Are you in work? What do you do? |
| (II) Reactions to the pre-task | 10 mins |

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| <p>Reactions to the pre-task</p> | <p>FOR THIS FIRST PART OF THE SESSION, YOU'LL BE TALKING IN YOUR SEPARATE GROUPS.</p> <p>[MODERATOR TO SPLIT INTO TWO SUBGROUPS OF 8 PEOPLE]</p> <p>MODERATOR: a few days ago, we sent out information packs to everyone here. These included a link to a video, a short leaflet about United Utilities and today's session, and a one-page summary of United Utilities' business plan.</p> <ul style="list-style-type: none"> • Is there anyone who didn't receive an information pack? • What were your initial thoughts on the materials provided? • Was there anything in the materials you saw that wasn't clear or that was difficult to understand? • What surprised you most out of the things you have read? <ul style="list-style-type: none"> • Why did it surprise you? • Having seen the information pack and video, what if anything, would you most like to know more about? • Has anything that you've seen, heard, or read within the information pack changed your opinion of United Utilities in any way? <ul style="list-style-type: none"> • (P) How? |
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| <p>(III) An introduction to United Utilities</p> | <p>15 mins</p> |
| <p>An introduction to United Utilities</p> | <p>I'D NOW LIKE EVERYONE TO REJOIN THE MAIN GROUP FOR THIS SECTION.</p> <p>I'd like to move the discussion on now, and spend some time thinking about United Utilities and what they do:</p> <ul style="list-style-type: none"> • Had anyone not heard of United Utilities before we invited you to this session? • What do you know about United Utilities? What does it do? • What words would you use to describe United Utilities as an organisation? <ul style="list-style-type: none"> ○ (P) IF NEEDED: If United Utilities were a person, what would they be like? • What are your main expectations of United Utilities as your water and sewerage provider? <ul style="list-style-type: none"> ○ (P) IF NEEDED: e.g., Service, reliability, value for money, environment <p>SHOW SLIDES 1-3: THE AREA UNITED UTILITIES COVERS AND ITS RESPONSIBILITIES/ ACTIVITIES</p> <p>On the screen now, is a quick overview of some of United Utilities' key responsibilities and activities.</p> <p>[Moderator read through list of activities displayed on screen]</p> <p>One thing to note, there are two kinds of water service provider in England and Wales. Some provide water services only (known as WoCs) whereas others provide water and wastewater services (known as WaSCs).</p> <p>This means that some households will have two separate suppliers (i.e. both a WoC and a</p> |

WaSC). Your water services provider, United Utilities, is a WASC and provides both your water and wastewater services.

Some of United Utilities' responsibilities are required by law, also known as statutory. However, there are areas not required by law that will provide more benefits to the service you receive, and to nature and society.

- Are any of these surprising to you?
 - Which/why?
- Is any of this information new to you or something you've not considered before?

- How would you describe your relationship with United Utilities?
 - Do you feel like a valued customer of United Utilities?
 - Why/why not?
 - What experience do you have of them?
 - What words would you use to describe how you feel about United Utilities?
- On a scale of 1-10, with 1 being the lowest and 10 the highest, how would you rate your own satisfaction with United Utilities?
 - MODERATOR ASK A FEW PEOPLE FOR THEIR SCORES AND ASK: Why have you given them that score?

- Have you been in contact with United Utilities in the last year or so?
 - If so, what for?
 - How was that experience? Did you get it resolved?

- Is there anything about the service United Utilities provides that you would like to see them improve?
- Now thinking about how trustworthy you feel United Utilities is, how would you rate United Utilities' trustworthiness? Again, please use a scale from 1 to 10 with 1 being the lowest trust and 10 being the highest.
 - MODERATOR ASK A FEW PEOPLE FOR THEIR SCORES AND ASK: Why have you given that score?
 - What could they do to be more trustworthy?

- Finally, how would you rate the value for money you received for your water and waste water services provided by United Utilities? Again, please do this on a scale from 1-10 with 1 being the lowest value for money and 10 the highest.
 - MODERATOR ASK A FEW PEOPLE FOR THEIR SCORES AND ASK: Why did you give this rating?

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| (IV) Temperature check - household finances/cost of living. | | 10 mins |
| Household finances | <p>In this next section, we want you to break up into your separate groups once again. In those groups, we're going to discuss the impact of the increased cost of living.</p> <p>Please nominate one person in your group to take notes and feedback to the main group at the end.</p> <ul style="list-style-type: none"> • Thinking about your own household finances, how positive or negative do you feel about them just now? <ul style="list-style-type: none"> ○ Has the situation changed over the last 6 months? How? ○ If you encountered an unexpected but necessary high-cost expense such as a new boiler, how easy would you find that to cover? <p>[Bringing group back as a whole] Who will be speaking for each group? What came from your discussion?</p> | |

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| (V) Focus on explaining the long-term picture to 2050 | | 20 mins |
| Long-term plan | <p>Before we take a detailed look at its proposed business plan, I would first like to talk to you a little about United Utilities' vision for delivering its services over the longer term, all the way up until 2050.</p> <p>United Utilities is currently drafting its long-term plans for the upcoming years until 2050. This covers its ambitions for a variety of areas, such as water supply, customer experience, and carbon net zero. Within this strategy, it will also lay out its plans on how it will achieve these ambitions.</p> <p>United Utilities' long-term planning activity considers the future challenges which could impact on its ability to deliver its services to customers. Due to the scale of these challenges, United Utilities needs to start planning for future years as well as focusing on more short-term issues. Future challenges that it is planning for include: climate change; a growing population; and technology change.</p> <p>SHOW SLIDE 3b</p> <p>Thinking about United Utilities four key objectives for the very long term, taking it to 2050, we would like your view of how appropriate and adequate you think they are.</p> <p>SHOW SLIDE 4: LONG-TERM PICTURE</p> <p>So, these four goals are:</p> <ul style="list-style-type: none"> ○ Achieving net-zero greenhouse gas emissions ○ Substantially reducing sewer overflows | |

- Managing increased water demand in the North West
- Improving river water quality
- Taking these four long-term goals for 2050 as a whole, do you feel that United Utilities is going too far, not far enough, or striking a good balance, in terms of these longer-term goals?
 - Why do you say that?
 - What do you think is missing?
 - What might you like to see them drop?
- Are there any specific goals on the screen now that you think are particularly important for United Utilities to aim for?

Next, I'm going to ask you to consider all of the longer-term goals discussed so far from three different perspectives. We're doing this to understand the full diversity of people's reactions.

These three perspectives are:

- As a **customer** of United Utilities: that is, someone who pays a water bill
- As a **consumer** of United Utilities' services: that is, someone who uses one or more of the range of services United Utilities provides, such as drinking water from the tap and flushing the loo
- As a **citizen** in the North West: that is, as a member of society who thinks about the wider needs of society and the environment over the longer term
- Taking the first of these, the **customer** perspective... If you were to consider United Utilities' long-term plan purely from a bill-payer's perspective, how would that affect your view of it?
 - Would your view change?
 - Why/why not?
 - Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a bill-payer?
- Secondly, the **consumer** perspective... If you were to consider United Utilities' long-term plan purely from the perspective of someone who uses the company's services, not as the bill-payer, how would that affect your view of it?
 - Would your view change?
 - Why/why not?
 - Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a service user?
- Finally, the **citizen's** perspective... Again, not as a bill-payer, if you were to consider United Utilities' long-term plan purely from the perspective of someone who is interested in the long-term needs of communities and of the environment in the North West, how would that affect your view of it?
 - Would your view change?

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| | <ul style="list-style-type: none"> ▪ Why/why not? <ul style="list-style-type: none"> ○ Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a citizen? <p>NOTE ABOUT PHASING: United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments.</p> <p>The planning of how this investment is rolled out is called 'phasing', and we will return to it at the end of our discussion in relation to United Utilities' business plan for 2025-2030.</p> |
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| ANNOUNCE 10-MINUTE BREAK | 15 mins |
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| (VI) Focus on the shorter-term picture (proposed business plan) PART 1 | 20 mins |
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| <p>In-depth review of the business plan</p> <p>Understanding of the wider business plan vision under the 'three pillars'</p> | <p>SHOW SLIDE 12: The proposed business plan (Three Pillars)</p> <p>We're now going to talk through the plan, step-by-step, to make sure that everyone understands what United Utilities is proposing and what that means for water customers in the North West.</p> <p>On the screen right now, is part of United Utilities' proposed business plan for 2025-2030. This is the plan outlined on the one-page summary and video you were sent before this session.</p> <p>Show Business plan video</p> <p>As you saw in the video, United Utilities has set out its plan under three 'pillars': stronger; greener; and healthier.</p> <ul style="list-style-type: none"> • Taking these three pillars as a whole, do you feel that United Utilities is going too far, not far enough, or striking a good balance, in terms of these longer-term goals? <ul style="list-style-type: none"> ○ Why do you say that? ○ What do you think is missing? ○ What might you like to see them drop? • Are there any specific goals on the screen now that you think are particularly important for United Utilities to aim for? <ul style="list-style-type: none"> ○ Why? • Are there any that you are concerned about? <ul style="list-style-type: none"> ○ Why? |
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| <p>Overview of the ten service areas and their targets</p> | <p>SLIDE 14: List of ten service areas mentioned in the business plan</p> <p>In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives. This isn't everything in United Utilities' plan for 2025 to 2030, however, it does cover some crucial aspects of the service customers receive.</p> <p>One important thing to bear in mind is that the first six of these ten improvements are on issues that the water regulator, Ofwat, says water service providers <i>must</i> include in their business plans. These six targets for improvement are set by Ofwat, however, water service</p> |
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| | <p>providers can choose to go beyond the targets set by Ofwat, if they wish.</p> <p>The last four, points seven, eight, nine, and ten, are <i>voluntary</i> targets that United Utilities wants to set itself, but they aren't required by Ofwat.</p> <p>In a second, we're going to look at each of these in detail, and I will have some questions for you about each.</p> <p>Before we do that, would anyone like us to clarify or expand on any of the ten service improvement areas on the screen?</p> |
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| (VII) Recap on the pre-task information | 20 mins |
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| Pre-task overview | <p>SLIDE 11: List of ten service areas mentioned in the business plan</p> <p>I now want you to return to your smaller groups to discuss your initial reactions to United Utilities' business plan.</p> <p>As before, please nominate a new person to take notes and feedback at the end of your discussion.</p> <ul style="list-style-type: none"> • Looking at the ten areas of service noted on the screen just now, which of these matters most to you? <ul style="list-style-type: none"> ◦ Why those? • And thinking about how United Utilities invests its resources in the near future, which of these areas of service do you think are in most need of additional investment or improvement? <ul style="list-style-type: none"> ◦ Why those? <p>[Bringing group back as a whole] Who will be speaking for each group? What came from your discussion?]</p> <p>SLIDES 5-10: Comparative data by improvement measure.</p> <p>I'm going to talk you through six important areas in which water service providers in England and Wales are regularly monitored and compared by The Consumer Council for Water. The Consumer Council for Water and Ofwat set targets for water companies and monitor performance and the companies have to provide evidence that they are doing things properly and giving accurate data. The Consumer Council for Water and Ofwat have to be satisfied that any targets set by the water companies is achievable.</p> <p>The graph on the screen just now shows you how United Utilities compares to other water and sewerage service providers in England and Wales in regard to [measure X].</p> <ul style="list-style-type: none"> • Looking at the data on the screen, how do you feel about United Utilities' performance for this area of service? • Do you feel they are doing enough? |
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| (VII) Focus on the shorter-term picture (proposed business plan) PART 2 | 60 mins |
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| <p>Customer assessment of the ten service areas</p> | <p>In this next section, we're going to take a look at each of the service goals on United Utilities' business plan. We'll see:</p> <ul style="list-style-type: none"> • what service improvements it is proposing • its current performance and proposed improved performance levels • a description of how United Utilities expects to achieve this increase in proposed performance <p>For this discussion, I'd like you to split out once again into your separate groups.</p> <p>SHOW SLIDE 15-24 – Detailed overview of business plan service improvement areas 1-10</p> <p>[REPEAT FOR ALL TEN POINTS OF THE PLAN] On the screen now is a detailed overview of the [first/second/etc] point on United Utilities' business plan. [Title of service element].</p> <p>[Moderator to talk through the following:</p> <ul style="list-style-type: none"> • Service improvement name • Service improvement description • Current performance • Proposed plan performance • Description of how this will be achieved] <ul style="list-style-type: none"> • In terms of the proposed plan target [X target], do you feel that United Utilities is going too far, not far enough, or striking a good balance? <ul style="list-style-type: none"> ○ Why do you say that? ○ What would you like to see them aim for, instead? • Looking at United Utilities explanation of how they are actioning this service improvement, does that seem plausible to you? <ul style="list-style-type: none"> ○ Does it seem realistic? ○ Do you think this is an acceptable way of going about it? ○ Is there anything that stands out as particularly good or interesting in the way they intend to achieve this target? ○ Do you have any concerns about the way they intend to achieve this target? ○ If you were in charge of planning this improvement, how would you plan it differently? <p>[REPEAT TASK FOR ALL TEN POINTS ON THE PLAN]</p> |
| <p>Acceptability and affordability of the proposed plan</p> | <p>SLIDE 25: List of ten service areas mentioned in the business plan</p> <p>In this last part of the discussion, I want us to return to reviewing the plan as a whole.</p> <ul style="list-style-type: none"> • Knowing what you do about the proposed business plan set forward by United Utilities, to what extent do you believe that it represents an acceptable plan for water management that would be acceptable from the following perspectives: <ul style="list-style-type: none"> ○ Customers (bill-payers) |

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| | <ul style="list-style-type: none"> ○ Consumers (service users) ○ Citizens (those with a social and environmental interest in the North West) ○ For each perspective: <ul style="list-style-type: none"> ▪ What benefits would it bring? ▪ What concerns would you have? <p>SHOW SLIDE 26 – PROPOSED PLAN BILL IMPACT</p> <p>Hand out price increase reference sheets</p> <ul style="list-style-type: none"> ● On this slide, there is an estimated increase in customers’ bills that would cover the cost of putting all of the improvements in this plan into place. ● You can use the reference sheet that you’ve been given to estimate how much this would increase your annual water bill. <ul style="list-style-type: none"> ○ Does this increase seem acceptable to you? <ul style="list-style-type: none"> ▪ Why/why not? ○ Would this increase affect how affordable your water bill is for you? <ul style="list-style-type: none"> ▪ Do you feel that this would be something that you would find easy to pay, frustrating to pay but not difficult, difficult to pay but not impossible, or impossible to pay, if it were introduced? ○ Under United Utilities’ proposed plan, certain bill payers who are struggling to pay their water bills may qualify for up to £200 support from a £500m fund. ○ Does this make the plan any more acceptable? So even if you don’t receive the support, if others do, does it make a difference? ○ If you were able to access a support package that provided £200 off your annual water bill, how would that affect the how affordable it would be for you? <ul style="list-style-type: none"> ▪ [Make specific note of responses from those who would find their bill difficult/impossible to pay] |
| <p>Review of ‘must-do’ plan</p> | <p>There are some things which United Utilities must do to comply with the new government laws and regulations which we have discussed with you.</p> <p>In the proposed plan, United Utilities plan to deliver more benefits beyond these requirements.</p> <p>Another option is that they just invest in the areas required to comply with these government laws and regulations. This would mean your annual bill would be reduced by around £2 a year by 2030 compared to the proposed plan.</p> <p>However, this would mean United Utilities would achieve a lower service level and less benefits for leakage, smart metering, carbon and the likelihood of a hosepipe ban.</p> <p>This is known as the ‘must-do’ plan.</p> <ul style="list-style-type: none"> ● In this plan: <ul style="list-style-type: none"> ○ There would be a 23% reduction in leakage, rather than 25% as set out in the proposed plan we’ve discussed. ○ The chance of a hosepipe ban would remain the same as it is now rather than halving the chances as in the proposed plan ○ There would be 595,000 fewer smart meters installed in homes and businesses (75,000 compared to 670,000) ○ There would be a 10% reduction in carbon emissions, rather than 40% ● These goals will cost customers less, but will also limit the scale of the improvements themselves. Overall, this would mean your annual bill would be reduced by £2 a year |

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| | <p>by 2030.</p> <ul style="list-style-type: none"> • However, this would mean United Utilities would achieve a lower service level and less benefits for leakage, smart metering, carbon and the likelihood of a hosepipe ban. <p>SHOW SLIDE 27 – MUST-DO BILL IMPACT</p> <ul style="list-style-type: none"> • Looking at the must-do plan, by implementing this plan, rather than the proposed plan, on average, customers would save approximately £2 on their annual bill each year. <ul style="list-style-type: none"> ○ Do you feel that the smaller improvement is acceptable in order to save money on your bill? ○ Why/why not? ○ [**Moderator: if participants have specific questions about why the must-do plan increases cost broadly in line with the proposed plan, use the three statutory requirement costs below to explain] • Are there any areas of the plan that you <i>would</i> be prepared to lose or reduce, in order to reduce the overall impact on your water bill? • As part of its business plan for 2025 to 2030, United Utilities must adhere to the laws and regulations in place that affect how all water companies in England and Wales must act. These cover environmental legislation, as well regulations regarding their drainage, wastewater, and storm overflow infrastructure. • These requirements must be addressed in both the proposed and ‘must-do’ plans: <ul style="list-style-type: none"> ○ United Utilities Water has a target in its least cost (‘must do’) business plan to comply with new environmental standards for 2025-2030, and this will add £60 in 2030 to the average household water bill. ○ United Utilities Water has a target in its least cost ‘must do’ business plan to reduce the chances of sewers flooding into properties by 36% for 2025-2030. The least cost ‘must do’ business plan will also adapt to climate change challenges and reduce the chances of sewer water overflowing into rivers. This will add £3 in 2030 to the average household water bill. ○ To work towards these longer-term targets, United Utilities Water has a target of an average of 20 spills per overflow in its least cost ‘must do’ business plan for 2025-2030. This will increase the average household bill in 2030 by £19. • Knowing that these areas of legislation affect the ‘must-do’ plan, as well as the proposed business plan, do you feel that this makes the cost of the ‘must-do’ plan any more or less acceptable to you? |
| <p>Review of phasing</p> | <p>As noted previously, United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments, as not investing now means no service improvements now which could mean a higher cost in the future as issues may get worse.</p> <p>There is an option to make additional investments to ‘future proof’ now so that the benefits can be experienced sooner and fewer problems arise in the future. An increase in bills would start sooner, spreading increases across different generations of bill payers.</p> <p>Alternatively, United Utilities could invest less in ‘future proofing’ now and tackle any future issues as and when they arise. The increase in bills and benefits experienced would start much later (i.e., years down the line) and would cost more to fix.</p> <p>SHOW SLIDE 32–PHASING OVERVIEW</p> <ul style="list-style-type: none"> • What are your thoughts on the three investment options you have been shown? <ul style="list-style-type: none"> ○ Why? • For you, what do you feel are the benefits of each approach? • And what about the drawbacks? • Which would you be happiest to see United Utilities implement? |

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| | <ul style="list-style-type: none"> • Thinking about the ten individual service improvement areas detailed in the plan, which would you like to see implemented soonest? <ul style="list-style-type: none"> ◦ Which would you be happy to see introduced later in the plan? <p>Which do you think is fairest to future generations of people living in the North West?</p> |
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| (VIII) Wrap-up including the post-task | 10 mins |
| Wrap-up (Guidance section 10) | <ul style="list-style-type: none"> • Before we finish, do you have any other thoughts or remarks about the topics we've discussed? • Do you have any questions about what we've discussed or anything you're not quite clear about? <p>Before you go, there is a quick survey that we need you to complete. Please complete the survey then come to me or my colleague for your thank you payment.</p> |

Any final questions from the clients/observers

Thank & Close

Stimulus

Section III: Introduction to United Utilities

16

water companies in total

Water and wastewater companies

ANH: Anglian Water
WSH: Dwr Cymru
HDD: Hafren Dyfrdwy
NES: Northumbrian Water
SVE: Severn Trent Water
SBB: South West Water
SRN: Southern Water
TMS: Thames Water
Uuw: United Utilities Water
WSX: Wessex Water
YKY: Yorkshire Water

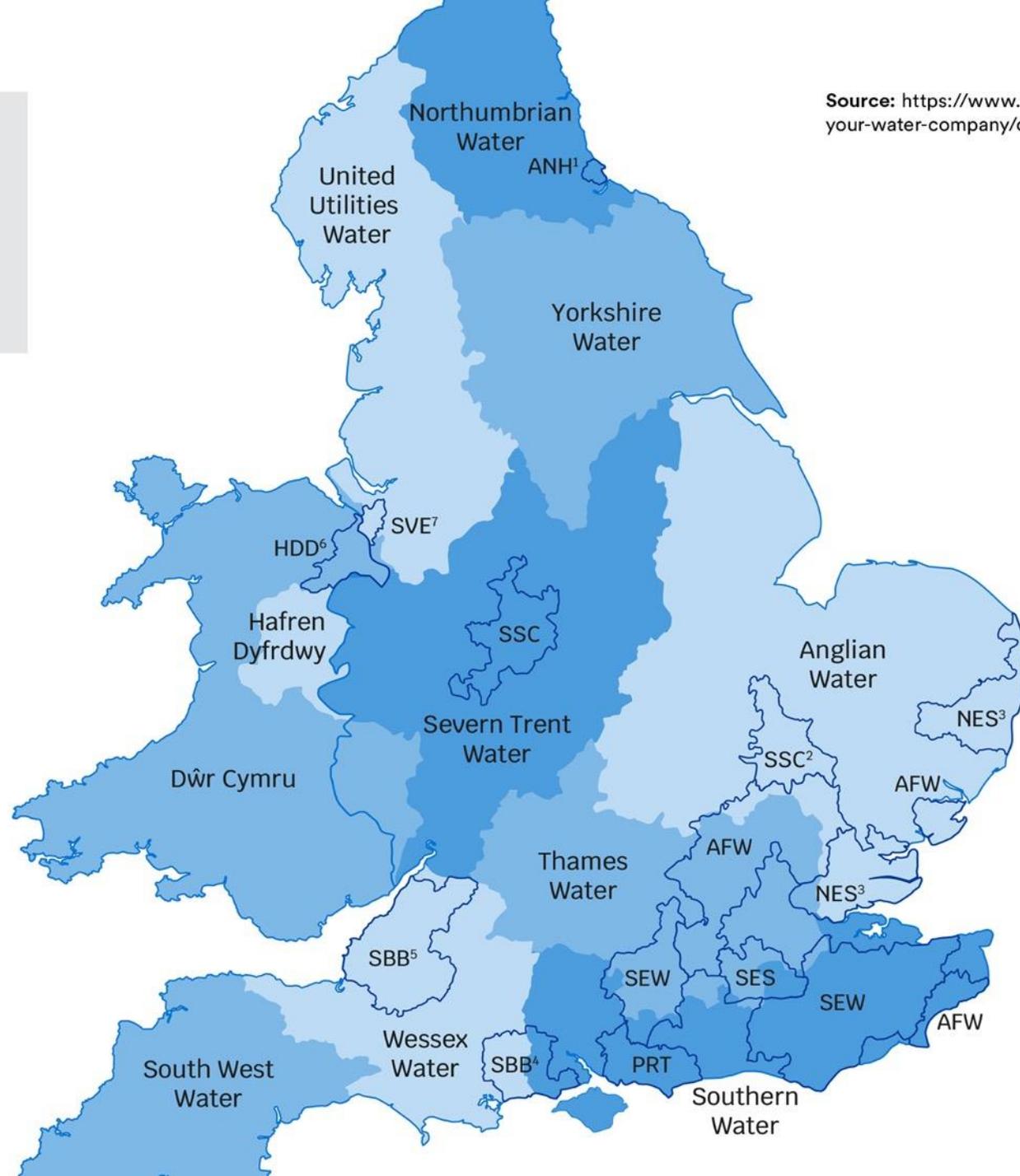
Water only companies

AFW: Affinity Water
PRT: Portsmouth Water
SEW: South East Water
SSC: South Staffs Water
SES: SES Water

Key

1. Water services provided under the Hartlepool Water name.
2. Water services provided under the Cambridge Water name.
3. Water services provided under the Essex & Suffolk Water name.
4. Water services provided under the Bournemouth Water name.
5. Water services provided under the Bristol Water name.
6. Hafren Dyfrdwy provides water services only in this area.
7. Severn Trent Water provides water services only in this area.

Source: <https://www.ofwat.gov.uk/households/your-water-company/contact-companies>



United Utilities: the North West region

3 million
household customers



200,000
businesses



830mm
rainfall each year, higher
than the UK average



34%
of the region is National
Park, Area of Outstanding
Natural Beauty or Sites
of Specific Natural Interest



7.4m
population, expected to grow
significantly in the next 25 years



5,000
people are directly
employed by United Utilities



88
water treatment works



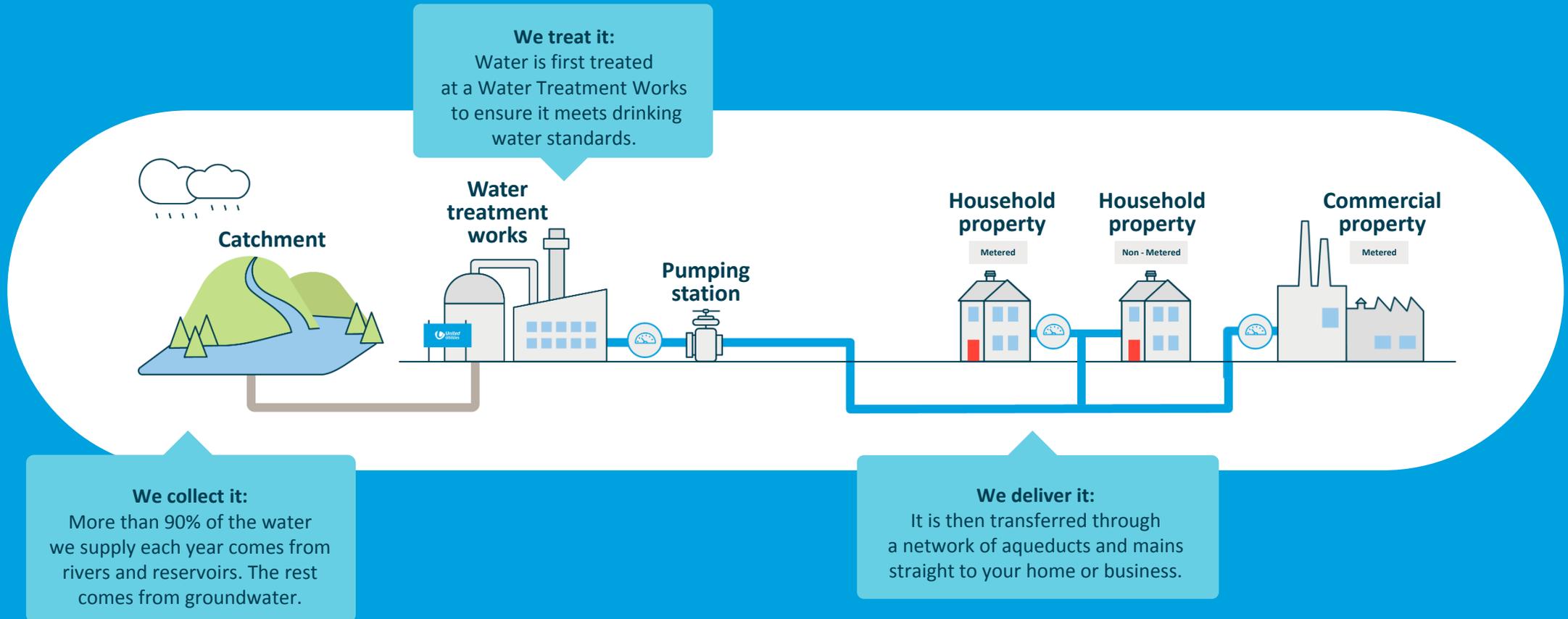
566
wastewater treatment works



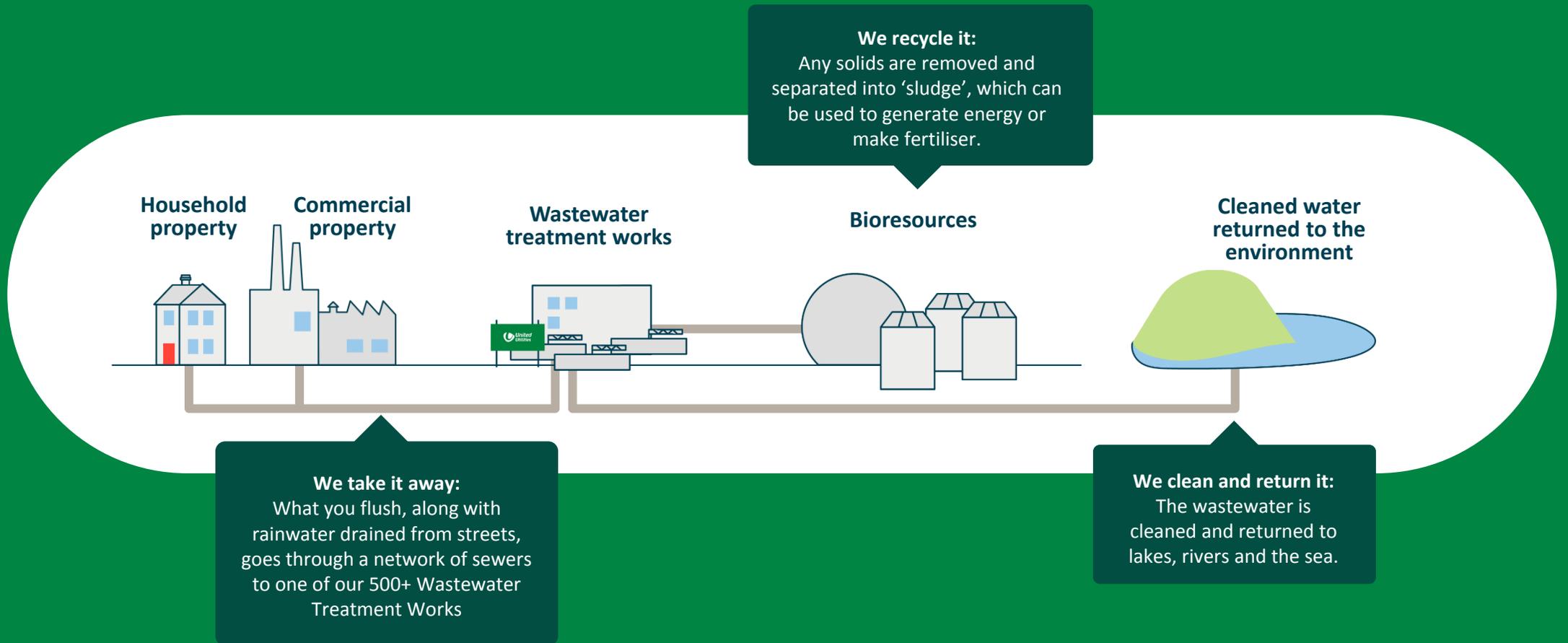
22,700
North West jobs connected
to United Utilities work



How does your water get to you?



How is wastewater taken away?



Stimulus

Section V: Longer-term picture to 2050

So... what's the problem?

We need to ensure that customers have a reliable supply of clean drinking water and that wastewater leaves our treatment works clean, but there are pressures due to:



Population growth
in the North West



Climate change

Climate change is predicted to cause drier summers, which will affect our water supplies, but the frequency of heavy rainfall and storms has increased and is also predicted to increase further, which could cause sewers to flood onto land and in homes or could leave the system before it's been fully treated and enter lakes, rivers, and the sea.

United Utilities' longer-term plan for 2050

Managing increased water demand in the North West

Leakage reduction of 50% by 2050 from 2017-18 level

Reduce household consumption to 110 litres per person, per day by 2050

Substantially reducing sewer overflows

Reducing local harm to biodiversity from combined sewer overflows by 2050

Reducing spills from combined sewer overflows to no more than an average of 10 spills per overflow by 2050

Improving river water quality

Investing in better treatment of sewage to reduce harmful impacts on rivers by 80% by 2037

Achieving net zero greenhouse gas emissions

Net zero greenhouse gas emissions by 2050

Stimulus

Section VI: Recap on the pre-task information

Water companies measured on the amount of water lost due to leaks from water mains and pipes.

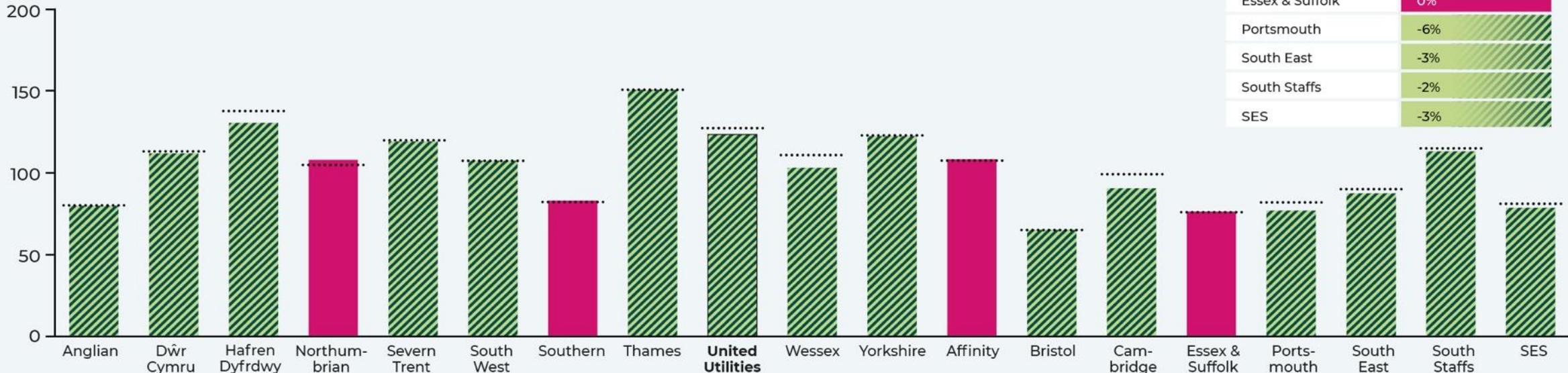
Number of litres lost per day per property served.
(A lower number is better.)

Company performance against targets.
(A lower percentage is better.)

- Target number for water lost due to leaks
-  Performing at or better than target
-  Performing poorer than target

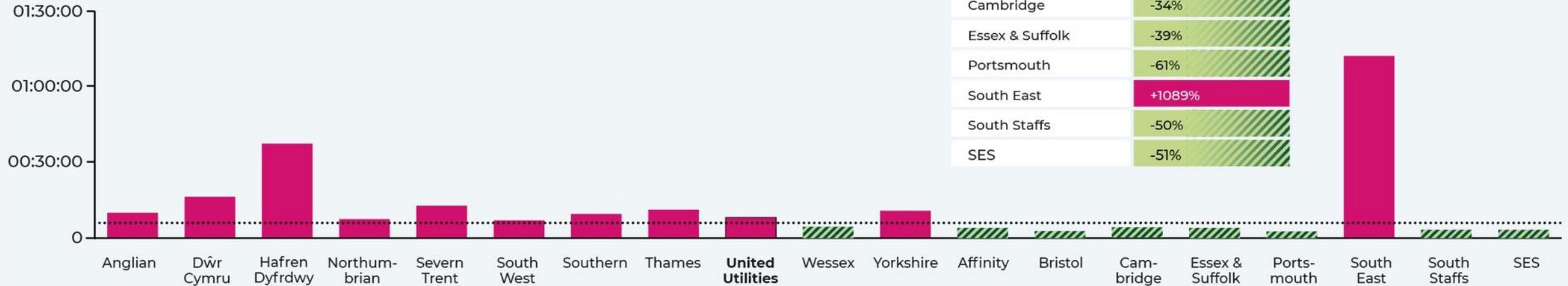
This bar chart and table include information from United Utilities.

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | -1% |
| Dŵr Cymru | -1% |
| Hafren Dyfrdwy | -5% |
| Northumbrian | +3% |
| Severn Trent | -1% |
| South West | 0% |
| Southern | +1% |
| Thames | 0% |
| United Utilities | -3% |
| Wessex | -7% |
| Yorkshire | -1% |
| Affinity | +1% |
| Bristol | 0% |
| Cambridge | -9% |
| Essex & Suffolk | 0% |
| Portsmouth | -6% |
| South East | -3% |
| South Staffs | -2% |
| SES | -3% |



Water companies measured on the length of time properties are without water.

Duration without water for more than 3 hours by minutes per property. (A lower bar / number is better.)



Company performance against targets. (A lower percentage is better.)

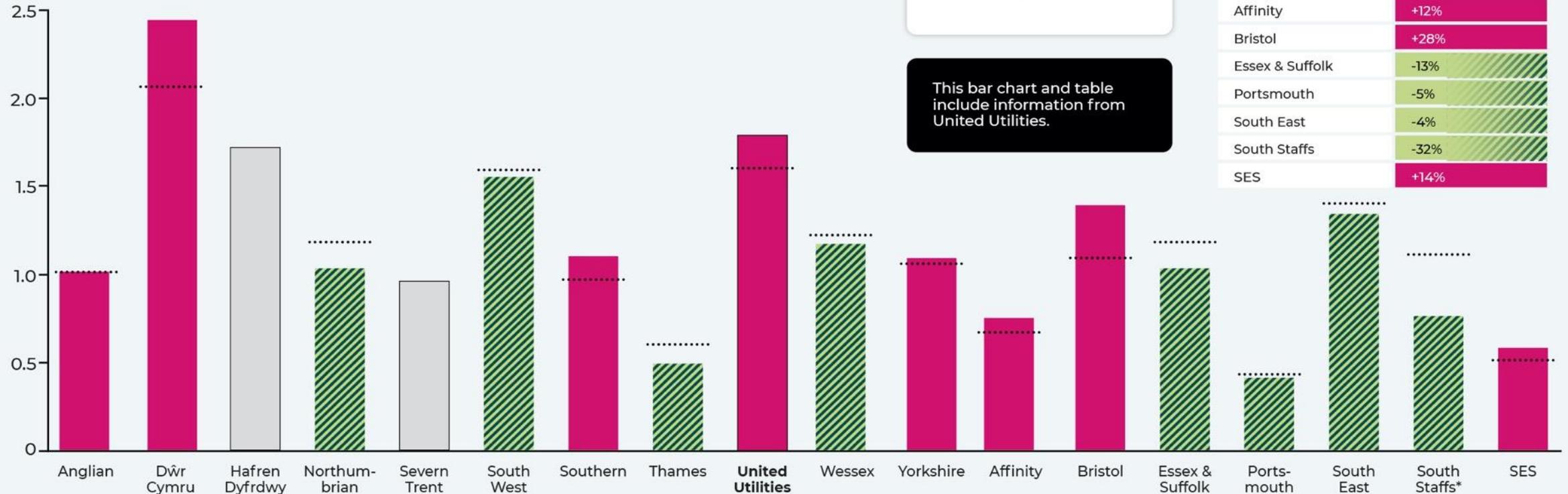
| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +61% |
| Dŵr Cymru | +166% |
| Hafren Dyfrdwy | +514% |
| Northumbrian | +19% |
| Severn Trent | +107% |
| South West | +11% |
| Southern | +54% |
| Thames | +81% |
| United Utilities | +31% |
| Wessex | -31% |
| Yorkshire | +74% |
| Affinity | -39% |
| Bristol | -59% |
| Cambridge | -34% |
| Essex & Suffolk | -39% |
| Portsmouth | -61% |
| South East | +1089% |
| South Staffs | -50% |
| SES | -51% |

- Target number for time properties are without water
- Performing at or better than target
- Performing poorer than target

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water.

Number of customer contacts received regarding incidents, per 1,000 customers. **(A lower number is better.)**

NB: Severn Trent and Hafren Dyfrdwy did not have comparable performance targets published.
* including Cambridge Water.



Company performance against targets. **(A lower percentage is better.)**

- Target number for customer contacts
- ▨ Performing at or better than target
- Performing poorer than target
- Do not have a target

This bar chart and table include information from United Utilities.

Water companies measured on the number of incidents of pollution of rivers and streams.

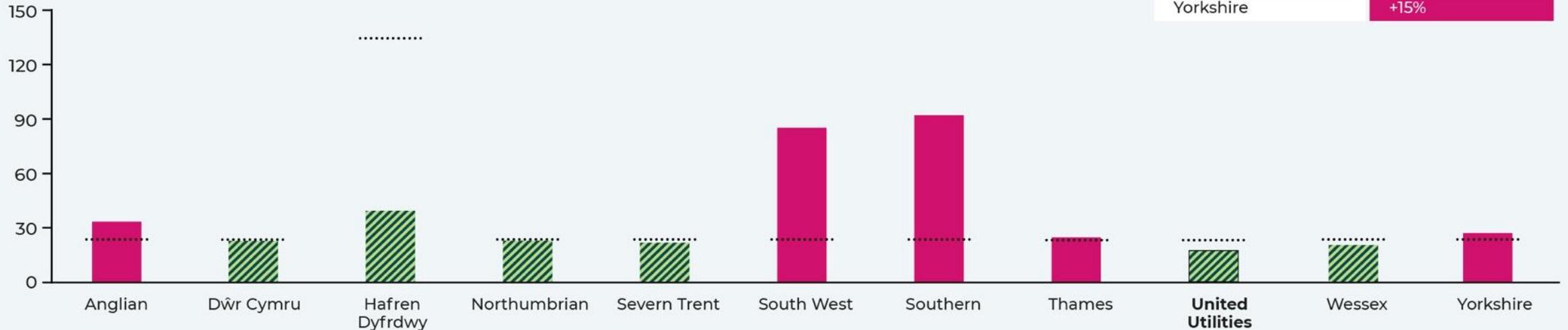
Number of incidents per 10,000km of sewer.
(A lower bar / number is better.)

..... Target number for pollution incidents

 Performing at or better than target

 Performing poorer than target

NB: Hafren Dyfrdwy does not have a common target in line with the other water companies due to the small size of its sewerage system.

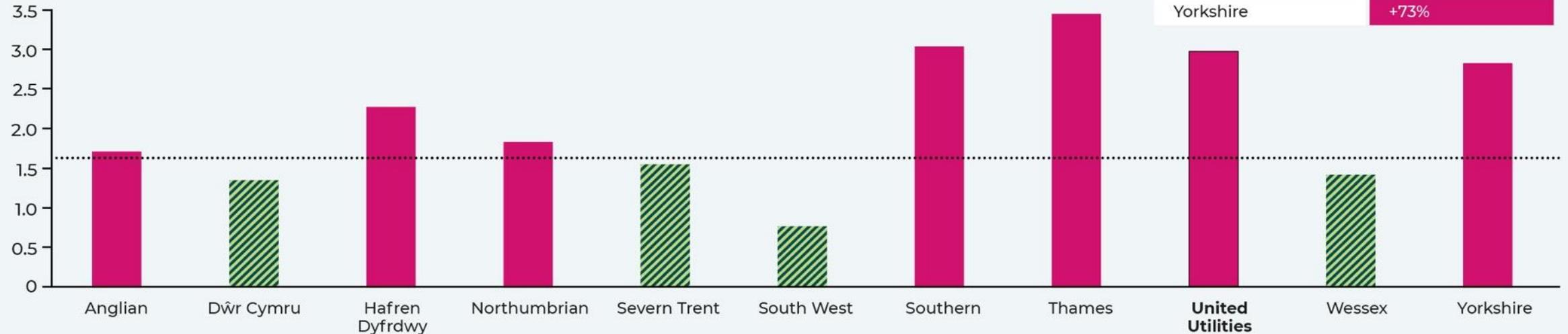


Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +42% |
| Dŵr Cymru | -4% |
| Hafren Dyfrdwy | -71% |
| Northumbrian | -3% |
| Severn Trent | -8% |
| South West | +265% |
| Southern | +294% |
| Thames | +5% |
| United Utilities | -25% |
| Wessex | -13% |
| Yorkshire | +15% |

Water companies measured on incidents of sewage flooding properties.

Number of properties affected, per 10,000 properties.
(A lower number is better.)



Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +5% |
| Dŵr Cymru | -17% |
| Hafren Dyfrdwy | +39% |
| Northumbrian | +12% |
| Severn Trent | -5% |
| South West | -53% |
| Southern | +86% |
| Thames | +111% |
| United Utilities | +82% |
| Wessex | -13% |
| Yorkshire | +73% |

Water companies measured on incidents of sewage flooding gardens or outbuildings.

Number of properties affected, per 10,000 properties.
(A lower number is better.)

..... Target number for incidents of sewage flooding gardens/outbuildings

 Performing at or better than target

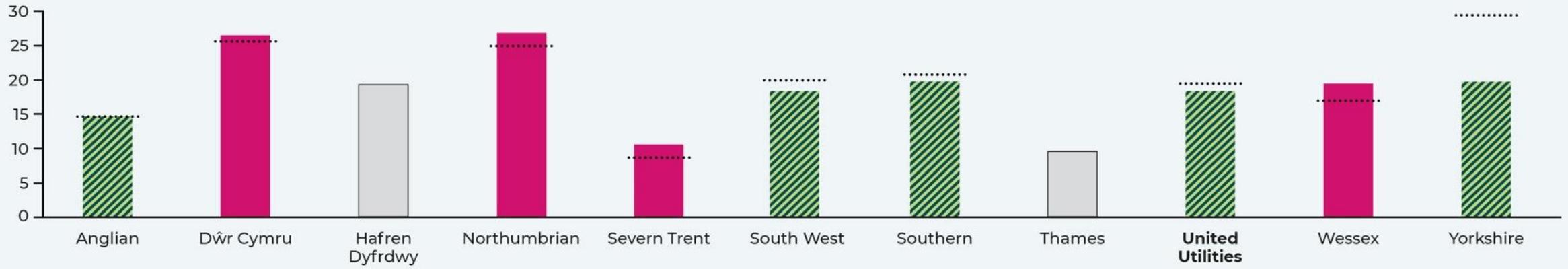
 Performing poorer than target

NB: external sewer flooding is not measured by all Water and Sewerage companies, Hafren Dyfrdwy and Thames do not include this as a performance measure.

This bar chart and table include information from United Utilities.

Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +0% |
| Dŵr Cymru | +3% |
| Hafren Dyfrdwy | N/A |
| Northumbrian | +8% |
| Severn Trent | +22% |
| South West | -8% |
| Southern | -5% |
| Thames | N/A |
| United Utilities | -6% |
| Wessex | +15% |
| Yorkshire | -33% |

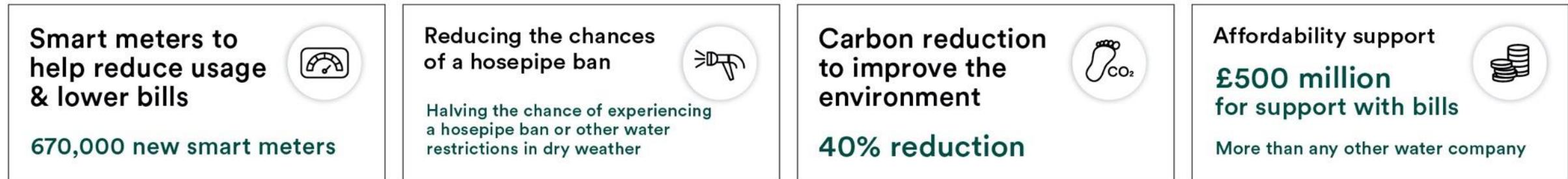


Service improvements

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



Stimulus

Section VII: Focus on
the shorter-term
picture (business plan)

A STRONGER NORTH WEST:



Proactively protecting our service against future challenges like climate change

- Investing £150m in pipes that are fit for the future
- Employing an inclusive and diverse workforce with 5,700 jobs
- Investing now to reduce the future impact of storms on the network...
- ...reducing the likelihood of future water restrictions
- Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment

A GREENER NORTH WEST:



Reducing water wastage and protecting and enhancing the North West's nature and ecosystems

- Reducing water wastage by 25% on our network and reducing usage
- Significantly reducing sewage water spills into water courses by 39%
- Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term
- Protecting 200km of cleaner rivers to promote biodiversity and wildlife
- Planting a million trees
- Investing £162m to reduce carbon emissions by 40% through upgrading to processes with lower emissions and using renewable energy sources

A HEALTHIER NORTH WEST:



Proving additional social benefits to North West communities

- Continuing to provide great quality drinking water across the North West
- Restoring six coastal water areas in the North West used for wild swimming and water sports
- Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches)
- Leading the utility sector on supporting vulnerable customers with services tailored to their health needs
- Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company

Wider statutory responsibilities

Environmental laws:

The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.

All water companies have a programme of work to meet these laws, including a Water Resources Management Plan (WRMP) and the Water Industry National Environment Programme (WINEP). These include:

- Reducing pollution of seas and rivers by sewage overflows.
- Not taking too much water from rivers and the ground.
- Making sure there is enough water available to protect the natural environment as well as providing a public water supply.
- Treating water and wastewater to a standard that does not harm the natural environment.

All water companies must produce a Water Resources Management Plan every 5 years which forecasts water supply and demand over a minimum period of 25 years.

Water companies must also meet legal requirements for the quality and safety of drinking water and protect reservoirs, treatment works and other sites to ensure they are safe and secure.

Storm overflow infrastructure:

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.

This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, of which 2,191 are in the United Utilities region.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm

Drainage & wastewater:

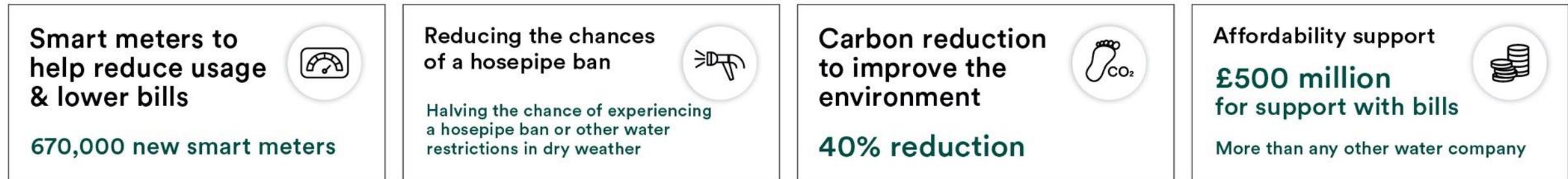
The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks. The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.

Service improvements

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



Reducing the amount of water leakage

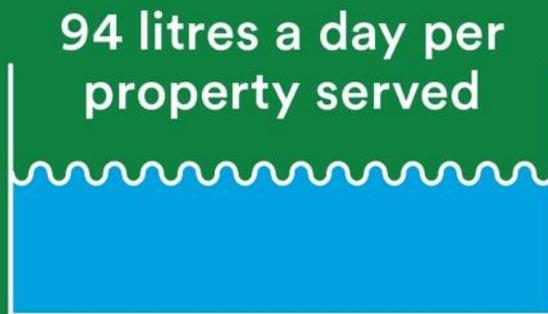


Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

25% improvement



Performance in 2021/22



Target for 2030

How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains to reduce the chances of pipes leaking.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

Reducing interruptions to your water supply



If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.

Duration without water for more than 3 hours by minutes per property

7 mins 58 secs



Performance
in 2021/22

4 mins 22 secs



Target
for 2030

45%
improvement

How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains, improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

1.79 complaints per 1,000 properties



Performance in 2021/22

0.7 complaints per 1,000 properties



Target for 2030

61% improvement



How do United Utilities say they will do this?

We are investing £150m in our pipes and pumps including upgrading 300km of water mains, improving our water treatment processes and installing innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

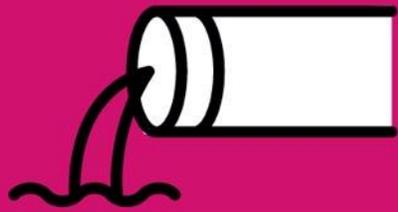
Reducing the number of pollution incidents



Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

17.71 incidents per
10,000km of sewers

11.21 incidents per
10,000km of sewers



Performance
in 2021/22



Target
for 2030

How do United Utilities say they will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

We plan to invest £3 billion for better treatment of sewage and to increase the capacity of our 49,000km sewer network to reduce the chances of pollution incidents occurring.

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

2.98 events per
10,000 properties



Performance
in 2021/22

1.91 events per
10,000 properties



Target
for 2030

36%
improvement



How do United Utilities say they will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.

18.71 events per 10,000 properties



Performance in 2021/22

13.67 events per 10,000 properties



Target for 2030

27% improvement



How do United Utilities say they will do this?

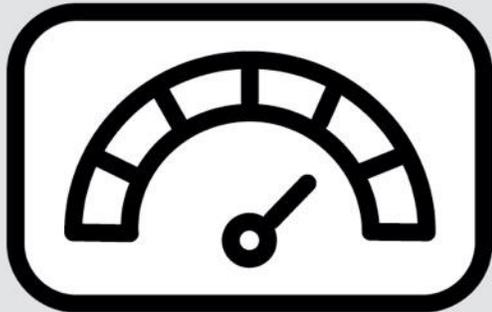
We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



670,000
new smart meters
in homes and
businesses

Target for 2030

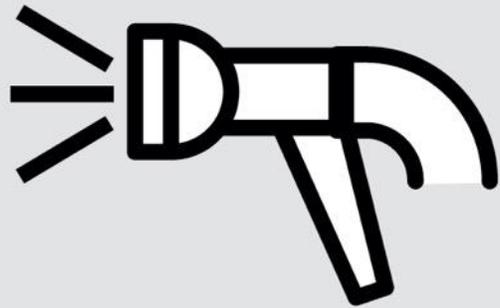


How do United Utilities say they will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills. Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.

Halving the chance of experiencing a hosepipe ban between 2025-2030

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance

Target for 2030



How do United Utilities say they will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future.

Carbon reduction to improve the environment

This relates to the carbon emissions generated by United Utilities in the process of providing its services.

40%
reduction

Target for 2030



How do United Utilities say they will do this?

£162m invested to improve treatment of sewage by using processes with lower emissions and moving away from fossil fuels by increasing our renewable energy sources.

We will also create woodland through planting a million trees and ensure key peatland and ecosystems are restored to protect the environment.

Affordability support

Under the proposed plan, United Utilities would assign £500m towards a fund for struggling bill payers.



£250
million

Performance
in 2021/22



£500
million

Target
for 2030



How do United Utilities say they will do this?

We are investing to ensure there is a support package of £500m to provide discounted bills to customers who are struggling to pay for their water.

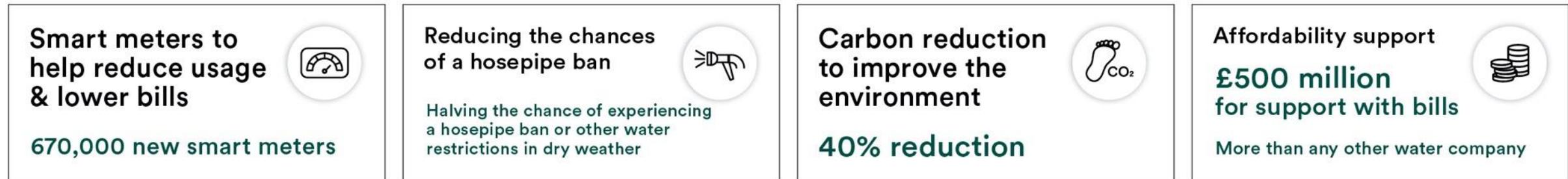
This is the largest support package of any water company.

Service improvements

United Utilities targets for 2030

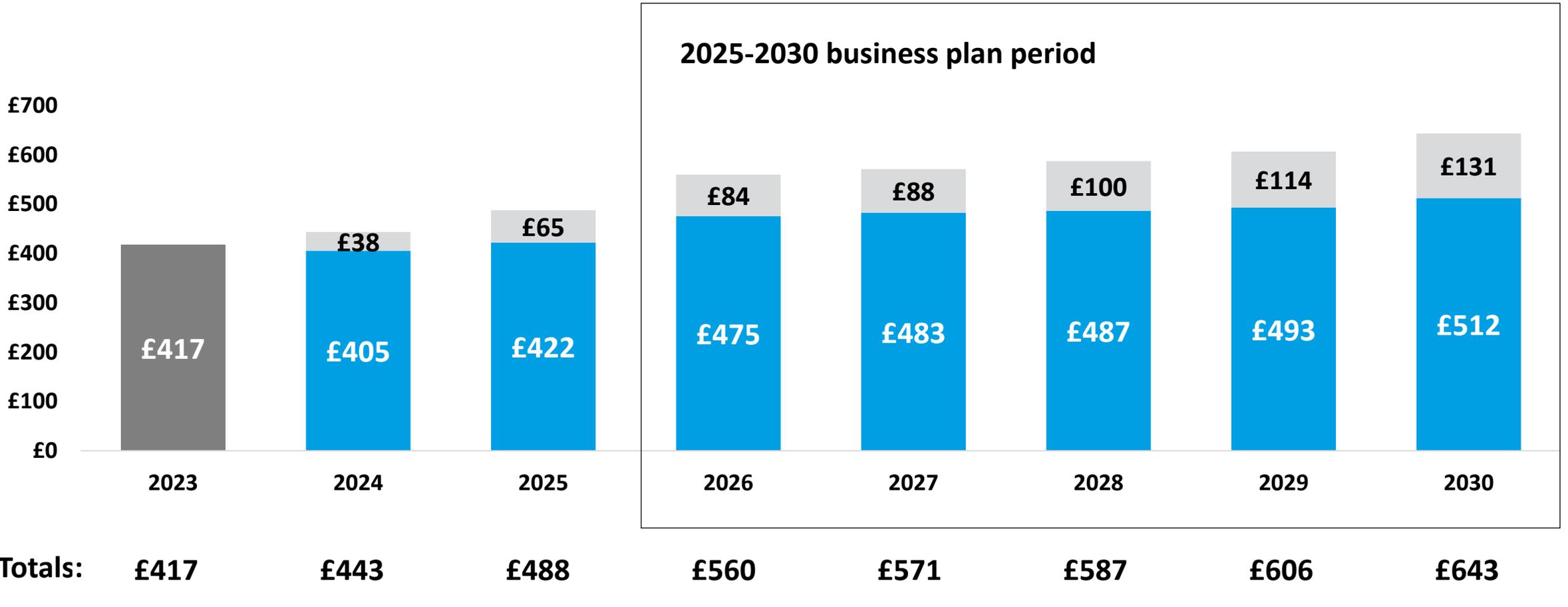
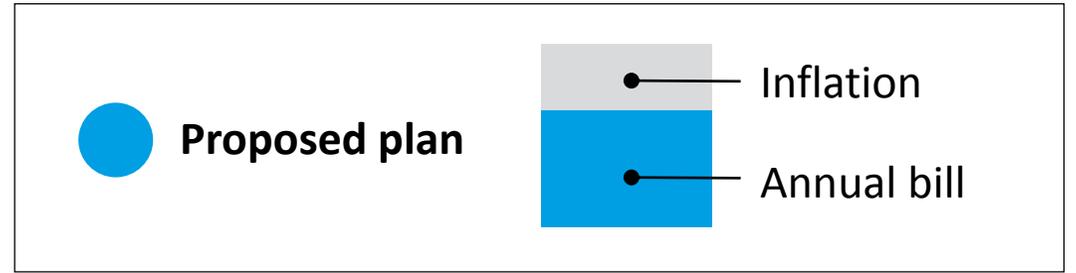


Voluntary improvements set by United Utilities: targets for 2030



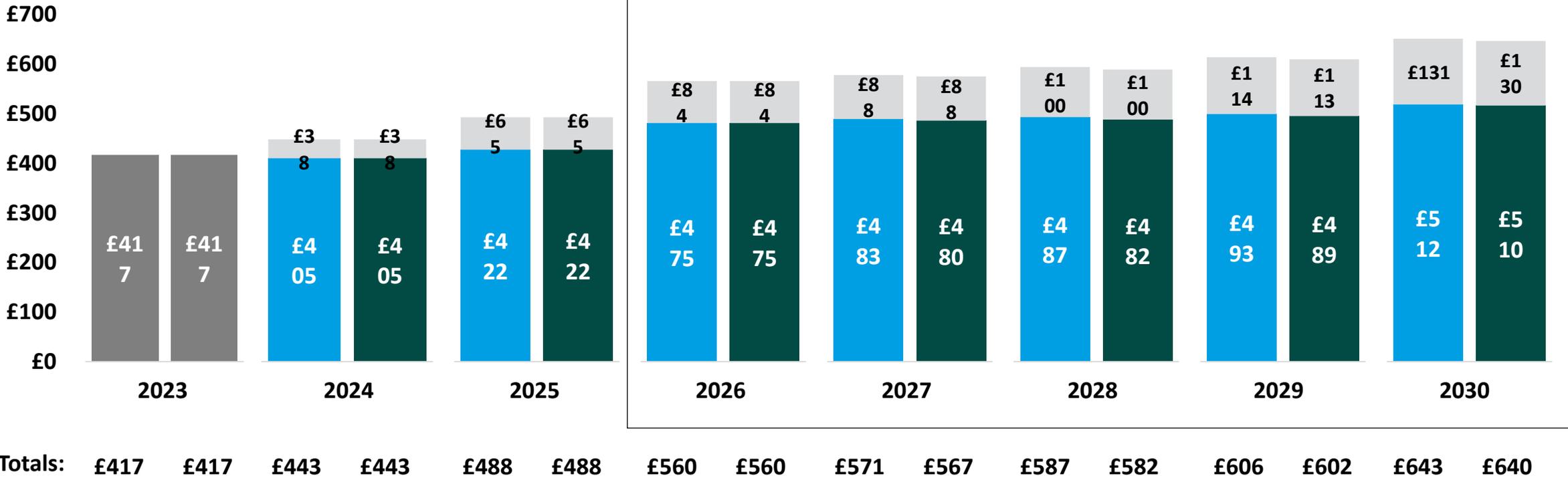
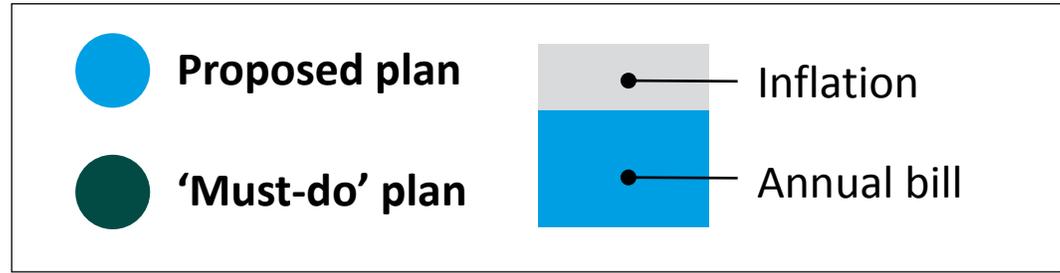
Proposed plan: annual bill impact

Average household retail dual bill, £/property



Bill impact comparison: proposed vs. 'must do' plans

Average household retail
dual bill, £/property



Phasing over time

| | Option 1 | Option 2 | Option 3 |
|-----------------------------|---|--|---|
| Description | Investment is spread out across 2030 to 2050 to improve services, gradually improving levels of service | Investment is sooner to allow for improvements to services earlier | Investment is delayed, so service improvements happen later |
| What this means for bills | Bills will increase gradually from 2030 to 2050 | Bill increases happen earlier, with a steep increase sooner and then hold steady | Bill increases happen much later with a steeper increase later on |
| What this means for service | Steady and gradual improvement to services from 2030 to 2050 | Rapid improvement to services earlier, and then improvements hold steady | Little to no improvements to services until later on when investment is undertaken. Rapid improvement to services after this. |

So... what's the problem?

We need to ensure that customers have a reliable supply of clean drinking water and that wastewater leaves our treatment works clean, but there are pressures due to:



Population growth
in the North West



Climate change

Climate change is predicted to cause drier summers, which will affect our water supplies, but the frequency of heavy rainfall and storms has increased and is also predicted to increase further, which could cause sewers to flood onto land and in homes or could leave the system before it's been fully treated and enter lakes, rivers, and the sea.



Household Post Task Questionnaire:



| | |
|----------------------|--|
| Client name: | United Utilities |
| Project name: | Affordability and acceptability research |
| Job number: | 8942 |



Q01.

Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

Please select one answer only.

| Code | Answer list | |
|-------------|----------------------------|--------------------------|
| 1 | Very easy | <input type="checkbox"/> |
| 2 | Fairly easy | <input type="checkbox"/> |
| 3 | Neither easy nor difficult | <input type="checkbox"/> |
| 4 | Fairly difficult | <input type="checkbox"/> |
| 5 | Very difficult | <input type="checkbox"/> |

GO TO Q02.



Q02.

Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?

Please select one answer only.

| Code | Answer list | |
|-------------|---|--------------------------|
| 1 | Completely acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 2 | Acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 3 | Unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 4 | Completely unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 85 | Don't know / can't say (GO TO Q04) | <input type="checkbox"/> |



Q03a.

You said that the proposed business plan is unacceptable...Why do you say that?

Please select the **TWO** main reasons from the list below or write in your own reason(s) if they are not displayed in this list.

| Code | Answer list | |
|------|---|--------------------------|
| 1 | Too expensive | <input type="checkbox"/> |
| 2 | United Utilities profits too high | <input type="checkbox"/> |
| 3 | The plan won't improve things enough / improvements are too small | <input type="checkbox"/> |
| 4 | United Utilities should pay for more of these service improvements out of their profits | <input type="checkbox"/> |
| 5 | The plan is poor value for money – it's not doing enough for the cost | <input type="checkbox"/> |
| 6 | The plan doesn't focus on the right things | <input type="checkbox"/> |
| 7 | I won't be able to afford this | <input type="checkbox"/> |
| 8 | I don't trust United Utilities to make these service improvements | <input type="checkbox"/> |
| 9 | Plan isn't good enough for future generations | <input type="checkbox"/> |
| 10 | I don't trust United Utilities to do what's best for their customers | <input type="checkbox"/> |
| 11 | Plan is not environmentally friendly | <input type="checkbox"/> |
| 80 | Other 1 – (please specify) | <input type="checkbox"/> |
| 80 | Other 2 – (please specify) | <input type="checkbox"/> |

GO TO Q04.



Q03b.

You said that the proposed business plan is acceptable...Why do you say that?

Please select the **TWO** main reasons from the list below or write in your own reason(s) if they are not displayed in this list.

| Code | Answer list | |
|------|--|--------------------------|
| 1 | It's not too expensive | <input type="checkbox"/> |
| 2 | The plan is good value for money – it's doing a lot for the cost | <input type="checkbox"/> |
| 3 | United Utilities plan focuses on the right things | <input type="checkbox"/> |
| 4 | I trust United Utilities to do what's best for their customers | <input type="checkbox"/> |
| 5 | The plan will make big / good improvements to things | <input type="checkbox"/> |
| 6 | I trust United Utilities to make these service improvements | <input type="checkbox"/> |
| 7 | Plan is environmentally friendly | <input type="checkbox"/> |
| 8 | I will be able to afford this | <input type="checkbox"/> |
| 9 | Plan is good for future generations | <input type="checkbox"/> |
| 80 | Other 1 – (please specify) | <input type="checkbox"/> |
| 80 | Other 2 – (please specify) | <input type="checkbox"/> |

GO TO Q04.



Q04.

Of the business plans you have seen today, which one do you prefer overall?

Please select one answer only.

| Code | Answer list | |
|-------------|--------------------|--------------------------|
| 1 | Proposed | <input type="checkbox"/> |
| 2 | Must do | <input type="checkbox"/> |
| 3 | Alternative option | <input type="checkbox"/> |

GO TO Q05.

Q05.

Why do you say that?

Please write a few words explaining the reasons for your decision.

| Answer |
|---------------|
| |
| |
| |
| |
| |

GO TO Q06.



Q06.

Base: All respondents

Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different way over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?
Please select one answer only.

| Code | Answer list | |
|------|--|--------------------------|
| 1 | An increase in bills starting sooner, spreading increases across different generations of bill payers | <input type="checkbox"/> |
| 2 | An increase in bills starting later, putting more of the increases onto younger and future bill payers | <input type="checkbox"/> |
| 85 | Idon't know enough at the moment to give an answer | <input type="checkbox"/> |

GO TO Q07.

Q07.

To what extent, if at all, do you trust United Utilities to deliver their proposed plan by 2030?
Please select one answer only.

| Code | Answer list | |
|------|--|--------------------------|
| 1 | Trust United Utilities to deliver it all | <input type="checkbox"/> |
| 2 | Trust United Utilities to deliver some of it | <input type="checkbox"/> |
| 3 | Trust United Utilities to deliver a little of it | <input type="checkbox"/> |
| 4 | Don't trust United Utilities to deliver it | <input type="checkbox"/> |

GO TO Q08.



Q08.

Why do you say that?

Please select the **TWO** main reasons from the list below

| Code | Answer list | |
|-------------|--|--------------------------|
| 1 | United Utilities give me a good service | <input type="checkbox"/> |
| 2 | United Utilities services are good value for money | <input type="checkbox"/> |
| 3 | United Utilities keep their service promises to their customers | <input type="checkbox"/> |
| 4 | United Utilities don't update their customers on how they are delivering | <input type="checkbox"/> |
| 5 | United Utilities don't give me a good service | <input type="checkbox"/> |
| 6 | IUnited Utilities services are poor value for money | <input type="checkbox"/> |
| 7 | Shareholders are more important to United Utilities than customers | <input type="checkbox"/> |
| 8 | United Utilities will want to put their bills up by more than this | <input type="checkbox"/> |
| 9 | United Utilities customers are their top priority | <input type="checkbox"/> |

GO TO Q09.



Q09.

How easy, or otherwise, was it for you to decide which plan you preferred?

Please select one answer only.

| Code | Answer list | |
|-------------|----------------------------|--------------------------|
| 1 | Very easy | <input type="checkbox"/> |
| 2 | Fairly easy | <input type="checkbox"/> |
| 3 | Neither easy nor difficult | <input type="checkbox"/> |
| 4 | Fairly difficult | <input type="checkbox"/> |
| 5 | Very difficult | <input type="checkbox"/> |

Q010.

To what extent do you agree with the following statements...

Please select one answer for each statement.

| Code | Statement | 1 – strongly disagree | 2 | 3 - neutral | 4 | 5 – strongly agree |
|-------------|---|--------------------------------------|----------|------------------------|----------|-----------------------------------|
| 1 | I was able to understand the various parts of the business plan. | | | | | |
| 2 | My responses were based on how much difference each part of the business plan would make to my household. | | | | | |
| 3 | My responses were based on how much the business plan would cost my household. | | | | | |
| 4 | I found it easy to choose which of the business plan components were most important to me. | | | | | |
| 5 | I found the session engaging and enjoyed participating. | | | | | |



**THANK YOU FOR YOUR PARTICIPATION.
PLEASE HAND YOUR COMPLETED SURVEY BACK TO THE MODERATOR.**

A.2 A&A Testing Quantitative Report and Materials

Accent



Water for the North West

Affordability and Acceptability Testing Quantitative Fieldwork

Final Report

11th September, 2023

Prepared by: Accent, 3 Orchard Place, London SW1H 0BF

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E-mail: Julian.hollo-tas@accent-mr.com

Telephone: 020 8742 2211



Registered in London No. 2231083, Accent Marketing & Research Limited, Registered Address: 30 City Road, London, EC1Y 2AB

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1 Executive Summary

1.1 Assurance Statement

This fieldwork was conducted in accordance with the requirements of the “Guidance for water companies: testing customers’ views of the acceptability and affordability of PR24 business plans” document issued by Ofwat and CCW (“the guidance”).

1.2 Methodology and Fieldwork

1,061 Household (HH) interviews were conducted, mainly via a “push to web” approach (i.e. invitation to complete online). 737 interviews were generated by an email approach, 324 by post. The Ofwat mandated minimum sample size was 500.

235 Non-Household (NHH) interviews were conducted. They were split 153 by NHH panel, 25 by CATI, and 57 by email contact with customers of NHH retailers operating in the United Utilities area. The Ofwat mandated minimum sample size was 200.

1.3 Summary of Results

Economic Outlook

The economic situation for households in particular, was found to be tough – with 36% of households reporting having had at difficulty with paying household bills. 14% of households stated that it was very or fairly difficult to manage financially. 41% expect their financial situation to worsen in the next few years.

The economic situation for businesses seemed almost as pressured – with 25% of NHH participants reporting at least some difficulty paying bills and 35% finding it difficult to manage financially now. The outlook was better though, with 53% of businesses expecting the situation to improve and just 19% expecting it to worsen.

Affordability

Affordability of the plan was low – with just 22% of participants saying the bill increases would be very or fairly easy to afford.

Household affordability was 15%. Lower income households found the bills particularly unaffordable, with 68% of households with an income of under £10,399 finding the increases very or fairly difficult to afford. Affordability was higher amongst metered users (18%) than unmetered users (11%).

The overall affordability figure rises to 39% for NHH participants. Non-metered businesses found the plan slightly more affordable than metered businesses, but the difference was not statistically significant.

Acceptability

Acceptability of the plan was much higher than affordability – 74% overall; with 70% of Household participants finding the plan acceptable (either fairly or very).

The main reasons for HH participants not finding the plan acceptable were financially driven; with United Utilities profits, the bill increases that go along with the plan being too high, and an expectation that the company (rather than customers) should be funding the plan being the top three responses.

Acceptability of the plan amongst NHH participants was even higher, with 85% of businesses finding the plan acceptable. This was the case even amongst businesses struggling to pay their bills (with 78% finding the plan acceptable). There were too few NHH participants finding the plan unacceptable to be able to provide robust analysis into the reasons.

Top Priorities for investment

Reducing leakage was the top water related investment priority for both HH participants (50%) and NHH participants (35%), although it should be noted that amongst NHH participants, reducing water quality issue contacts was equal top.

Reducing the number of pollution incidents was the top sewerage related investment area for HH participants with a majority (53%) choosing it over either internal or external sewer flooding. Again, the NHH audience were split inconclusively, with 43% choosing pollution incidents and an identical 43% choosing internal sewer flooding.

Of the 4 enhancement cases (affordability support, carbon reduction, smart meter installation, and hose pipe ban reduction), affordability was the clear priority of both audiences – with 44% of HH participants and 42% of NHH participants choosing it as being most important.

Intergenerational Fairness

Both HH and NHH audiences would prefer increases to start sooner and be better spread across different generations of bill payers (36% and 50% of responses respectively).

A remarkably large proportion of HH customers (45%) said they didn't know enough to answer – potentially indicating the difficulty of the choice in the current financial circumstances.

Just 19% of HH participants, and 25% of NHH participants, chose to delay increases and pass more of them on to younger and future bill payers.

2 INTRODUCTION

2.1 Background

United Utilities is responsible for water and wastewater services in the North West of England. They deliver 1.8 billion litres of water a day to more than 3 million homes and businesses in the North West, as well as treat all the wastewater which disappears around the U-bend.

The water sector in England and Wales faces a series of long-term challenges. Meeting these challenges requires business planning decisions to be made in a long-term context. At PR24, water companies are required to set out their five-year business plans in the context of a 25-year long-term delivery strategy. This will help ensure that what is delivered in the short term is likely to maximise long-term value for customers, communities, and the environment.

As part of this process, all water and wastewater companies are required to test the acceptability and affordability of their Business Plans with their customers before submitting their plans for the upcoming Price Review (PR24) in October 2023.

To ensure a standardised approach is used across the industry, Ofwat and CCW have produced guidance on how this research should be undertaken. This guidance has been designed to facilitate consistency and comparability between companies (e.g. question language, methodologies, approach taken to inflation, the degree to which participants are informed, clarity on least cost vs. proposed options, inclusion of vulnerabilities, different futures, single affordability scheme).

United Utilities has commissioned Accent to carry out the quantitative component of affordability and acceptability testing (AAT) with their customers. This report represents the findings from the quantitative stage.

2.2 Objectives

The overarching objective of this research is to measure customer support for the PR24 Business Plan.

More specifically, the research aims to:

- Ensure that customers' priorities and preferences are driving United Utilities PR24 investment plan decisions where appropriate.
- Provide evidence to demonstrate that customers consider the forecast bill impacts to be acceptable at various stages of development, including on affordability, levels of service and operational risk in the short and long term.
- Understand why customers have formed their opinions, and if plans are not thought to be acceptable, to understand what would need to change in order for the plan to become acceptable.

- Demonstrate that the engagement with customers reflects the potential range of affordability impacts in different futures.
- Follow the prescribed Ofwat/CCW guidance.

Accent conforms to the requirements of the quality management system ISO 20252:2019.

2.3 Report Structure

This document is the report on the quantitative stage of the affordability and acceptability testing for United Utilities. This report describes survey design and methodologies, alongside customers' view on the affordability and acceptability of United Utilities' AMP8 business plan.

2.1 Economic/media backdrop

This research was conducted against a backdrop of difficult circumstances for the economy, and with the water industry repeatedly making headline news for negative reasons.

Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income and United Utilities customers may be feeling more financially squeezed than normal.

In early February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase on 2022/23 bills. Throughout February 2023, oil and gas companies published record profits.

In May 2023 (and in reaction to public anger regarding stories of water companies releasing raw sewage into the UK waterways, a number of actions were taken within the industry.

- A number of water service provider CEOs (Yorkshire Water, Thames Water and South West Water) declined to accept their usual bonuses (water company exec bonuses having been subject to much media scrutiny and public discontent) due to poor performance.
- A joint apology was offered to the public for not acting quickly enough to prevent sewage spills, with a promise to increase investment to prevent spills in future to £10bn by 2030. However, some criticism was received due to this increased investment being funded by customers' bills.

At the end of June, the CEO of Thames Water resigned, it was revealed that the company was in £14bn of debt and there were fears it was on the verge of collapse. On August 9th the news headlines featured 6 water companies (including United Utilities) which could be facing £800m lawsuits over allegations of underreporting pollution incidents and overcharging customers.

3 METHODOLOGY

3.1 Introduction

Generally speaking, the methodology was heavily prescribed by the “Guidance for water companies: testing customers’ views of the acceptability and affordability of PR24 business plans” document issued by Ofwat and CCW (“the guidance”).

Having said that, the guidance changed and was clarified frequently throughout the research period. In all respects (unless documented within this report) the guidance in effect at the time was consistently followed.

United Utilities’ Independent Challenge Group, YourVoice, was informed and consulted throughout the research process, including inception, design, and fieldwork (particularly on parts of the research where the guidance was not specific, there was room for interpretation, or in the rare instance that it was thought best not to follow the guidance on a particular issue).

3.2 Cognitive testing

Comprehensive cognitive testing was carried out. 10 HH and 4 NHH cognitive interviews were carried out Zoom with the participant filling in the online survey and an Accent moderator observing and probing. Findings were presented to YourVoice, and all changes resulting from the cognitive testing process were implemented with YourVoice approval. Full report can be found in Appendix G.

3.3 Sampling and approach

Household (HH) sampling

The United Utilities area was treated as a single location, all of which is dual supplied by United Utilities. The target number of interviews was 1000¹.

The guidance specified that a random sample of domestic customers was to be approached and asked to take part in the research. Where the water company has an email address for a selected property, the approach was to be made by email. Where the company does not have an email address for the property, the approach was to be made by letter. A £10 incentive (in the form of either a high street retail voucher or a donation to WaterAid) was offered to all participants to encourage participation. Primarily, the recruitment used a push-to-web approach with online survey links and QR codes provided in the letter and email invitations. Participants were also offered the opportunity to make accessibility

¹ The minimum sample size listed in the guidance issued by Ofwat and CCW was 500.

requests (including requesting a paper version of the questionnaire to fill in and post back – 34 such requests were received and honoured).

The guidance mandates that areas of differing deprivation (as defined by the Index of Multiple Deprivation (IMD)) be boosted or suppressed by certain percentages, to account for lower response rates amongst more deprived areas and their importance in the research. The process by which this component of the guidance was followed, was to effectively convert the percentage given in the guidance to a “boost factor”, to sample by IMD decile naturally (using a consistent assumed response rate) and then adjust the number of selections by the boost factor. Where the IMD decile was not known, no boost was applied. The calculations used to define the universe for the research (and from which all sub-sampling was conducted), follows:

| IMD Decile | Properties in supply area | Percentage of supply area | ideal interview split | Assumed baseline response rate | Sample to be drawn (unadjusted) | Boost Factor | Sample to be drawn (adjusted) |
|------------|---------------------------|---------------------------|-----------------------|--------------------------------|---------------------------------|--------------|-------------------------------|
| 1 | 627931 | 21.96% | 220 | 4% | 5489 | 1.25 | 6862 |
| 2 | 356291 | 12.46% | 125 | 4% | 3115 | 1.25 | 3893 |
| 3 | 286124 | 10.01% | 100 | 4% | 2501 | 1.1 | 2751 |
| 4 | 243945 | 8.53% | 85 | 4% | 2133 | 1.1 | 2346 |
| 5 | 213929 | 7.48% | 75 | 4% | 1870 | 1 | 1870 |
| 6 | 192882 | 6.74% | 67 | 4% | 1686 | 1 | 1686 |
| 7 | 218464 | 7.64% | 76 | 4% | 1910 | 0.9 | 1719 |
| 8 | 243140 | 8.50% | 85 | 4% | 2126 | 0.9 | 1913 |
| 9 | 211861 | 7.41% | 74 | 4% | 1852 | 0.75 | 1389 |
| 10 | 180417 | 6.31% | 63 | 4% | 1577 | 0.75 | 1183 |
| Unknown | 84769 | 2.96% | 30 | 4% | 741 | 1 | 741 |
| TOTAL | 2859753 | | 1000 | | 25000 | | 26354 |

This ensured that the selection (a) matched the profile of the United Utilities area, and (b) boosted each IMD decile appropriately in line with the guidance.

Sample Exclusions were kept to a minimum (and were checked with both Ofwat and YourVoice):

- Any non-Domestic Customers
- Any Sundry Accounts
- Any Void Accounts
- Any Finalled or Inactive Accounts
- Any Deceased Accounts
- Any Priority Service Customers with Dementia
- Any Accounts where the Research Preference Code = N (opted out of market research)
- Any single tariff accounts – these are water or wastewater only accounts (in line with the Affordability and Acceptability Guidance, this exclusion was agreed through the Ofwat/CCW Acceptability and Affordability Testing query process, ref 59).

No quotas were set (in line with the Ofwat and CCW guidance).

Household (HH) Fieldwork

An initial sample was drawn from the universe, based on a much more optimistic response rate (8%), to ensure we did not invite more participants than was necessary. The proportions by IMD decile as defined above, were maintained. Records with an email address were sent a single email, records without, a letter. Responses to this mailing follow:

| Initial Mailing | | | |
|--|--------------|--------------|--------------|
| IMD Decile | Sampled | email | postal |
| 1 | 3267 | 1878 | 1389 |
| 2 | 1852 | 1109 | 742 |
| 3 | 1309 | 797 | 512 |
| 4 | 1116 | 688 | 428 |
| 5 | 891 | 543 | 347 |
| 6 | 802 | 492 | 310 |
| 7 | 818 | 498 | 320 |
| 8 | 909 | 554 | 355 |
| 9 | 659 | 402 | 257 |
| 10 | 562 | 350 | 212 |
| Unknown | 314 | 171 | 143 |
| Total records sampled | 12500 | 7484 | 5016 |
| Interviews after initial mailing | 710 | 490 | 220 |
| Conversion rate after initial mailing | 5.68% | 6.55% | 4.39% |

It was assessed that to reach the target of 1000 interviews, a reminder would be required. Reminders were drawn in the same IMD proportions as used throughout, and the split between postal and email maintained at the proportions naturally evident in the sample. Responses to this initial reminder were:

| Initial Reminder | | | |
|--|--------------|--------------|--------------|
| IMD Decile | Sampled | email | postal |
| 1 | 1779 | 1023 | 756 |
| 2 | 1008 | 604 | 404 |
| 3 | 713 | 434 | 279 |
| 4 | 608 | 375 | 233 |
| 5 | 485 | 296 | 189 |
| 6 | 437 | 268 | 169 |
| 7 | 446 | 271 | 174 |
| 8 | 495 | 302 | 193 |
| 9 | 359 | 219 | 140 |
| 10 | 306 | 191 | 115 |
| Unknown | 171 | 93 | 78 |
| TOTAL | 6807 | 4076 | 2732 |
| Interviews from initial Reminder | 257 | 170 | 87 |
| Conversion rate of initial reminder | 3.78% | 4.17% | 3.18% |
| Running total Interviews | 967 | 660 | 307 |
| Conversion Rate so far | 7.74% | 8.82% | 6.12% |

This initial reminder left us c35 interviews short, so a second initial reminder (i.e. a first reminder to participants who had not been included in the initial reminder) was sent to complete the fieldwork. Due to time pressures, it was not possible to send any postal reminders - so this small final reminder (accounting for c5% of interviews) was sent to email households only.

| Initial Reminder #2 | | | |
|--|-------------|-------------|----------|
| IMD Decile | Sampled | email | postal |
| 1 | 306 | 306 | 0 |
| 2 | 173 | 173 | 0 |
| 3 | 123 | 123 | 0 |
| 4 | 104 | 104 | 0 |
| 5 | 83 | 83 | 0 |
| 6 | 75 | 75 | 0 |
| 7 | 77 | 77 | 0 |
| 8 | 85 | 85 | 0 |
| 9 | 62 | 62 | 0 |
| 10 | 53 | 53 | 0 |
| Unknown | 33 | 33 | 0 |
| TOTAL | 1174 | 1174 | 0 |
| IA's from 2nd initial Reminder * | 77 | 77 | 17 |
| Conversion rate of initial reminder #2 | 6.56% | 6.56% | |
| Running total (& final) Interviews | 1061 | 737 | 324 |
| Conversion Rate Overall | 8.49% | 9.85% | 6.46% |
| * = 17 additional postal responses were received at fieldwork end. These were paper versions, requested by participants. | | | |

Non Household (NHH) sampling and fieldwork

A target of 200 non-household interviews was set². NHH bill-payers were recruited from a mix of sample sources, and interviewed by a variety of means:

Commercial panel (online):

Quest Mindshare was used for this component, and a total of 153 interviews were obtained via this method.

Purchased business lists (CATI):

Sample of appropriate businesses was purchased from Sample Answers. Participants were contacted by phone and recruited to take part. All participants viewed materials (including the bill graph and service enhancement slides) at the time of interview. 25 interviews were achieved via this means. Sample statistics follow:

| No. In Sample | Exhausted | Still Live | Unused | Recruited (inc. Lost) | Interviewed |
|---------------|-----------|------------|--------|-----------------------|-------------|
| 3546 | 1583 | 1963 | 29 | 39 | 25 |

² The minimum sample size listed in the guidance issued by Ofwat and CCW was 200

Retailer customer databases (online):

Water Plus kindly agreed to approach customers on behalf of Accent and United Utilities, by email. Water Plus sent 4250 emails, and 49 interviews were achieved by this means (1.15% response rate). In addition, Wave and Everflow agreed to Accent using their customer lists to approach customers by email. 760 emails were sent, generating 8 interviews (1.05% response rate)

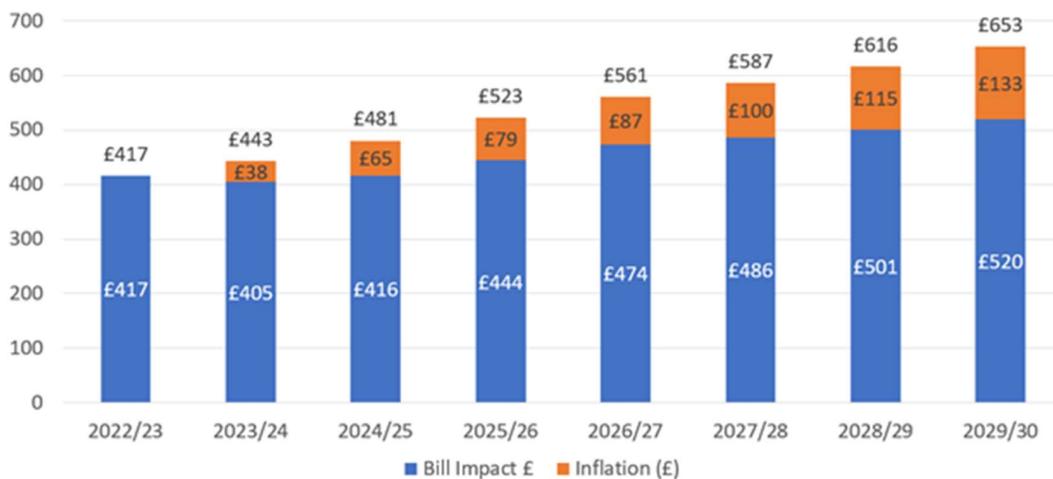
Thus, 235 NHH interviews were conducted.

Survey

The questionnaire itself was generally tightly prescribed and in the main was implemented precisely as mandated.

The exception to this, was the bill chart graph, where following cognitive feedback it was decided that it would benefit comprehension if a total (of bill impact plus inflation) were added above each bar on the graph showing the impact of the plan on bills. This was added with the approval of United Utilities' Independent Challenge Group and Your Voice.

An example (based on the average bill amount, and showing the actual increases tested):



3.4 Fieldwork dates

Household and Non- Household interviews took place simultaneously. Fieldwork commenced on the 14th of July 2023 and closed on the 17th of August.

3.5 Data processing

Once fieldwork was completed, the resulting dataset was cleaned to remove poor quality responses (including speeders, straight liners, multiple responses from the same IP address and those providing poor quality verbatim).

As mandated by Ofwat, data was checked to ensure that no interview was completed in a time of less than 1/3 of the median interview duration.

Weighting

SPSS was used to run RIM weighting (Random Iterative Methods, or “Raking”).

HH survey responses were weighted to the following targets:

| Age | | IMD Decile | | Gender | | UU region | |
|-------|-----|------------|--------|--------|-----|--------------------|-----|
| 18-29 | 7% | 1 | 21.96% | Female | 51% | Cumbria | 7% |
| 30-39 | 16% | 2 | 12.46% | Male | 49% | Merseyside | 21% |
| 40-49 | 16% | 3 | 10.01% | | | Greater Manchester | 38% |
| 50-59 | 19% | 4 | 8.53% | | | Lancashire | 20% |
| 60-69 | 16% | 5 | 7.48% | | | Cheshire | 14% |
| 70+ | 26% | 6 | 6.74% | | | | |
| | | 7 | 7.64% | | | | |
| | | 8 | 8.50% | | | | |
| | | 9 | 7.41% | | | | |
| | | 10 | 6.31% | | | | |
| | | Unknown | 2.96% | | | | |

NHH survey responses were weighted to the following targets (using BEIS (2022) data on regional employment size distributions):

| Employees | |
|------------------|-----|
| Sole Trader | 15% |
| 1-49 Employees | 35% |
| 50-249 Employees | 15% |
| 250+ | 35% |

HH and NHH data were merged, weighted according to total consumption (73% HH, 27% NHH), to form the final dataset.

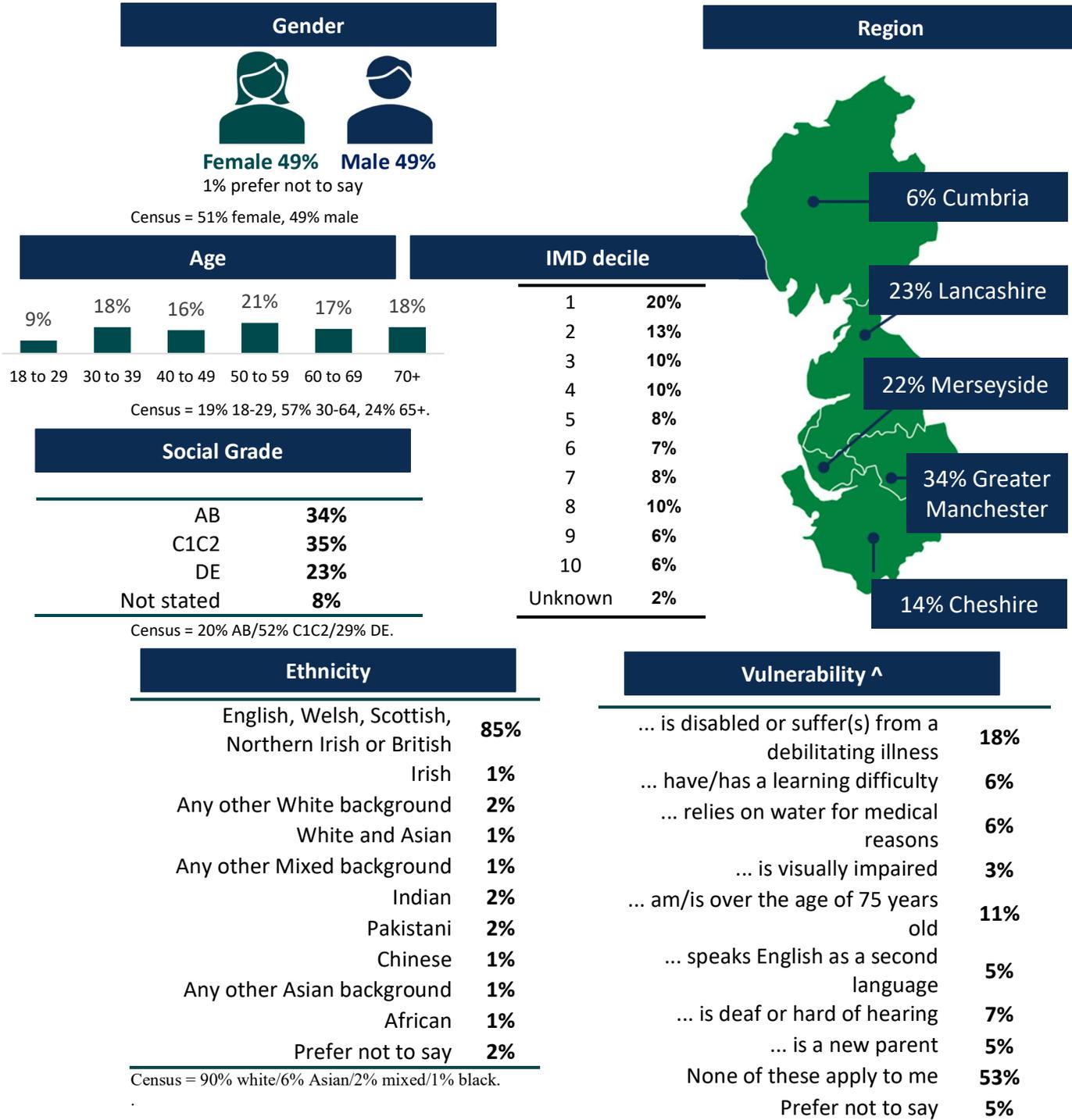
4 FINDINGS

4.1 Introduction

The following section of this report details the findings of the study.

4.2 HH Demographics

1,061 United Utilities customers took part in the Affordability and Acceptability Testing research. 737 responded to our email invitation and 324 to our postal invitations. This is how their profiles fell out (pre weighting). Percentages may not add up to 100 due to rounding.



[^] Throughout this report a vulnerable household is defined as any household that has selected at least one of the options at this question. Q42 Which of the following apply to you?

4.3 NHH Demographics

235 United Utilities business customers took part in the Affordability and Acceptability Testing research. 153 were reached through specialised business panel, 25 through CATI and 57 through retailers. This is how their profiles fell out.

Main use of water on premises

| | |
|--|-----|
| For normal domestic of customers and employees | 81% |
| For the supply of services your organisation provides | 26% |
| For an ingredient or part of the product or service your organisation provides | 17% |
| For the manufacturing process, essential to the running of your organisation | 16% |
| None of the above | 3% |

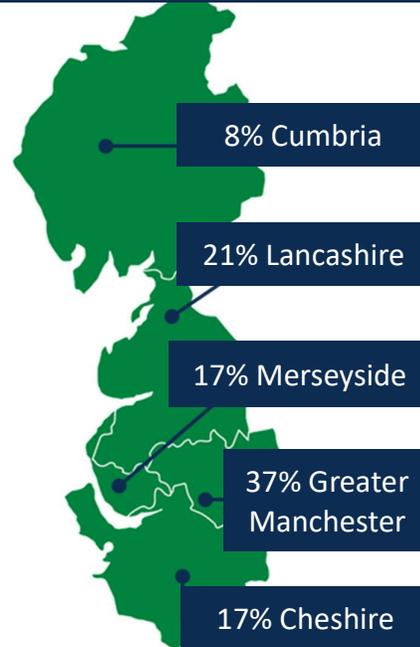
Number of business sites

| | |
|-------------------|-----|
| 1 | 55% |
| 2 | 7% |
| 3 | 8% |
| 4 | 8% |
| 5 to 10 | 8% |
| 11 to 50 | 6% |
| 51 to 250 | 4% |
| 250 | 4% |
| Prefer not to say | 1% |

Number of employees

| | |
|------------------------------|-----|
| 0 (sole trader) | 18% |
| 1 to 9 employees (micro) | 22% |
| 10 to 49 employees (small) | 17% |
| 50 to 249 employees (medium) | 15% |
| 250+ employees (large) | 27% |
| Prefer not to say | 1% |

Region



Industry

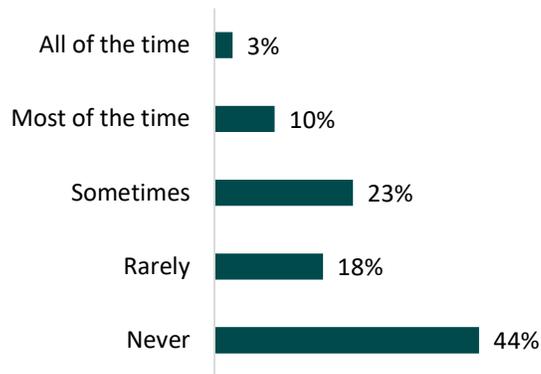
| | |
|---|-----|
| Manufacturing | 10% |
| Construction | 9% |
| Hotels & catering | 9% |
| Wholesale and retail trade | 8% |
| Human health and social work activities | 8% |
| Education | 7% |
| Arts, entertainment and recreation | 6% |
| IT and Communication | 5% |
| Finance and insurance activities | 5% |
| Professional, scientific and technical activities | 5% |
| Agriculture, forestry and fishing | 4% |
| Transport and storage | 4% |
| Energy or water service & supply | 3% |
| Real estate activities | 3% |
| Other service activities | 3% |
| Administrative and Support Service Activities | 2% |
| Public administration and defence | 1% |
| Other | 9% |
| Prefer not to say | 1% |

Percentages may not add up to 100 due to rounding.

4.4 HH Financial Temperature Check

- Just over 2 in 5 (44%) of those we spoke to say they never struggle to pay their bill, however over a third do (36%). This is especially the case for those aged 18-29 of whom 28% say they struggle most of the time (sig higher compared to those aged 50+) and those in SEG DE of whom 58% say struggle at least sometimes.
- 78% of those living in Cumbria say they Never or Rarely struggle to pay their bill and this is significantly higher than those living Greater Manchester, Merseyside and Lancashire.

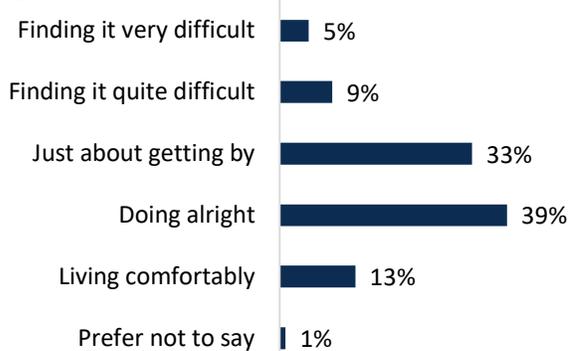
Figure 1. Q9 Thinking about your finances over the last year, how often, if at all, has your household struggled to pay at least one of its bills.



Base: All HH participants base (946)

- Almost half (47%) are also finding it difficult to manage financially or are just about getting by. Those under 40 and in SEG DE are more likely to say they are struggling than those aged 60+. In contrast a quarter of those aged 70+ (25%) say they are living comfortably – a significantly higher number compared to all other age groups.

Figure 2. Q10 Overall, how well would you say you are managing financially now?



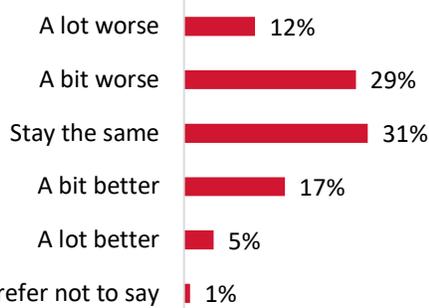
Base: All HH participants base (946)

- 2 in 5 households (41%) expect their financial situation to worsen in the next few years.
 - This increases to 52% among those that are already struggling financially, significantly higher than those who are not (40%).
- The expectancy of improvement decreases with age:
 - Those in the younger age groups have a more positive view and expect their situation to improve whereas older ones expect their situation to worsen (NET Get

better 49% for 18-29; 40% of 30-39; 28% 40-49; 21% for 50-59; 11% for 60-69 and 4% for 70+).

- The worry about the future peaks at 47% for those aged 70+.

Figure 3 Q11 Thinking about your household's/organisation's financial situation over the next few years up to 2030, do you expect it to get?

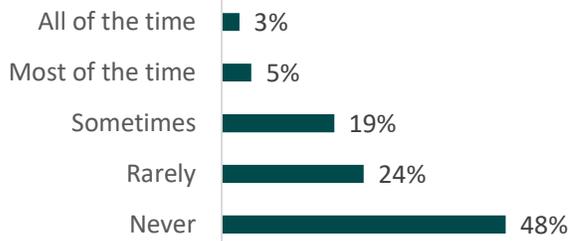


Base: All HH participants base (946)

4.5 NHH Financial Temperature Check

- Close to half (48%) of businesses say they *Never* struggle to pay their bills but just over a quarter do have some difficulty paying their bills (27%).

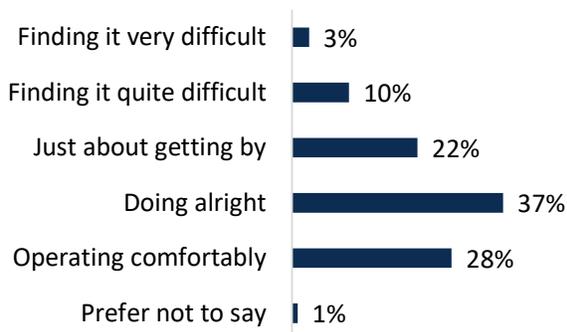
Figure 4. Q9 Thinking about your finances over the last year, how often, if at all, has your organisation struggled to pay at least one of its bills.



Base: All NHH participants (350)

Over a third (35%) of businesses are operating with financial difficulty with just over a quarter (28%) saying they are operating comfortably.

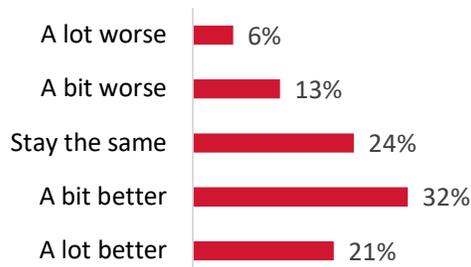
Figure 5. Q10 Overall, how well would you say your organisation is managing financially now?



Base: All NHH participants (350)

- Over half the businesses (53%) of businesses expect their financial situation to improve in the years to come and less than 2 in 5 (19%) expect it to get worse.

Figure 6 Q11 Thinking about your household/organisation's financial situation over the next few years up to 2030, do you expect it to get:



Base: All NHH participants (350)

4.6 Affordability

Affordability of the proposed business plan was low, at 22% overall.

4.7 HH Affordability

- Just over 2 in 5 (44%) of United Utilities customers say they can afford their current water and sewerage bill with ease, however this number drops to 1 in 6 (15%) when looking at the future bill.
 - A larger proportion of those under 40 are more likely to struggle with future bills (54% of 19-29 and 60% of 30-39) compared to those over 70 (38%).
 - Females are significantly more likely to struggle with this increase (55%) than males (41%).

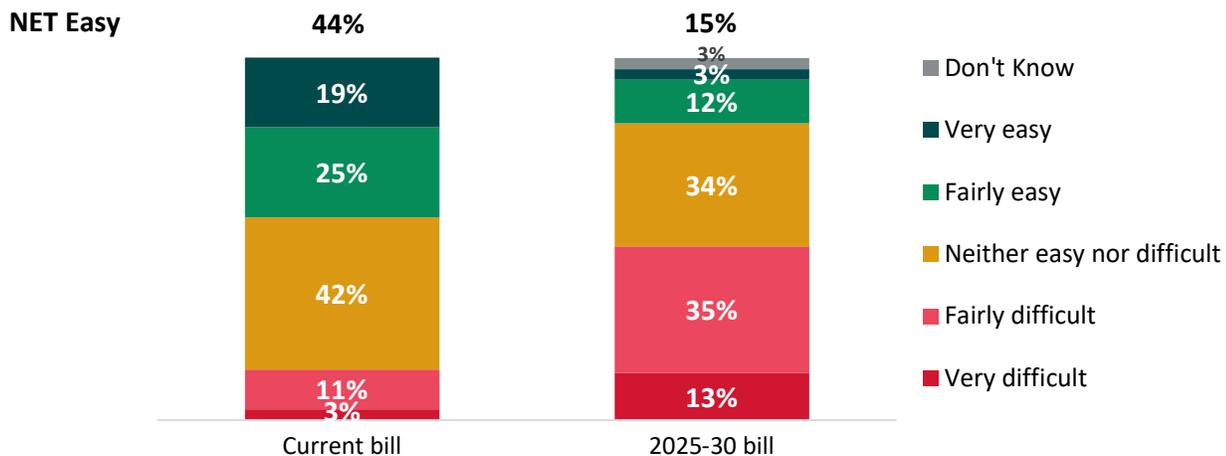


Figure 6. Q13 How easy or difficult is it for you to afford to pay your current water and sewerage bill? Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills?
Base: All HH participants (946)

- The affordability of the water and sewage bill is likely to become problematic for those that are already struggling financially (those finding it very or quite difficult to manage financially). 63% say they are finding it very or fairly difficult to pay their current water bill, however this number increases to 87% when asked about the 2025-30 bill.
- As expected, affordability of the future bill will become more problematic for those on the lower end of the income scale. Specifically difficult for those earning under £16,000. These households are significantly more likely to find their future bills fairly/very difficult to afford compared to any household earning over £26,000.
 - The percentage of participants saying that they would find their bill Very difficult to afford decreased almost in a linear manner with the increase of income, however it spiked again among those earning £52,000-£72,799.

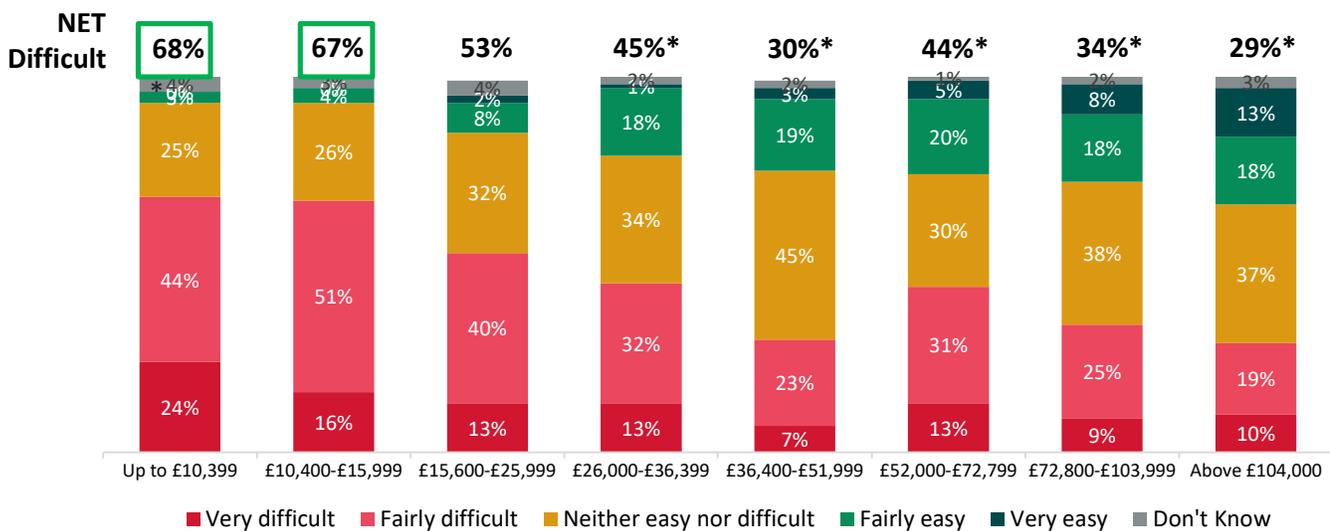


Figure 7. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? Base: All HH participants (946)

Denotes significantly higher than *

- Perceived affordability of the future bill is significantly higher among those customers that have a water meter compared to those that don't. 18% of those with a water meter say they would find it easy to pay the bill in the future compared to 11% of those that currently don't have a meter – this is perhaps influenced by the sense of control that having a meter gives.

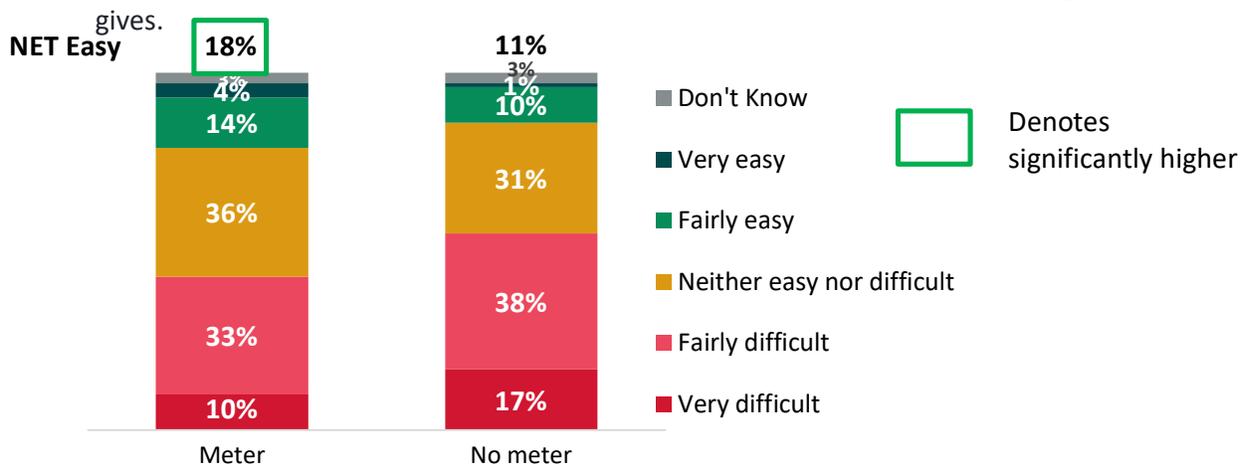


Figure 8. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? Base: All HH with meters (497) and HH with No meter (413)

- Affordability is significantly lower among households that have members with any vulnerability at 13% (Net Very/fairly easy) compared to households without vulnerable members at 18%.
- These households are significantly more likely to find the proposed bill fairly/very difficult to pay (53%) compared to those without a vulnerable members (43%).
- When looking at vulnerability by type* we see those that are considered vulnerable for medical reasons are significantly more likely to say they will find these bills fairly/very difficult (59%) compared to those considered vulnerable because of communication (46%) or life stage (45%).

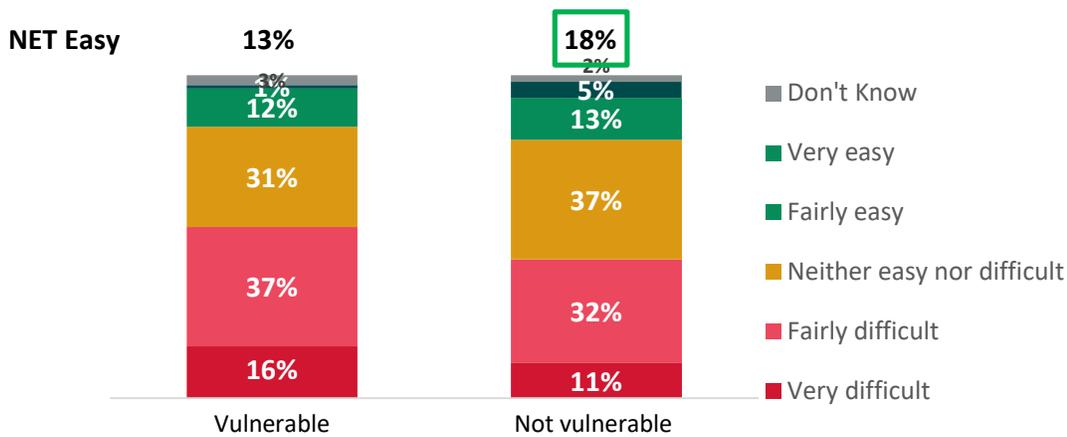


Figure 9. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? Base: All HH with vulnerable members (428) and HH with no vulnerable members (476)

*Details of conditions listed under each vulnerability can be found in Appendix E

4.8 NHH Affordability

- Affordability is higher among the NHH population compared to HH.
- Over half of businesses (54%) find their bills easy or very easy to afford. This however drops down to 39% when thinking about the future bill.

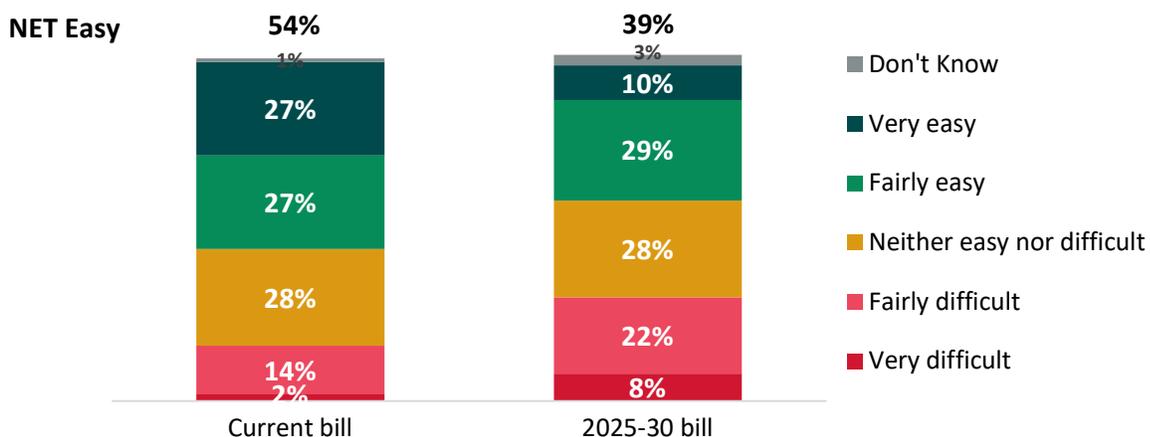


Figure 10. Q13 How easy or difficult is it for your company/organisation to afford to pay your current water and sewerage bill? Q14 How easy or difficult do you think it would be for your company/organisation to afford these water/sewerage bills? Base: All NHH participants (350)

- Unlike HH participants, un-metered businesses seemed more resilient to bill increases.
- Even though non-metered businesses seem more resilient than metered ones, the difference is not significant.

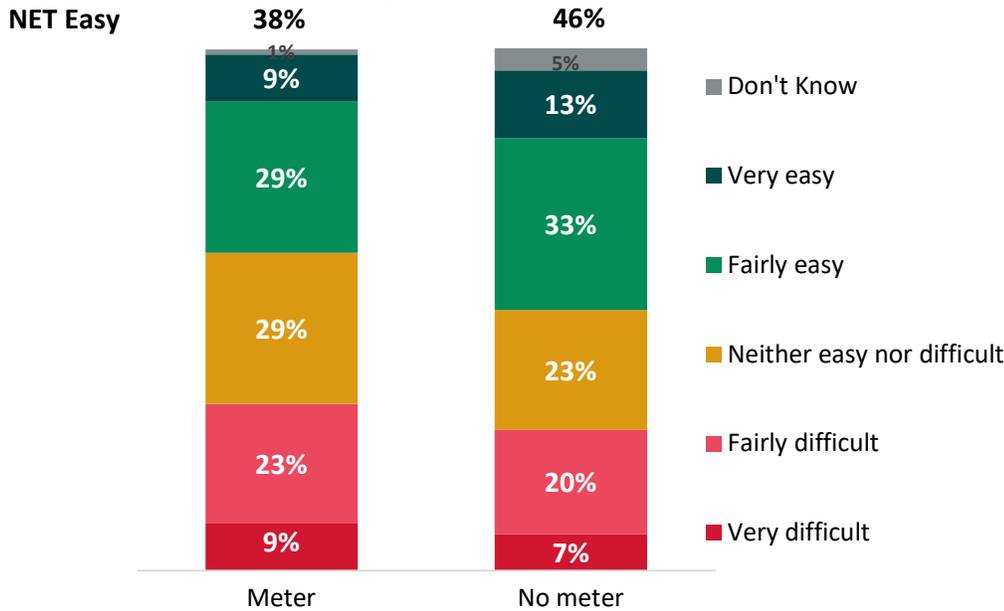


Figure 11. Q14 How easy or difficult do you think it would be for your company/organisation to afford these water/sewerage bills? Base: All NHH with a meter (247) NHH without a meter (97)

4.9 Acceptability

Acceptability of the proposed plan was high, at 74% overall.

4.10 HH Acceptability

- Close to three quarters (70%) of United Utilities customers we spoke to, found the proposed plan acceptable.
 - Acceptability figures were broadly consistent among different age groups with no significant differences.
 - A slightly higher percentage of females (74%) than males (67%) found the plan acceptable, but the differences were not significant.

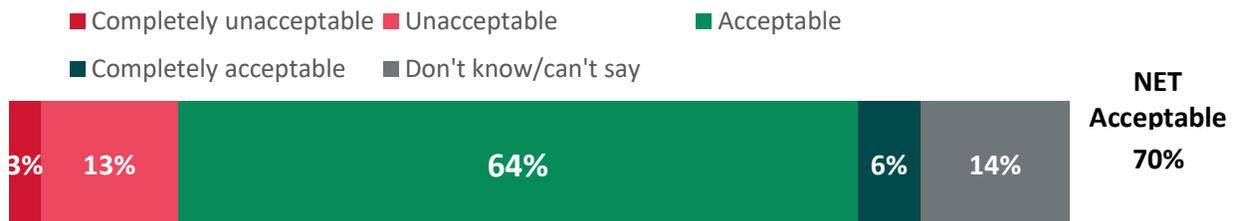


Figure 12. Q29 Based on everything you have seen and read about United Utilities’ proposed business plan, how acceptable or unacceptable is it to you? Base: All HH participants (946)

Reasons for unacceptability

- Perhaps unsurprisingly given the recent coverage in the media, many customers (43%) have chosen company profits as their top reason for unacceptability.
- This is followed by the increase being too expensive (32%), an expectation for companies to pay for these improvements themselves (27%) and the lack of trust in the company to deliver these services (23%)



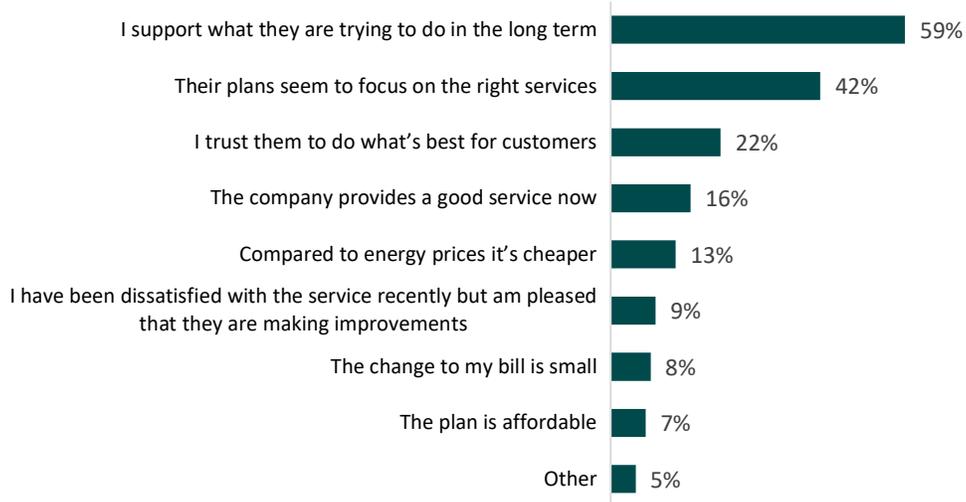
Figure 13. Q30. What are the two main reasons that you feel the proposals for your water services are unacceptable?

Base: All HH participants that felt proposals were unacceptable (152)

Reasons for acceptability

- Customers that found the plan acceptable, support what United Utilities is trying to do long term (59%), feel like their plans are focusing on the right services (42%) and they are doing what is best for their customers (22%).

Figure 14 Q31. What are the two main reasons that you feel the proposals for your water supply are acceptable?



Base: All HH participants that felt proposals were acceptable (662)

4.11 NHH Acceptability

- Acceptability is higher among NHH compared to HH. 85% of the businesses we spoke to, found the proposed business plan acceptable.
 - Acceptability was high even among businesses that currently are struggling with their bills (78%).



Figure 15. Q29 Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? Base: All NHH participants (350)

Reasons for unacceptability

- Only 9% of NHH participant felt the proposed plan was unacceptable, 25 participants (unweighted base). This base is too low and not robust enough to be reported on in a meaningful way.

Reasons for acceptability

- Similar to HH customers, businesses find the plan acceptable because they support what United Utilities are trying to do in the long term (47%), feel the plan focuses on the right

services (43%), trust United Utilities to do what’s best for their customers (23%) and find the plan affordable (15%).

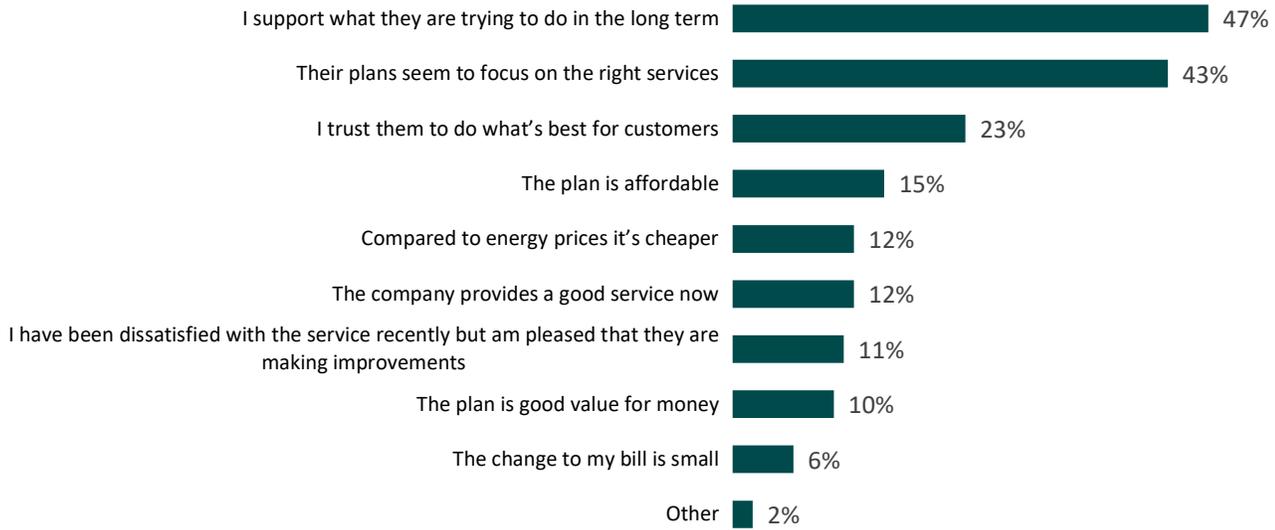


Figure 16 Q31. What are the two main reasons that you feel the proposals for your water supply are acceptable? Base: All NHH participants that felt proposals were acceptable (296)

4.12 Intergenerational Phasing

- NHH seem less reluctant than Household customers for the price increases to be put onto future customers.
 - Almost half (45%) of household customers were unable or unwilling to answer the question compared to only a quarter (25%) of businesses.
 - SEG DE were significantly more likely to say I don’t know (54%) compared to AB (37%) and C1C2 (44%).
 - Females were significantly more likely to say I don’t know (49%) compared to males (40%).
- For both businesses and household customers, the preferred phasing option amongst those able to choose was for an immediate increase in bills rather than a delay (mirroring the findings of the qualitative phase of this A&AT study, and United Utilities’ Long Term Delivery Strategy research).

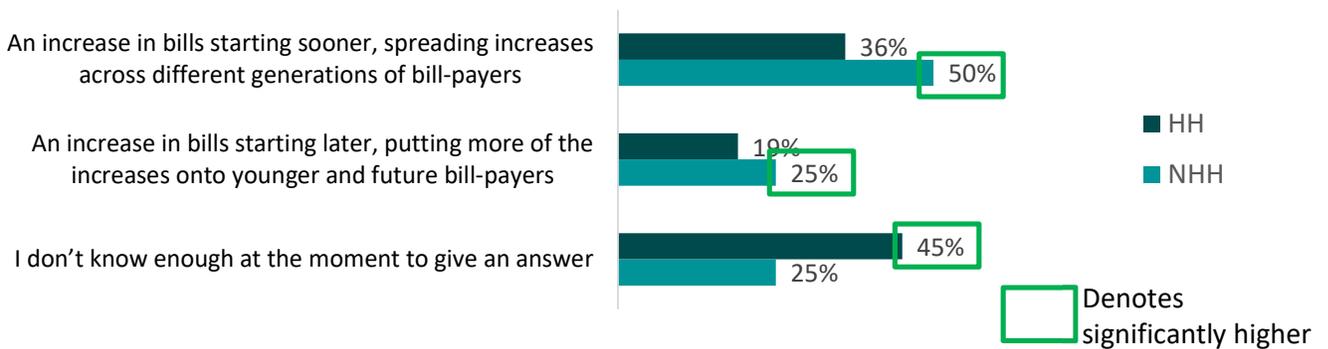


Figure 17 Q32. Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. Which one of the following options would you prefer? Base: All HH participants (946) and all NHH participants (350)

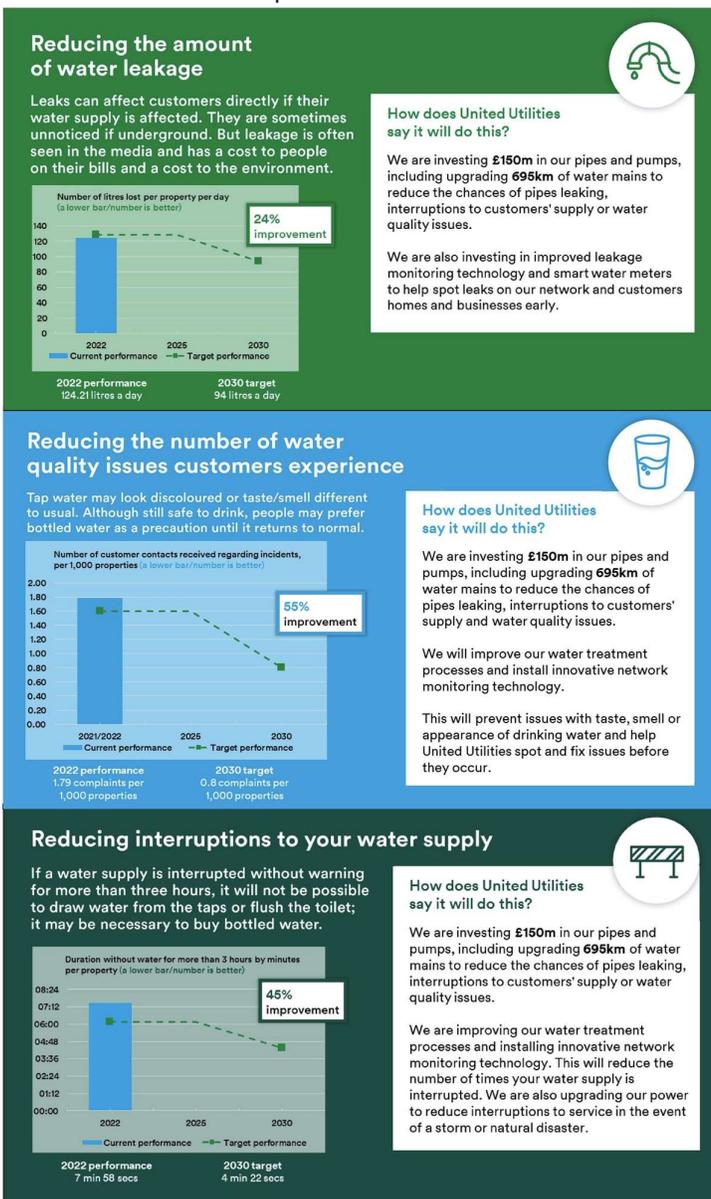
4.13 Performance commitments

There has been a real engagement from both household and non-household customers with the performance commitments as the majority have been able to choose an option at these questions.

Participants were shown the performance commitments in two banks of three (water, and waste) and asked to pick which is most important to them. Details follow:

Water related

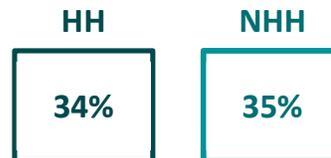
- Preventing leaks was chosen as the most important performance commitment by household customers.
 - Preventing leaks is significantly more important to those aged 60+ than to those aged under 50.
 - The quality of water is most important to those aged 18-29 (53%), significantly higher compared to those aged 50+ (28%).
- Reducing leaks and preventing issues with the quality of water were equally rated most important by NHH customers.
 - Reducing the length of interruptions was also significantly more important for businesses than households – perhaps unsurprisingly as so many rely on water to operate.



Reducing leakage



Reducing the number of water quality issues



Reducing interruptions to your water supply



Don't know/ can't say: 6% HH; 2% NHH

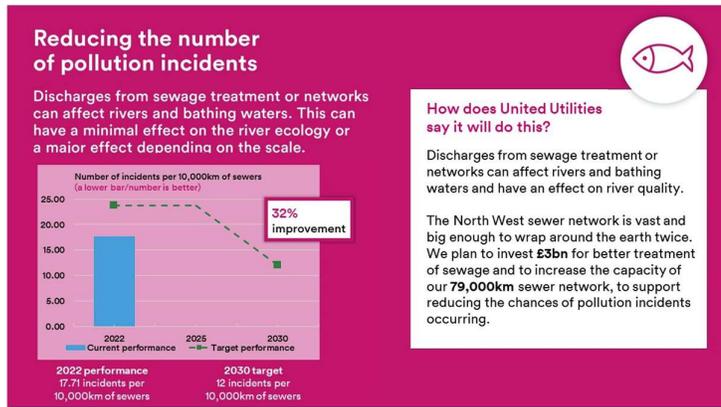
Q19. Based on what you have just read, which of these three parts of the business plan is the most important to you? Base: All HH participants (946) and all NHH participants (350)



Denotes significantly higher

Sewerage and Pollution related

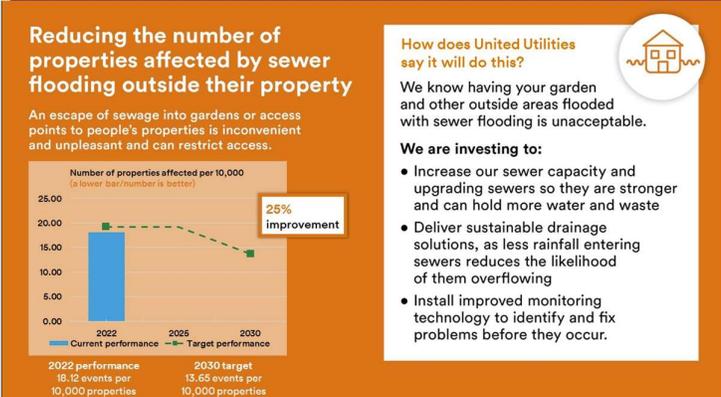
- Preventing the number of pollution incidents is most important performance commitment for household customers from this bank.
 - Reducing the number of pollution incidents is significantly higher to HH customers compared to NHH.
 - Those ages 60+ are more concerned about reducing the number of pollution incidents than those aged under 50 (this is significantly higher)
- Reducing the number of pollution incidents is also at the top of the list for NHH customers, but this is very closely followed by reducing the number of floods inside properties.
 - This concern is significantly higher than for HH customers.



Reducing the number of pollution incidents



Reducing flooding inside properties



Reducing flooding outside properties



Don't know/ can't say: 7% HH; 2% NHH

Q23. Based on what you have just read, which of these three parts of the business plan is the most important to you? Base: All HH participants (946) and all NHH participants (350)

 Denotes significantly higher

4.14 Enhancement cases

There has been a notable engagement from participants with the enhancement cases of the business plan as only 6% of HH and 2% of NHH customer weren't able to make a decision.

- Given the continued cost of living crisis it is not surprising to see that the Affordability Support enhancement has had the most backing from household (44%) and business (42%) customer alike.
 - Affordability support was rated most important by 69% of those aged 18-29. This is the highest among any age group and it is significantly so compared to over 50s (39%).
 - This was also significantly more important to females (50%) compared to males (38%) and those in SEG DE (57%) compared to the other social grades.
- The effects of climate change have become more apparent in the recent years so it is unsurprising that both household and business customers have chosen Carbon Reduction as their second enhancement.
 - Almost a third of businesses (31%) have chosen this compared to only a quarter (26%) of household customers – this can perhaps be explained by the fact that all businesses are working to reduce their carbon footprint to reach the NET Zero deadline by 2050.
- Just over 1 in 10 of household and business participants chose smart metering as their priority.
 - The value of a smart meter is more apparent to those that already hold a water meter. A significantly higher proportion of meter holders (16%) have chosen this compared to those that don't have a meter (10%).
- Hose-pipe bans were not considered as important to participants as the other enhancement cases.
 - They did appeal more to males (14%) compared to females (8%) and to those ages 60+ (14%).

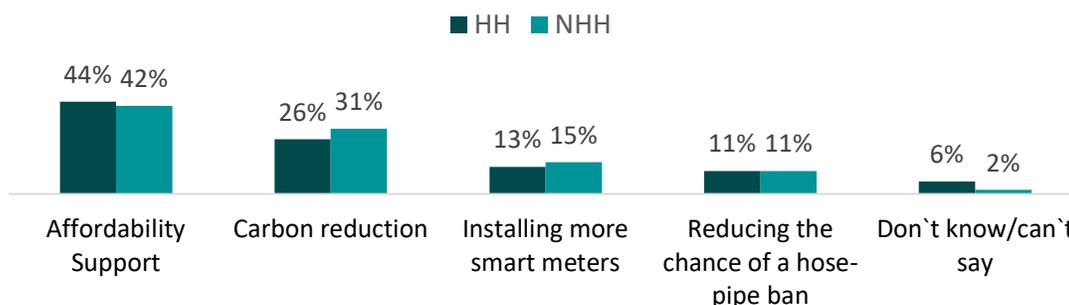


Figure 18. Q23. Based on what you have just read, which of these four parts of the business plan is the most important to you? Base: All HH participants (946) and all NHH participants (350)

APPENDIX A

Adherence to Ofwat's standards for high quality customer research

| Requirement | How the study has adhered |
|--|--|
| <ul style="list-style-type: none"> ■ Useful and contextualised | <p>Research objectives aligned to PR24 and undertaken in accordance with Ofwat & CCW's published guidance. This research was conducted in order to test customer perceptions of the acceptability and affordability of United Utilities' revised business plan for 2025-2030 and will be used by United Utilities to shape the final business plan</p> |
| <ul style="list-style-type: none"> ■ Neutrally designed | <p>Outside of the prescribed Ofwat guidance, every effort has been made to ensure that the research is neutral and free from bias. All elements of design were checked and challenged by United Utilities' ICG, YourVoice. Where there is the potential for bias, this has been acknowledged in the report.</p> |
| <ul style="list-style-type: none"> ■ Fit for purpose | <p>Research undertaken in accordance with Ofwat & CCW's published guidance. Cognitive testing was carried out to ensure the complex subject matter was presented in the questionnaire in a way which was as understandable and engaging as possible for respondents. Visual stimulus was created in order to aid participant understanding of the proposed plan.</p> |
| <ul style="list-style-type: none"> ■ Inclusive | <p>Household and business customers were represented. Lower IMD deciles were over-sampled and higher IMD deciles under-sampled, to compensate for lower response rates. The response rates were monitored across a range of demographics to ensure representation, although the prescribed methodology prevents any interventions in this regard. Accommodation was made for any accessibility requests (including paper/postal versions, large print, high contrast print), via a freephone number.</p> |
| <ul style="list-style-type: none"> ■ Continual | <p>This research builds on the foundation of the qualitative work and contributes towards the ongoing development of policy and plans.</p> |
| <ul style="list-style-type: none"> ■ Independently assured | <p>All research was conducted by Accent, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings. Third line assurance by Turner and Townsend</p> |
| <ul style="list-style-type: none"> ■ Shared in full with others | <p>The research will be published and shared on the United Utilities website and through United Utilities' industry customer insight newsletter, The Source.</p> |
| <ul style="list-style-type: none"> ■ Ethical | <p>Research conducted in accordance with the Market Research Society code of conduct and conforming to the requirements of ISO 20252:2019. Accent and United Utilities were subject to strict data protection protocols.</p> |

APPENDIX B

Additional Information

The following information on **Quantitative** work is available upon request:

- The fieldwork method (e.g. in-person, telephone or online, individual or group interviews, synchronous or asynchronous),
- The target group and sample selection methods,
- Assessment of sample representation of target population and respective implications,
- The sampling method, including size of planned and achieved sample, reasons for differences in planned and achieved and how any problems in this respect were dealt with,
- Response rate where probability samples were used and its definition and calculation method,
- Participation rate where non-probability samples were used,
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The questionnaires, any visual exhibits or show cards, and other relevant data collection documents,
- The weighting procedures, if applicable,
- Any methods statistical analysis used,
- The estimating and imputation procedures, if applicable,
- The results that are based on subgroups and the number of cases used in subgroup analysis,
- Variance and estimates of non-sampling errors or indicators thereof (when probability samples are used).

APPENDIX C

Limitations

| Limitation | Impact |
|---|---|
| Small NHH sample size has resulted in some subset analysis not being possible | Analysis into (for example) non-acceptability of the plan amongst NHH participants, was not possible. |
| Recruiting NHH participants via CATI proved challenging | A low percentage of the NHH sample consists of CATI participants. |
| Small NHH participants are unlikely to be in scope (either by not having a dedicated business water supply, or by being in serviced offices with inclusive water) | The NHH sample is skewed towards larger organisations. |
| | |

APPENDIX D

Fieldwork Materials

Invitation letter

The Occupier
Address



Accent

3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Sir/Madam

Water services research: complete a survey and receive a £10 voucher

This letter has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are looking for people to complete a survey about their views on water and sewerage services. The research will be used to help United Utilities plan investment in their service from 2025 and will influence your future water services and bills.

Anyone who is eligible to take part and completes the full 10 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

How to take part

The questionnaire will take no longer than 15 minutes to complete. You can check your eligibility to participate, and complete the survey online by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



Alternatively, you can fill the survey in by pen and paper. To request a paper version of the survey (or if you have any other accessibility requests) please call FREEPHONE 0800 099 6590. You will be asked to leave your name and the 4 digit unique ID number (XXXX) and PIN (nnnn). We will send a paper version of the survey by post, and include a FREEPOST return envelope for you to post it back.

The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Email invite



Dear #name#

Water services research: complete a 15-minute online survey and receive a £10 voucher

This email has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are looking for people to complete a survey about their views on water and sewerage services. The research will be used to help water companies plan investment in their service from 2025 and will influence your future water services and bills. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

Anyone eligible, who completes the survey, will receive a £10 voucher (an Amazon voucher, an M&S voucher or a Love2Shop voucher). Alternatively we can donate your incentive to WaterAid. Details on how claim your voucher are given at the end of the survey.

Click here to check eligibility, and to take part.

(The survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen)

Alternatively, you can fill the survey in by pen and paper. To request a paper version of the survey (or if you have any other accessibility requests) please fill in a request form [here](#). We will send a paper version of the survey by post, and include a FREEPOST return envelope for you to post it back.

The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions about the research, please do reach out to us at UUResearch@accent-mr.com or 0800 099 6590.

With best wishes,

Julian Hollo-Tas
Project Manager.



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

Reminder letter

The Occupier
Address



3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Customer

Water services research: Still time to complete a 10 minute survey and receive a £10 voucher - REMINDER

This letter has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are still looking for people to complete a survey about their views on water and sewerage services. The research will be used to help United Utilities plan investment in their service from 2025 and will influence your future water services and bills.

Anyone who is eligible to take part and completes the full 10 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

How to take part

The questionnaire will take no longer than 15 minutes to complete. You can check your eligibility to participate, and complete the survey online by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

Paper version cover

Name
Address



Accent

3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Customer,

Water services research: your requested survey

Thank you for requesting a paper version of the survey we are conducting for United Utilities. Please find it attached. This pack should contain

- (1) This letter
- (2) A paper version of the survey
- (3) A reply envelope (pre-paid: no stamp required)

Anyone who is eligible to take part and completes the full 15 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid.

How to take part

Just post the completed survey back by the date stated. Or, you can also still check your eligibility to participate, and complete the survey online, by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



Please note: the final date for us to receive completed surveys (including paper submissions) is Wednesday 16th August 2023.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

APPENDIX E

Questionnaire (Online version)



Affordability and Acceptability Testing

Thank you very much for agreeing to complete this online survey which is being conducted by Accent, an independent research agency. This survey is designed to help United Utilities, your water and wastewater service provider, to understand your views on how affordable and acceptable their future plans are.

We will just ask you a couple of questions to check that you are eligible to take part in this research.

NOT PANEL: Anyone completing the survey will be eligible for a £10 voucher (either an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of Market Research Society. If you would like to confirm Accent's credentials type Accent in the search box at: <https://www.mrs.org.uk/researchbuyersguide>.

You do not have to answer any question you do not wish to and you may terminate the interview at any point.

IF MOBILE DEVICE SHOW: This survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen.

Scoping questions

Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at <https://www.accent-mr.com/privacy-policy/>.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

Do you agree to proceeding with the interview on this basis?

Yes

No **THANK AND CLOSE**

IF HH: Do you or any of your close family work in market research or for a water company?

Yes **THANK & CLOSE**

No

IF HH: How old are you?

OPEN TEXT RESPONSE BOX

Prefer not to say **THANK AND CLOSE**

DP PLEASE CODE INTO THE FOLLOWING:

UU- age

Under 18 **THANK AND CLOSE**

18-29

30-39

40-49

50-59

60-69

70+

Guidance age

Under 18 **THANK AND CLOSE**

18-24

25-34

35-44

45-54

55-64

65-74

75+

Prefer not to say **THANK AND CLOSE**

IF HH: Are you solely or jointly responsible for paying your household's water and sewerage bill?

Yes

No, I am not responsible for paying the bill **THANK AND CLOSE**

Don't know **THANK AND CLOSE**

Are you currently charged for water through a water meter?

Yes

No

Don't know

United Utilities is your water supplier, and is responsible for your sewerage services. Does this sound right?

Yes **GO TO MAIN QUESTIONNAIRE**

No **THANK AND CLOSE**

Don't know **GO TO MAIN QUESTIONNAIRE**

IF NHH: Are you solely or jointly responsible as the decision maker for your organisation's water and sewerage service at any of its premises?

Yes

No **THANK AND CLOSE**

IF NHH: Is United Utilities responsible for the water and sewerage services at your organisation?

Yes

No **THANK AND CLOSE**

Don't know **THANK AND CLOSE**

Q8A IF NHH: When answering this questionnaire, we would like you to think only about sites your organisation might have that are in the United Utilities area. Is that OK?

Yes

No **THANK AND CLOSE**

Main Questionnaire

Thank you, I can confirm you are in scope for the survey. The questionnaire will take about 15 minutes to complete.

For convenience you can stop and return to complete the questionnaire as many times as you wish, although once submitted you will not be able to enter again.

Affordability

We are now going to ask you some questions about your **[IF HH]** household's/**[IF NHH]** organisation's financial situation.

Thinking about your finances over the last year, how often, if at all, **[IF HH]** have you struggled to pay at least one of your household bills? **[IF NHH]** has your organisation struggled to pay at least one of its bills? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- All of the time
- Most of the time
- Sometimes
- Rarely
- Never
- Prefer not to say

Overall, how well would you say **[IF HH]** you are/**[IF NHH]** your organisation is managing financially now? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- [IF HH]** Living/**[IF NHH]** Operating comfortably
- Doing alright
- Just about getting by
- Finding it quite difficult
- Finding it very difficult
- Prefer not to say

Thinking about your **[IF HH]** household's/ **[IF NHH]** your organisation's financial situation over the next few years up to 2030, do you expect it to get: **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- Please select one answer only*
- A lot worse
- A bit worse
- Stay the same
- A bit better
- A lot better
- Prefer not to say
- Don't know

IF NHH: How much are you currently paying for your water and sewerage services bill, each year?

- [Open-ended answer] **DP PLEASE ADD TEXT BOX**
- Don't know

How easy or difficult is it for **[IF HH]** you **[IF NHH]** your company/organisation to afford to pay your current water and sewerage bill: **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- Please select one answer only*
- Very easy

Fairly easy
Neither easy nor difficult
Fairly difficult
Very difficult
Don't know

Q13A **IF NHH**: In order for us to move on I would now like you to look at an individualised graph, mapping out what future water bills may look like for your organisation under the plans United Utilities have.

Please could you go to [HTTPS://acsvy.com/3606](https://acsvy.com/3606)

You should see a thank you note, then on the next page somewhere to put your annual water bill amount into. Please enter the bill for all sites your company operates in the United Utilities area. An estimate is absolutely fine.

Interviewer note, do not proceed until they have gone to the website and put in their bill amount. Only then can you proceed. You must not proceed without them seeing these materials.

Looking at web page

Cannot proceed now **Open appointment box**

Proposed changes to your water/sewerage bill for the years 2025-2030.

The next set of questions are about proposed changes to your water & sewerage bill for the years 2025-2030. The chart below shows these changes. It also shows how inflation may impact on your bill, based on the Bank of England's inflation forecasts.

Water bills change each year in line with inflation.

Inflation is the increase in prices paid for goods and services over time. Household incomes also change over time.

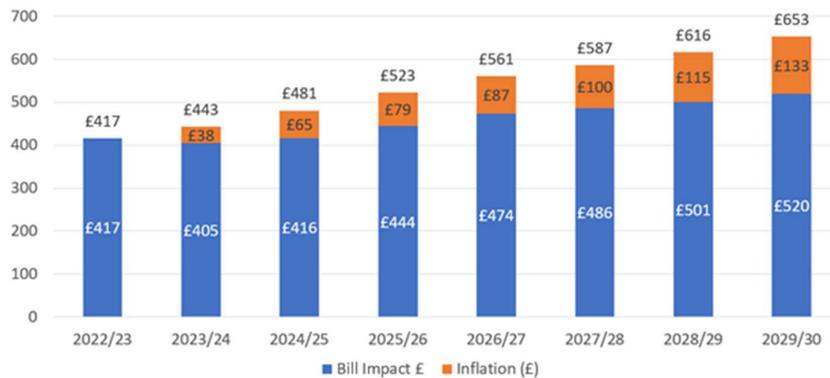
- If your household income keeps up with inflation (ie. increases at the same rate), then you are likely to notice little difference in what you are paying for things.
 - If inflation increases by a faster rate than your household income, then you are likely to have less money to go around.
 - If your household income increases by a faster rate than inflation, then you are likely to have more money to go around.
- The Bank of England aims to keep inflation at 2%, but it has recently been much higher than this. As well as changing by inflation each year, bills change by an amount set by Ofwat (the water regulator) as part of their price review process every five years.

The proposed bills you will see from 2025 to 2030 include the Bank of England forecasts for inflation from 2025 to 2030, and proposed amounts to cover the investment in water and sewerage services needed over the next few years.

The following chart shows the expected increase in your water/sewerage bill over the next few years.

The blue part of each column is what the underlying change to your bills would look like if there were no inflation. The orange part is what inflation will add on top. So your actual bill would be the two parts added together.

The figure above each bar represents the total expected bill amount (the blue plus the orange)



IF Social Tariff Customer (from sample): This bill profile is based on the financial support scheme you are currently on.

How easy or difficult do you think it would be for **[IF HH]** you **[IF NHH]** your company/organisation to afford these water/sewerage bills? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

- Very easy
- Fairly easy
- Neither easy nor difficult **HH ONLY GO TO Q15**
- Fairly difficult **HH ONLY GO TO Q15**
- Very difficult **HH ONLY GO TO Q15**
- Don't know

[IF HH ONLY] IF 0= 3,4,5 Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030 **MULTICODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

- Shopping around more
- Spending less on food shopping and essentials
- Spending less on non-essentials
- Cutting back on non-essential journeys in my vehicle
- Eat out less
- Using less fuel such as gas or electricity in my home
- Using less water
- Using my savings
- Using credit more than usual, for example, credit cards, loans or overdrafts
- Ask family and friends for financial support
- Other, please specify **[OPEN RESPONSE] DP PLEASE ADD TEXT BOX**
- Don't know

Acceptability

Thank you. We are now going to ask you some questions about your views on your water company's business plan. Water companies are required to put together business plans for each five year period. The plan we are showing you is for 2025- 2030.

Unplanned Water Supply Interruptions.

The following chart shows how United Utilities are performing on the length of time properties are without water, against both their target and also the other water companies.

Water companies measured on the length of time properties are without water

Duration without water for more than 3 hours by minutes per property.
Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked 7th of 17 companies on this measure

| Company | Performance |
|--------------------------|-----------------|
| Portsmouth | 00:02:21 |
| Bristol | 00:02:31 |
| SES Water | 00:02:58 |
| South Staffs & Cambridge | 00:03:15 |
| Affinity | 00:03:43 |
| Wessex | 00:04:12 |
| United Utilities | 00:07:58 |
| Southern | 00:09:22 |
| Anglian | 00:09:48 |
| Yorkshire | 00:10:38 |
| Thames | 00:11:03 |
| Northumbrian | 00:11:45 |
| Severn Trent | 00:12:39 |
| South West | 00:13:40 |
| Welsh Water | 00:16:12 |
| Hafren Dyfrdwy | 00:37:28 |
| South East | 01:12:33 |

Better performance

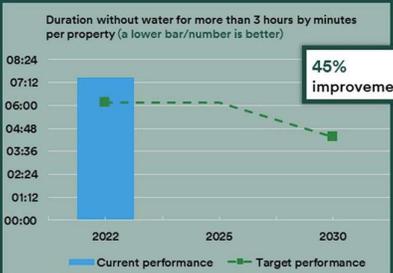



Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing interruptions to your water supply

If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.



Duration without water for more than 3 hours by minutes per property (a lower bar/number is better)

2022 performance: 7 min 58 secs 2030 target: 4 min 22 secs

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.



Leakages

The following chart shows how United Utilities are performing on the amount of water lost due to leaks from water mains and pipes, against both their target and also the other water companies.

Water companies measured on the amount of water lost due to leaks from water mains and pipes

Number of litres lost per property per day

Companies with the lowest numbers perform better

| |
|--|
| United Utilities has met its target for this metric last year |
| United Utilities are ranked 16 th of 19 companies on this measure |

| Company | Performance |
|-------------------------|---------------|
| Bristol | 65.04 |
| Essex and Suffolk | 76.4 |
| Portsmouth | 77.02 |
| SES Water | 78.68 |
| Anglian | 80.18 |
| Southern | 83.17 |
| South East | 87.63 |
| Cambridge | 90.67 |
| Wessex | 103.29 |
| South West | 107.71 |
| Northumbrian | 108.3 |
| Affinity | 108.65 |
| South Staffs | 113.45 |
| Severn Trent | 119.66 |
| Yorkshire | 122.91 |
| United Utilities | 124.21 |
| Hafren Dyfrdwy | 131.01 |
| Thames | 151.51 |
| Welsh Water | 158.8 |

Better performance ↑
↓ Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the amount of water leakage

Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

Number of litres lost per property per day (a lower bar/number is better)

| Year | Performance |
|-------------|---------------------|
| 2022 | 124.21 litres a day |
| 2030 Target | 94 litres a day |

24% improvement

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

Water Quality Contacts

The following chart shows how United Utilities are performing on the number of customer contacts regarding the appearance, taste and smell of tap water, against both their target and also the other water companies.

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water

Number of customer contacts received regarding incidents, per 1,000 customers.

Companies with the lowest numbers perform better

| |
|--|
| United Utilities <u>has not met its target for this metric last year</u> |
| United Utilities are ranked 16 th of 17 companies on this measure |

| Company | Performance (number of contacts) |
|--------------------------|----------------------------------|
| Portsmouth | 0.41 |
| Thames | 0.49 |
| SES Water | 0.58 |
| Affinity | 0.73 |
| South Staffs & Cambridge | 0.76 |
| Severn Trent | 0.93 |
| Northumbrian | 0.97 |
| Anglian | 1.03 |
| Yorkshire | 1.09 |
| Southern | 1.1 |
| Wessex | 1.17 |
| South East | 1.34 |
| Bristol | 1.38 |
| South West | 1.55 |
| Hafren Dyfrdwy | 1.71 |
| United Utilities | 1.79 |
| Welsh Water | 2.38 |



The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

| Year | Complaints per 1,000 properties |
|---------------------------------|---------------------------------|
| 2021/2022 (Current performance) | 1.79 |
| 2030 (Target performance) | 0.8 |

55% improvement

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Based on what you have just read, which of these three parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Reducing the duration of water interruptions of longer than 3 hours
- Reducing leakage
- Preventing issues with taste/smell/appearance of tap water

Don't know/can't say

Internal Sewer Flooding

The following chart shows how United Utilities are performing on the incidents of sewage flooding properties, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding properties

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked 9th of 11 companies on this measure

| Company | Performance (number of properties affected) |
|-------------------------|---|
| South West | 0.76 |
| Welsh Water | 1.36 |
| Wessex | 1.42 |
| Severn Trent | 1.61 |
| Anglian | 1.73 |
| Northumbrian | 1.84 |
| Hafren Dyfrdwy | 2.34 |
| Yorkshire | 2.83 |
| United Utilities | 2.98 |
| Southern | 3.04 |
| Thames | 3.46 |

Better performance ↑
↓ Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

| Year | Performance |
|------|-------------|
| 2022 | 2.97 |
| 2030 | 2.06 |

31% improvement

2022 performance: 2.97 events per 10,000 properties
2030 target: 2.06 events per 10,000 properties

How does United Utilities say it will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

External Sewer Flooding

The following chart shows how United Utilities are on the incidents of sewage flooding gardens or outbuildings, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding gardens or outbuildings

Number of properties affected, per 10,000.

Companies with the lowest numbers perform better

| |
|---|
| United Utilities has met its target for this metric last year |
| United Utilities are ranked 5 th of 11 companies on this measure |

| Company | Performance (number of properties affected) |
|-------------------------|---|
| Thames | 9.4 |
| Severn Trent | 10.8 |
| Anglian | 14.55 |
| South West | 18.13 |
| United Utilities | 18.71 |
| Hafren Dyfrdwy | 19.05 |
| Wessex | 19.19 |
| Yorkshire | 19.52 |
| Southern | 19.53 |
| Welsh Water | 26.27 |
| Northumbrian | 26.64 |

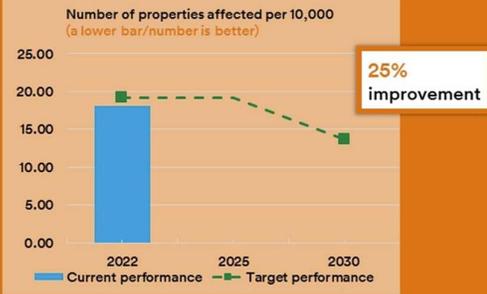
Better performance


Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.



Number of properties affected per 10,000 (a lower bar/number is better)

| | |
|------------------------------------|------------------------------------|
| 2022 performance | 2030 target |
| 18.12 events per 10,000 properties | 13.65 events per 10,000 properties |

How does United Utilities say it will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

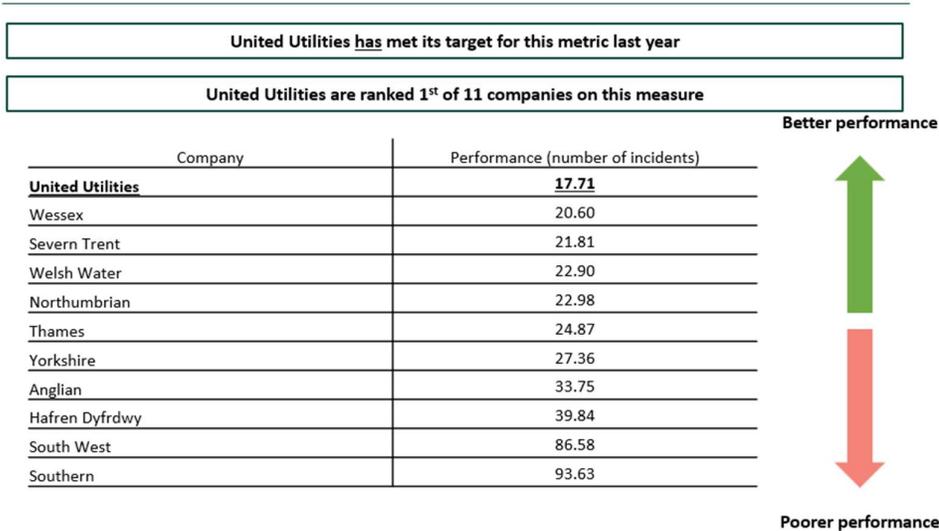


Pollution Incidents

The following chart shows how United Utilities are performing on the number of incidents of pollution of rivers and streams, against both their target and also the other water companies.

Water companies measured on the number of incidents of pollution of rivers and streams

Number of incidents per 10,000 km of sewer.
Companies with the lowest numbers perform better



The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of pollution incidents

Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

How does United Utilities say it will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

The North West sewer network is vast and big enough to wrap around the earth twice. We plan to invest **£3bn** for better treatment of sewage and to increase the capacity of our **79,000km** sewer network, to support reducing the chances of pollution incidents occurring.

| | |
|---|---|
| 2022 performance 17.71 incidents per 10,000km of sewers | 2030 target 12 incidents per 10,000km of sewers |
|---|---|

Based on what you have just read, which of these three parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

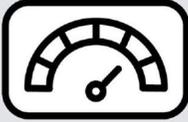
Please select one answer only

- Reducing sewer flooding **inside** properties
- Reducing sewer flooding **outside** properties
- Reducing the number of pollution incidents
- Don't know/can't say

The following slide describes one of the additional components of United Utilities' business plan; Smart Metering

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



900,000
new smart meters
in homes and
businesses
Target for 2030

Please note: Switching to a measured bill is completely optional for households.

How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

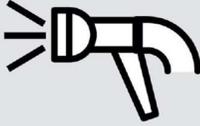
Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.



The following slide describes one of the additional components of United Utilities' business plan; Chance of experiencing a hosepipe ban every 5 years

Halving the chance of experiencing a hosepipe ban between 2025–30

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance
Target for 2030

How does United Utilities say it will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future. It also means our water supply can recover more quickly, when there are water shortages.



The following slide describes one of the additional components of United Utilities' business plan;
Carbon reduction

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42% reduction Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2021/22 baseline figure.

How does United Utilities say it will do this?

A **£200m** programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.



The following slide describes one of the additional components of United Utilities' business plan;
Affordability support

Affordability support

Under the proposed plan, United Utilities would assign **£500m** towards a fund for struggling bill payers.

£250 million
Performance in 2021/22

£500 million
Target for 2030

How does United Utilities say it will do this?

We are investing to ensure there is a support package of **£500m** to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package United Utilities has ever offered.



Based on what you have just read, which of these four parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Installing more smart meters
- Reducing the chance of a hose-pipe ban
- Carbon reduction
- Affordability Support
- Don't know/can't say

Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Completely acceptable **GO TO 0**
- Acceptable **GO TO 0**
- Unacceptable **GO TO 0**
- Completely unacceptable **GO TO 0**
- Don't know/can't say

IF 0=3 or 4 What are the two main reasons that you feel the proposals for your water services are unacceptable? **MAXIMUM 2 ANSWERS, RANDOMISE**

Please choose up to two answers only

- The bill increases are too expensive
- Company profits are too high
- Companies should pay for service improvements
- I expect better service improvements
- The plan is poor value for money
- Compared to energy prices it is more expensive
- I am dissatisfied with current services
- The plans don't focus on the right services
- I won't be able to afford this
- I don't trust them to make these service improvements
- Other 1, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Other 2, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Don't know/ can't say

IF 0=1 OR 2 What are the two main reasons that you feel the proposals for your water supply are acceptable? **MAXIMUM 2 ANSWERS, RANDOMISE**

Please choose up to two answers only

- The plan is good value for money
- The plan is affordable
- Compared to energy prices it's cheaper
- Their plans seem to focus on the right services
- The company provides a good service now
- I support what they are trying to do in the long term
- The change to my bill is small
- I trust them to do what's best for customers
- I have been dissatisfied with the service recently but am pleased that they are making improvements
- Other 1, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Other 2, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Don't know/ can't say

Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer? **SINGLECODE**

Please select one answer only

- An increase in bills starting sooner, spreading increases across different generations of bill-payers
- An increase in bills starting later, putting more of the increases onto younger and future bill-payers
- I don't know enough at the moment to give an answer

HH ONLY: Household Demographic

Q37. Thank you. Now just a few questions to check that we are speaking to a wide range of people.

In which of the following ways do you identify?

Female

Male

I identify in another way

Prefer not to say

Please indicate which one of the following best describes the profession of the chief income earner in your household

Higher managerial/ professional/ administrative (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)

Intermediate managerial/ professional/ administrative (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)

Supervisory or clerical/ junior managerial/ professional/ administrative (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)

Skilled manual work (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)

Semi or unskilled manual work (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)

Housewife/Househusband

Unemployed

Retired **GO TO 0**

Student

Prefer not to say

IF 0=RETIRED ASK Does the main income earner have a state pension, a private pension or both?

State only

Private only

Both

Prefer not to say

IF 0= PRIVATE OR BOTH ASK: How would you describe the main income earner's occupation type before retirement?

Higher managerial/ professional/ administrative (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)

Intermediate managerial/ professional/ administrative (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)

Supervisory or clerical/ junior managerial/ professional/ administrative (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)

Skilled manual work (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)

Semi or unskilled manual work. (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)

None of these

Prefer not to say

Which of the following apply to you? We would like to collect this to ensure that a variety of particular needs are represented in the study, but you do not need to answer if you do not wish to. This information will not be shared with any third party and will be destroyed within 12 months of project completion. **MULTICODE**

Please select all that apply

I or another member of my household is disabled or suffer(s) from a debilitating illness **CODED AS MEDICAL VULNERABILITY**

I or another member of my household have/has a learning difficulty **CODED AS MEDICAL VULNERABILITY**

I or another member of my household relies on water for medical reasons **CODED AS MEDICAL VULNERABILITY**

I or another member of my household is visually impaired (ie struggles to read even with glasses) **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household am/is over the age of 75 years old **CODED AS LIFE STAGE VULNERABILITY**

I or another member of my household speaks English as a second language **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household is deaf or hard of hearing **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household is a new parent **CODED AS LIFE STAGE VULNERABILITY**

None of these apply to me

Prefer not to say

What is your ethnic group? Choose one option that best describes your ethnic group or background

SINGLECODE

Please select one answer only

WHITE

English, Welsh, Scottish, Northern Irish or British

Irish

Gypsy or Irish Traveller

Any other White background

MIXED

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

ASIAN OR ASIAN BRITISH

Indian

Pakistani

Bangladeshi

Chinese

Any other Asian background

BLACK OR BLACK BRITISH

Caribbean

African

Any other Black background

OTHER ETHNIC GROUP

Arab

Any other ethnic group

Prefer not to say

Which of the following bands does your household income fall into from all sources before tax and other deductions? **SINGLECODE**

Up to £199 a week/Up to £10,399 a year

From £200 to £299 a week/From £10,400 to £15,599 a year

From £300 to £499 a week/From £15,600 to £25,999 a year

From £500 to £699 a week/From £26,000 to £36,399 a year

From £700 to £999 a week/From £36,400 to £51,999 a year

From £1,000 to £1,399 a week/From £52,000 to £72,799 a year

From £1,400 to £1,999 a week/From £72,800 to £103,999 a year

£2,000 and above a week/£104,000 and above a Year

Don't know

Prefer not to say

GO TO 0

Q44A **ASK ALL** In which of the following United Utilities regions **[IF HH]** do you live in / **[IF NHH]** is your organisation based?

Cumbria

Merseyside

Greater Manchester

Lancashire

Cheshire
North Derbyshire
None of these
I'm not sure

NHH only: Demographic Questions

How does your organisation mainly use water at its premises? **MULTICODE**

Please select all that apply

For the manufacturing process which is essential to the running of your organisation (e.g. to power machinery, agricultural production etc.)

For the supply of services your organisation provides (e.g. cleaning services etc)

For an ingredient or part of the product or service your organisation provides (e.g. food or drink, chemical, cosmetics manufacturer etc)

For normal domestic use for your organisation's customers and employees (e.g. customer toilets, supply of drinking water)

None of the above

Don't Know

How many sites in the UK does your organisation operate from?

1

2

3

4

5-10

11-50

51-250

250

Prefer not to say

How many employees does your organisation have in the UK?

0 (sole trader)

1 to 9 employees (micro)

10 to 49 employees (small)

50 to 249 employees (medium)

250+ employees (large)

Prefer not to say

Which of the following best defines the core activity of your organisation?

Agriculture, forestry and fishing

Mining and quarrying

Energy or water service & supply

Manufacturing

Construction

Wholesale and retail trade (including motor vehicles repair)

Transport and storage

Hotels & catering

IT and Communication

Finance and insurance activities

Real estate activities

Professional, scientific and technical activities

Administrative and Support Service Activities

Public administration and defence

Education

Human health and social work activities

Arts, entertainment and recreation

Other service activities

Other (please specify)

Prefer not to say

Classification Questions

IF NON PANEL: We mentioned that there would be a £10 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks.

This can be sent as an Amazon, Marks & Spencer or One4All voucher by email. Alternatively, we can donate your incentive to WaterAid. Which would you prefer?

Amazon voucher by email COLLECT EMAIL ADDRESS

M&S Voucher by email COLLECT EMAIL ADDRESS

One4All by email COLLECT EMAIL ADDRESS

Donation to Water Aid

If you have any queries about your incentive, please contact us on 0131 220 8770.

Thank you. Would you be willing to be contacted again if we need to clarify any of the answers you have given today?

Yes

No

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

CATI ONLY Interviewer Confirmation

I confirm that this interview was conducted under the terms of the MRS code of conduct and is completely confidential

Yes

No

QEND [IF HH] United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:

<https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/>

OK

APPENDIX F

Questionnaire (Paper version)

Affordability and Acceptability Testing

Thank you very much for agreeing to complete this online survey which is being conducted by Accent, an independent research agency. This survey is designed to help United Utilities, your water and wastewater service provider, to understand your views on how affordable and acceptable their future plans are.

We will just ask you a couple of questions to check that you are eligible to take part in this research.

Anyone who passes the qualification questions and completes the entire survey will be eligible for a £10 voucher (either an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey. Please note, your answers must reach us by the **16th of August 2023** to qualify for this incentive.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of Market Research Society. If you would like to confirm Accent's credentials, you can phone the Market Research Society on 0800 975 9596.

You do not have to answer any question you do not wish to and you may terminate the interview at any point.

When completing the survey please start from Question 1 (Q1) in the Qualification section.

If at any point in the qualification section you find **“Thank you for your time, it is not possible for your survey responses to be included – please stop here.”** written next to the answer you have selected, this means you are not eligible to take part in this survey. If this happens – thank you very much for your time, but you are not eligible to take part and should stop.

If you have answered the question in the qualification section without that message appearing next to any of your answers please go to the “Main questionnaire” and follow the questionnaire order

Qualification questions

Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at <https://www.accent-mr.com/privacy-policy/>.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

Do you agree to proceeding with the interview on this basis?

Yes

No **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Do you or any of your close family work in market research or for a water company?

Yes **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

No

How old are you?

Please enter your age on the line below

Under 18 **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Prefer not to say **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Are you solely or jointly responsible for paying your household's water and sewerage bill?

Yes

No, I am not responsible for paying the bill **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Don't know **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Are you currently charged for water through a water meter?

Yes

No

Don't know

United Utilities is your water supplier, and is responsible for your sewerage services. Does this sound right?

Yes

No **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Don't know

Thank you, if you have reached this point without having been told to stop, we can confirm you are in scope for the survey. The questionnaire will take about 15 minutes to complete.

Main Questionnaire

Affordability

We are now going to ask you some questions about your household's financial situation.

Thinking about your finances over the last year, how often, if at all, have you struggled to pay at least one of your household bills?

Please select one answer only

- All of the time
- Most of the time
- Sometimes
- Rarely
- Never
- Prefer not to say

Overall, how well would you say you are managing financially now?

Please select one answer only

- Doing alright
- Just about getting by
- Finding it quite difficult
- Finding it very difficult
- Prefer not to say

Thinking about your household's financial situation over the next few years up to 2030, do you expect it to get

Please select one answer only

- A lot worse
- A bit worse
- Stay the same
- A bit better
- A lot better
- Prefer not to say
- Don't know

How easy or difficult is it for you to afford to pay your current water and sewerage bill:

Please select one answer only

- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Don't know

Proposed changes to your water/sewerage bill for the years 2025-2030.

The next set of questions are about proposed changes to your water & sewerage bill for the years 2025-2030. The chart provided shows these changes. It also shows how inflation may impact on your bill, based on the Bank of England's inflation forecasts.

Water bills change each year in line with inflation.

Inflation is the increase in prices paid for goods and services over time. Household incomes also change over time.

- If your household income keeps up with inflation (ie. increases at the same rate), then you are likely to notice little difference in what you are paying for things.
- If inflation increases by a faster rate than your household income, then you are likely to have less money to go around.
- If your household income increases by a faster rate than inflation, then you are likely to have more money to go around.

The Bank of England aims to keep inflation at 2%, but it has recently been much higher than this. As well as changing by inflation each year, bills change by an amount set by Ofwat (the water regulator) as part of their price review process every five years.

The proposed bills you will see from 2025 to 2030 include the Bank of England forecasts for inflation from 2025 to 2030, and proposed amounts to cover the investment in water and sewerage services needed over the next few years.

The chart on the next page shows the expected increase in your water/sewerage bill over the next few years.

The blue part of each column is what the underlying change to your bills would look like if there were no inflation. The orange part is what inflation will add on top. So your actual bill would be the two parts added together.

The figure above each bar represents the total expected bill amount (the blue plus the orange)

If you currently receive financial support with your water bill, please note that this bill profile is based on the financial support scheme you are currently on.

Once you have read the above, and referred to the chart on the following page, please continue.



How easy or difficult do you think it would be for you to afford these water/sewerage bills?

Please select one answer only

Very easy **Please skip question 12**

Fairly easy **Please skip question 12**

Neither easy nor difficult **Please go to Question 12**

Fairly difficult **Please go to Question 12**

Very difficult **Please go to Question 12**

Don't know

Please only answer this question if you have selected “neither easy nor difficult”, “fairly difficult” or “very difficult” at Question 11 (Q11 above)

Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030

Please select all that apply

- Shopping around more
- Spending less on food shopping and essentials
- Spending less on non-essentials
- Cutting back on non-essential journeys in my vehicle
- Eat out less
- Using less fuel such as gas or electricity in my home
- Using less water
- Using my savings
- Using credit more than usual, for example, credit cards, loans or overdrafts
- Ask family and friends for financial support
- Other, please specify: _____
- Don't know

Acceptability

We are now going to ask you some questions about your views on your water company's business plan. Water companies are required to put together business plans for each five-year period. The plan we are showing you is for 2025- 2030.

The following chart shows how United Utilities are performing on the length of time properties are without water, against both their target and also the other water companies.

The following chart shows what United Utilities is proposing doing to improve things:

Water companies measured on the length of time properties are without water

Duration without water for more than 3 hours by minutes per property.
Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked **7th** of 17 companies on this measure

| Company | Performance |
|--------------------------|-----------------|
| Portsmouth | 00:02:21 |
| Bristol | 00:02:31 |
| SES Water | 00:02:58 |
| South Staffs & Cambridge | 00:03:15 |
| Affinity | 00:03:43 |
| Wessex | 00:04:12 |
| United Utilities | 00:07:58 |
| Southern | 00:09:22 |
| Anglian | 00:09:48 |
| Yorkshire | 00:10:38 |
| Thames | 00:11:03 |
| Northumbrian | 00:11:45 |
| Severn Trent | 00:12:39 |
| South West | 00:13:40 |
| Welsh Water | 00:16:12 |
| Hafren Dyfrdwy | 00:37:28 |
| South East | 01:12:33 |

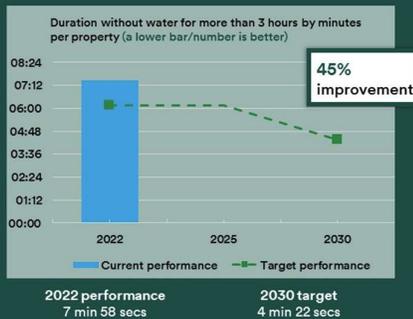
Better performance



Poorer performance

Reducing interruptions to your water supply

If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.



How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.

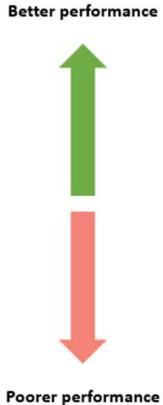
The following chart shows how United Utilities are performing on the amount of water lost due to leaks from water mains and pipes, against both their target and also the other water companies.

Water companies measured on the amount of water lost due to leaks from water mains and pipes

Number of litres lost per property per day
Companies with the lowest numbers perform better

| |
|--|
| United Utilities <u>has met its target for this metric last year</u> |
| United Utilities are ranked 16th of 19 companies on this measure |

| Company | Performance |
|-------------------------|---------------|
| Bristol | 65.04 |
| Essex and Suffolk | 76.4 |
| Portsmouth | 77.02 |
| SES Water | 78.68 |
| Anglian | 80.18 |
| Southern | 83.17 |
| South East | 87.63 |
| Cambridge | 90.67 |
| Wessex | 103.29 |
| South West | 107.71 |
| Northumbrian | 108.3 |
| Affinity | 108.65 |
| South Staffs | 113.45 |
| Severn Trent | 119.66 |
| Yorkshire | 122.91 |
| United Utilities | 124.21 |
| Hafren Dyfrdwy | 131.01 |
| Thames | 151.51 |
| Welsh Water | 158.8 |



The following chart shows what United Utilities is proposing doing to improve things:

Reducing the amount of water leakage

Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

Number of litres lost per property per day (a lower bar/number is better)

2022 performance: 124.21 litres a day
2030 target: 94 litres a day

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

The following chart shows how United Utilities are performing on the number of customer contacts regarding the appearance, taste and smell of tap water, against both their target and also the other water companies.

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water

Number of customer contacts received regarding incidents, per 1,000 customers.
Companies with the lowest numbers perform better

United Utilities **has not** met its target for this metric last year

United Utilities are ranked **16th** of 17 companies on this measure

| Company | Performance (number of contacts) |
|--------------------------|----------------------------------|
| Portsmouth | 0.41 |
| Thames | 0.49 |
| SES Water | 0.58 |
| Affinity | 0.73 |
| South Staffs & Cambridge | 0.76 |
| Severn Trent | 0.93 |
| Northumbrian | 0.97 |
| Anglian | 1.03 |
| Yorkshire | 1.09 |
| Southern | 1.1 |
| Wessex | 1.17 |
| South East | 1.34 |
| Bristol | 1.38 |
| South West | 1.55 |
| Hafren Dyfrdwy | 1.71 |
| United Utilities | 1.79 |
| Welsh Water | 2.38 |

Better performance

Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

Number of customer contacts received regarding incidents, per 1,000 properties (a lower bar/number is better)

| Year | Performance (complaints per 1,000 properties) |
|---------------------------------|---|
| 2021/2022 (Current performance) | 1.79 |
| 2030 (Target performance) | 0.8 |

55% improvement

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Based on what you have just read, which of these three parts of the business plan is the most important to you? **Please select one answer only**

- Reducing the duration of water interruptions of longer than 3 hours
- Reducing leakage
- Preventing issues with taste/smell/appearance of tap water
- Don't know/can't say

The following chart shows how United Utilities are performing on the incidents of sewage flooding properties, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding properties

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

United Utilities **has not met its target for this metric last year**

United Utilities are ranked **9th** of 11 companies on this measure

| Company | Performance (number of properties affected) |
|-------------------------|---|
| South West | 0.76 |
| Welsh Water | 1.36 |
| Wessex | 1.42 |
| Severn Trent | 1.61 |
| Anglian | 1.73 |
| Northumbrian | 1.84 |
| Hafren Dyfrdwy | 2.34 |
| Yorkshire | 2.83 |
| United Utilities | 2.98 |
| Southern | 3.04 |
| Thames | 3.46 |

Better performance



Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

| Year | Performance (events per 10,000 properties) |
|------------------|--|
| 2022 performance | 2.97 |
| 2030 target | 2.06 |

How does United Utilities say it will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

The following chart shows how United Utilities are on the incidents of sewage flooding gardens or outbuildings, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding gardens or outbuildings

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

United Utilities **has met its target** for this metric last year

United Utilities are ranked **5th** of 11 companies on this measure

| Company | Performance (number of properties affected) |
|-------------------------|---|
| Thames | 9.4 |
| Severn Trent | 10.8 |
| Anglian | 14.55 |
| South West | 18.13 |
| United Utilities | 18.71 |
| Hafren Dyfrdwy | 19.05 |
| Wessex | 19.19 |
| Yorkshire | 19.52 |
| Southern | 19.53 |
| Welsh Water | 26.27 |
| Northumbrian | 26.64 |

Better performance

Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.

| | |
|------------------------------------|------------------------------------|
| 2022 performance | 2030 target |
| 18.12 events per 10,000 properties | 13.65 events per 10,000 properties |

How does United Utilities say it will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

The following chart shows how United Utilities are performing on the number of incidents of pollution of rivers and streams, against both their target and also the other water companies.

Water companies measured on the number of incidents of pollution of rivers and streams

Number of incidents per 10,000 km of sewer.

Companies with the lowest numbers perform better

| | |
|---|-----------------------------------|
| United Utilities has met its target for this metric last year | |
| United Utilities are ranked 1 st of 11 companies on this measure | |
| Company | Performance (number of incidents) |
| United Utilities | 17.71 |
| Wessex | 20.60 |
| Severn Trent | 21.81 |
| Welsh Water | 22.90 |
| Northumbrian | 22.98 |
| Thames | 24.87 |
| Yorkshire | 27.36 |
| Anglian | 33.75 |
| Hafren Dyfrdwy | 39.84 |
| South West | 86.58 |
| Southern | 93.63 |

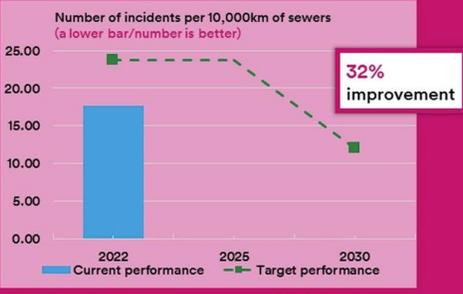
Better performance ↑
↓ Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of pollution incidents



Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.



Number of incidents per 10,000km of sewers (a lower bar/number is better)

| | |
|--|-------------------------------------|
| 2022 performance | 2030 target |
| 17.71 incidents per 10,000km of sewers | 12 incidents per 10,000km of sewers |

How does United Utilities say it will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

The North West sewer network is vast and big enough to wrap around the earth twice. We plan to invest **£3bn** for better treatment of sewage and to increase the capacity of our **79,000km** sewer network, to support reducing the chances of pollution incidents occurring.

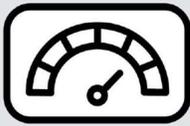
Based on what you have just read, which of these three parts of the business plan is the most important to you? **Please select one answer only**

- Reducing sewer flooding **inside** properties
- Reducing sewer flooding **outside** properties
- Reducing the number of pollution incidents
- Don't know/can't say

The following slide describes one of the additional components of United Utilities' business plan; Smart Metering.

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



900,000
new smart meters
in homes and
businesses
Target for 2030

Please note: Switching to a measured bill is completely optional for households.

How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.



The following slide describes one of the additional components of United Utilities' business plan; Chance of experiencing a hosepipe ban every 5 years.

Halving the chance of experiencing a hosepipe ban between 2025–30

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance
Target for 2030

How does United Utilities say it will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future. It also means our water supply can recover more quickly, when there are water shortages.



The following slide describes one of the additional components of United Utilities' business plan; Carbon reduction.

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42% reduction Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2021/22 baseline figure.

How does United Utilities say it will do this?

A **£200m** programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.



The following slide describes one of the additional components of United Utilities' business plan; Affordability support.

Affordability support

Under the proposed plan, United Utilities would assign **£500m** towards a fund for struggling bill payers.

£250 million
Performance in 2021/22

£500 million
Target for 2030

How does United Utilities say it will do this?

We are investing to ensure there is a support package of **£500m** to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package United Utilities has ever offered.



Based on what you have just read, which of these four parts of the business plan is the most important to you? **Please select one answer only**

- Installing more smart meters
- Reducing the chance of a hose-pipe ban
- Carbon reduction
- Affordability Support
- Don't know/can't say

Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? **Please select one answer only**

- Completely acceptable **Please go to Question 0**
- Acceptable **Please go to Question 0**
- Unacceptable **Please go to Question 0**
- Completely unacceptable **GO TO 0 Please go to Question 0**
- Don't know/can't say

Answer if you selected "Unacceptable" or "Completely unacceptable" at question 27 (0 above)

What are the two main reasons that you feel the proposals for your water services are unacceptable?

Please choose up to two answers only

- The bill increases are too expensive
- Company profits are too high
- Companies should pay for service improvements
- I expect better service improvements
- The plan is poor value for money
- Compared to energy prices it is more expensive
- I am dissatisfied with current services
- The plans don't focus on the right services
- I won't be able to afford this
- I don't trust them to make these service improvements
- Other 1, please specify _____
- Other 2, please specify _____
- Don't know/ can't say

Answer if you selected "Acceptable" or "Completely" acceptable at question 27 (0 above)

What are the two main reasons that you feel the proposals for your water supply are acceptable?

Please choose up to two answers only

- The plan is good value for money
- The plan is affordable
- Compared to energy prices it's cheaper
- Their plans seem to focus on the right services
- The company provides a good service now
- I support what they are trying to do in the long term
- The change to my bill is small
- I trust them to do what's best for customers
- I have been dissatisfied with the service recently but am pleased that they are making improvements
- Other 1, please specify _____
- Other 2, please specify _____
- Don't know/ can't say

Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?

Please select one answer only

- An increase in bills starting sooner, spreading increases across different generations of bill-payers
- An increase in bills starting later, putting more of the increases onto younger and future bill-payers
- I don't know enough at the moment to give an answer

Household Demographic

Thank you. Now just a few questions to check that we are speaking to a wide range of people.

In which of the following ways do you identify?

- Female
- Male
- I identify in another way
- Prefer not to say

Please indicate which one of the following best describes the profession of the chief income earner in your household

- Higher managerial/ professional/ administrative** (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)
- Intermediate managerial/ professional/ administrative** (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)
- Supervisory or clerical/ junior managerial/ professional/ administrative** (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)
- Skilled manual work** (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)
- Semi or unskilled manual work** (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)
- Housewife/Househusband
- Unemployed
- Retired **GO TO 0**
- Student
- Prefer not to say

Answer if you have selected "retired" at question 32 (0 above)

Does the main income earner have a state pension, a private pension or both?

- State only
- Private only **GO TO Q39**
- Both **GO TO Q39**
- Prefer not to say

Answer if you have selected "private only" or "Both" at question 32 (0 above)

How would you describe the main income earner's occupation type before retirement?

- Higher managerial/ professional/ administrative** (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)
- Intermediate managerial/ professional/ administrative** (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)
- Supervisory or clerical/ junior managerial/ professional/ administrative** (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)
- Skilled manual work** (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)
- Semi or unskilled manual work.** (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)
- None of these
- Prefer not to say

Which of the following apply to you? We would like to collect this to ensure that a variety of particular needs are represented in the study, but you do not need to answer if you do not wish to. This information will not be shared with any third party and will be destroyed within 12 months of project completion.

Please select all that apply

- I or another member of my household is disabled or suffer(s) from a debilitating illness
 - I or another member of my household have/has a learning difficulty
 - I or another member of my household relies on water for medical reasons
 - I or another member of my household is visually impaired (i.e. struggles to read even with glasses)
 - I or another member of my household am/is over the age of 75 years old
 - I or another member of my household speaks English as a second language
 - I or another member of my household is deaf or hard of hearing
 - I or another member of my household is a new parent
 - None of these apply to me
 - Prefer not to say
-

What is your ethnic group? Choose one option that best describes your ethnic group or background

Please select one answer only

WHITE

- English, Welsh, Scottish, Northern Irish or British
- Irish
- Gypsy or Irish Traveller
- Any other White background

MIXED

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other Mixed background

ASIAN OR ASIAN BRITISH

- Indian
- Pakistani
- Bangladeshi
- Chinese
- Any other Asian background

BLACK OR BLACK BRITISH

- Caribbean
- African
- Any other Black background

OTHER ETHNIC GROUP

- Arab
 - Any other ethnic group
 - Prefer not to say
-

Which of the following bands does your household income fall into from all sources before tax and other deductions?

- Up to £199 a week/Up to £10,399 a year
 - From £200 to £299 a week/From £10,400 to £15,599 a year
 - From £300 to £499 a week/From £15,600 to £25,999 a year
 - From £500 to £699 a week/From £26,000 to £36,399 a year
 - From £700 to £999 a week/From £36,400 to £51,999 a year
 - From £1,000 to £1,399 a week/From £52,000 to £72,799 a year
 - From £1,400 to £1,999 a week/From £72,800 to £103,999 a year
 - £2,000 and above a week/£104,000 and above a Year
 - Don't know
 - Prefer not to say
-

In which of the following United Utilities regions do you live?

- Cumbria
- Merseyside
- Greater Manchester
- Lancashire
- Cheshire
- North Derbyshire

- None of these
 - I'm not sure
-

We mentioned that there would be a £10 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks.

This can be sent as an Amazon, Marks & Spencer or One4All voucher. Alternatively, we can donate your incentive to WaterAid. Which would you prefer?

- Amazon voucher
- M&S Voucher
- One4All
- Donation to Water Aid

If you have any queries about your incentive, please contact us on 0131 220 8770.

Thank you. Would you be willing to be contacted again if we need to clarify any of the answers you have given today?

- Yes
- No

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:

<https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/>

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

APPENDIX G

Cognitive Report

| Question | Comments | Action |
|----------|---|--|
| General | <p>In general the survey was well received with participants stating the following about it:</p> <ul style="list-style-type: none"> • Was not too long • There was nothing that they couldn't understand • Quite interesting especially seeing what UU plan to do in the future • All broken down not just text • Good balance of words with images • Interesting comparing companies • Interesting and straight forward • Had enough multiple-choice options • Was not found to be too repetitive • The information from the business plans was new for many participants as they were unaware of certain elements • It's spot on in terms of length and content • It shows that there is room for improvement at UU, but also shows how they are planning to address these issues | None required |
| | <p>A participant that worked with disabled people raised a concern about how accessible this survey is to people with disabilities – suggested having two versions of the survey one with more information and one more accessible</p> | This is not an option due to the nature of this survey |
| | <p>One participant was confused and didn't understand that not all customers will experience the disruptions and was particularly concerned about the unplanned interruption as they have never experienced an issue</p> | None required |

| | | |
|---|---|---|
| | <p>One participant was concerned that many from the general public will not read all the information and will just want to skip to the end of the survey to receive their reward</p> | None required |
| <p>Introduction (Questions 1-8a)</p> | <p>The questions in this section were seen as pretty straight forward, clear and most participants did not have any issues completing these sections. One participant remarked about this section that <i>“Sets out what's what and simple clear concise questions like how the data protection and all the items are spelled out”</i></p> <p>One participant clicked on all the links in this section and got confused by the MRS website as they thought it was meant to be the Accent website</p> <p>One participant commented they liked the ability to return at a later stage to complete the survey</p> <p>NHH participants had no issues with these questions</p> | None required |
| <p>Affordability (Questions 9-13)</p> | <p>These questions in this section were found to be standard questions, just general how are you doing questions. Participants had no issues answering them and have noted they were easy to understand and they were <i>“is what it is”</i> type of questions.</p> <p>One participant suggested that this section intended to <i>“get you to think about the value for money for your water services”</i></p> <p>One participant liked that this section had enough options, good words used for the options <i>“it's easier to be honest when the options are actually meaningful”</i></p> | None required |
| | <p>Some participants found it hard to thinking so far ahead as there are so many thing that can change in 7 years</p> | None required – the question is asked as per guidance |

| | | |
|--|--|---|
| <p>Q11 Thinking about your household's/ your organisation's financial situation over the next few years up to 2030, do you expect it to get</p> | <p>One participant was felt we may have people answering randomly as people are worried about inflation and that people may not be managing so well. they felt that things will get worse before they get better.</p> <p>One participant said it comes across as guessing how ambitious or pessimistic you are about the future. <i>"There are so many other factors going on e.g. Brexit and Ukraine that it feels very personal so ask how do you see your situation changing in a world filled with growing change"</i></p> | <p>None required</p> |
| <p>Q13.How easy or difficult is it for you your company/organisation to afford to pay your current water and sewerage bill?</p> | <p>One participant remarked they found this question very easy because they pay by direct debit. Did not consider the actual cost but rather the method of payment.</p> | <p>None required</p> |
| <p>Bill increase/inflation chart</p> | <p>The majority of participants were able to digest the information in the top half of the page and remarked that:</p> <ul style="list-style-type: none"> • The text was easy to read and they liked the split in bullet points and a short paragraph • The information was clear and understandable <p>Some participants took some time to read the information and remarked it was:</p> <ul style="list-style-type: none"> • More official looking • Being hit with a wall of text <p>One particular participant that had a pretty strong prescription struggled to read the text in italics, however he remarked that the font was big enough</p> | <p>None required</p> <p>None required</p> <p>Potentially change the text from Italics to underlined or bold</p> |

| | | |
|---|--|-------------------------------------|
| | <p>The graph was well received and understood by participants.</p> <ul style="list-style-type: none"> The blue orange differentiation was highlighted by a number of participants (<i>“Liked how the use of colours distinguishes between the actual bill and how much in the increase is due to inflation”</i>) | None required |
| | <p>One participant questioned why does the bill in blue go down for the next period after and the bill is higher due to inflation – does this mean had we not had inflation the bill would have gone down?</p> | None required |
| | <p>One participant suggested adding a third colour (purple) to the graph to highlight how much of the new bill is going towards investment</p> | None required- this is out of scope |
| | <p>One participant mentioned making the combined figure a bit more prominent – perhaps bold it</p> | Bold the combined figure |
| | <p>One NHH participant mentioned that basically all this information is conjecture, it is an estimation not actual accurate information</p> | None required |
| | <p>One NHH participant remarked that no one plans bills that far in advance</p> | |
| Q14 /Q15(affordability of proposed bills) | <p>Participants found these questions clear and easy to understand</p> | None required |
| | <p>Even though participants understood the questions some had difficulty picturing the future that far ahead.</p> <ul style="list-style-type: none"> “it is difficult to know what you are not doing as much of in order to pay for your bills (e.g. when eating out is the same as your bill)” “it’s hard to answer so far ahead as there are many things that can change “ NHH are worried about impacts to the industry that can affect future | |
| | <p>One participant suggested replicating the bill projection graph to the side to help answering the question</p> | |
| Comparative Data (generally) | <p>Generally the charts were understood. Some participants understood the charts straight away but some took looking through a couple to understand what they were looking at.</p> | None required |

| | | |
|--|---|---------------|
| | <ul style="list-style-type: none"> • Quite a few participants mentioned there is no need to compare UU to how other companies are doing • Some mentioned UU should just focus on itself | None required |
| <p>One participant liked how on the chart UU's position and if they had or not had met their target is also written out in the boxes above</p> | | |
| <ul style="list-style-type: none"> • Two participant mentioned they liked the red and green arrows and how they allowed them to place UU in the ranking • Two participants mentioned liking the leader board style of this chart | | |
| <p>3 participants mentioned that the performance figures were confusing</p> <ul style="list-style-type: none"> • Six digits in the interruptions slide was very confusing • 17.71 - participant had to look and focus a little to digest all the information in this slide • One participant suggested to use % instead of these figures <p>One participant mentioned that the instances where UU has not met its target are not highlighted enough</p> | <p>These slides are prescribed in terms of format (and the latest, most simple, format of the slides has been used)</p> | |
| <p>Several participants have mentioned having difficulty reading the data in the chart</p> | <p>Increase font size in final charts</p> | |
| <ul style="list-style-type: none"> • Two participant mentioned that the actual target is not shown in the chart. • One participant suggested adding a year on year target chart to accompany the images | <p>None required – these slides are done in accordance with the guidance</p> | |
| <ul style="list-style-type: none"> • One participant added that when you first look at the list of names it is hard to tell whether it is companies or regions in the list. • One participant suggested to add a map of UU regions • Two participants have suggested to add more detailed regional information as it would add more relevance to the list of planned improvements | <p>This is outside the scope of research. Something for UU to consider in their comms campaigns</p> | |

| | | |
|-------------------------|--|---|
| Unplanned interruptions | The visual was found to be aesthetically pleasing and participants were generally able to understand this element of the business plan | None required |
| | A participant mentioned <i>"It's not clear how they get the average duration. It's like there are two metrics, one for more than three hours and one in minutes. It should say the average time per property in hours minutes and seconds if that's how it's measured"</i> | Potentially amend the subheading on the chart to make this clearer |
| | One participant got confused by an interrupted water supply as never experienced one and thought this was going to happen. <i>"Has this happened to other people? I think it should say at the top of lower graphic, 'If this has happened to you'"</i> | None required – this was not found to generally be an issue |
| | 4 participants have mentioned not understanding or being confused by the clock infographic. Some mentioned the text would have been sufficient | Consider replace the clock with a different representation or alter shading in the image to make it clearer how this aligns with % improvement |
| | This slide was well received and the imagery has been found to be aligned to with the words are saying | None required |
| Leakage charts/slide | One participant suggested that the wiggly lines depicting the water were confusing and making the text hard to read and suggested having a straight line instead | None required – this is negated by the number of participants that have said the image really works and the wiggly lines represent waves in the water and how it makes it all clear |
| | Several participants have mentioned how well the image of the water aligns with the text message | |
| | The infographic was found to be informative <i>"Didn't realise it was leakage per property per day until reading the lower infographic"</i> A number of participants have remarked how poorly UU are performing on this metric compared to other companies | None required |

| | | |
|--|---|---|
| Water quality | This slide was generally well received and participants understood the message | None required |
| | One participant remarked that they did not know what is meant by innovative technology network | Potentially add an example in brackets if relevant |
| | One participant struggled to understand this slide, did not understand the figure of 1.79 contacts | None required – figures reported as per guidance |
| | One participant mentioned that one of the paragraphs is the same as on the previous slide so it makes it harder to understand how this translates to water quality and makes the plans harder to believe – participant mentioned adding more specific information | None required – this has not been found as an issue anywhere else and due to time redesign is not advised |
| Q19. Based on what you have just read, which of these three parts of the business plan is the most important to you? | Participants found answering this question straight forward and participants have chosen the answer based on what it is important to them | None required |
| | Some participants have spoken about actively putting past experiences (like recent water supply interruptions, leaks or text messages about the water supply) at the back of their minds to really think what is important to them | |
| Internal sewer flooding | The majority of participants found this information clear especially liking the format of the text with the bullet points and no use of jargon | None required |
| | A couple of participants found the colouring in green of the house on the right to represent the % change did not translate well for this slide | |
| | Two participant mentioned that the reduction from 2.98 to 2.06 does not seem like a massive improvement but 31% feels like a large amount | |
| | One participant mentioned adding information on accountability for these accidents | |
| | One participant was really surprised to see this information as did not realise it was such a widespread problem | |

| | | |
|---|---|--|
| External sewer flooding | One participant mentioned that the image of the green house colouring did not translate well for this slide | None required |
| | One NHH participant observed that most businesses do not have a garden so this may not be relevant to them and that the two slides about flooding should be mentioned together | |
| | One participant wanted to have more information on accountability included in the slide | |
| Pollution | Participants found this slide to be one of the ones most easy to understand | None required |
| | One participant mentioned that pink may not be the best colour for pollution | |
| | One participant wanted to include a map of areas where it is safe to swim | |
| | One participant suggested that the language on this slide waters down the actual impact of pollution e.g. "can affect rivers..." should be replaced with something 'more accurate' like "it does affects rivers..." | UU to consider revising language |
| | One participant mentioned the text does not say that the pollution affects the sea as well so it should also include that | None required |
| Q23 Based on what you have just read, which of these three parts of the business plan is the most important to you? | Participants have found answering this question a bit harder than Q19 and would have liked to be able to select more than one option. | None required – question asked as per guidance |
| Smart metering | Participants had no issue with this slide all information was clear | None required |
| | One participant remarked that grey was a bit boring compared to the previous images so perhaps using a better colour for the background and the same for all the other slides in this section | |

| | | |
|-------------------------|--|--|
| | One participant mentioned perhaps adding a picture of a real smart meter to replace the current image | |
| | One participant mentioned the note at the bottom left could be enlarged as they missed it the first time round | |
| | One participant mentioned this slide may be irrelevant to renters (as they do not have a choice over the installing of meters) and another one that lived at a property that cannot be metered | |
| Hosepipe bans | Information of this slide was found to be clear. | None required |
| | Some participants were surprised to see this as they found this does not really apply to the area they live in | |
| | One participant wanted a bit more information on what exactly UU are planning to do to reduce this risk | UU to consider adding more information |
| Carbon reduction | One participant said they found it hard to follow this slide as they don't know much about carbon | UU to consider changes |
| | One participant found this slide could have its terminology broken down further into more layman terms e.g. what are green gas emissions. | |
| | One participant mentioned there is too much text and the slide could use a bit more imagery | |
| | Two participants mentioned the background colour is a bit dull | |
| | One participant wanted more information on how UU will change their processes to achieve this reduction | |
| | One participant wanted to know what are UU moving to since they are moving away from fossil fuels? | |

| | | |
|---|---|---|
| | One participant wanted to know more information about the tree planting campaign; they were aware of areas where trees planted under this initiative have caused issues | |
| Affordability support | This slide was found to be very informative as many were not aware of support offered from UU. Additionally, the slide was found to be clear and well laid out | None required |
| | One participant wanted more information on how this is going to be spread out among customers | None required- this is outside the scope of this research |
| | Some participants wanted more information on the qualification criteria for this support | |
| Q28. Based on what you have just read, which of these four parts of the business plan is the most important to you? | Question was found to clear and easy to answer. | None required |
| Q29. Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? | One participant commented that at this point it would be good to include a note on the plans that would be put in place with some indication of level of spend to help decide | None required – question asked as per guidance |
| | One participant was confused if this question refers to all the elements of the business plan or just the last 4 | None required – everyone else did not seem to have an issue |
| | One participant wanted the option to write in their own answer at this point | None required – question asked as per guidance |
| Q30. What are the two main reasons that you feel the proposals for your water services are unacceptable? | One participant wanted an option to say that shareholders and senior leadership are being paid too much | None required – question asked as per guidance and there is a “please specify” option |
| Q32 Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer? | Participants found it hard to answer this question as it poses a moral dilemma. Participants felt it is not fair for the future generations to pay for these improvements but at the same time they worry about their current financial wellbeing | None required |
| | One participant found this hard to answer as they felt this investment should have been started by now | None required |

| | | |
|--|--|----------------------|
| <p>Q37. United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:</p> | <p>This was generally acknowledged to be a great addition as everyone wanted to make sure people in need are supported, one participant even opened the link to review in their own time</p> | <p>None required</p> |
| <p>Demographics Q38-Q44a</p> | <p>One participant felt that this could be made to stand out a bit more and perhaps turned into an infographic like all the business plan slides</p> <ul style="list-style-type: none"> • Participants had no issues in understanding or completing these questions. • A couple have mentioned they liked the option to say “identify in a different way” at the gender question | |

A.3 A&A Testing Quantitative Pilot Report and Materials

Accent



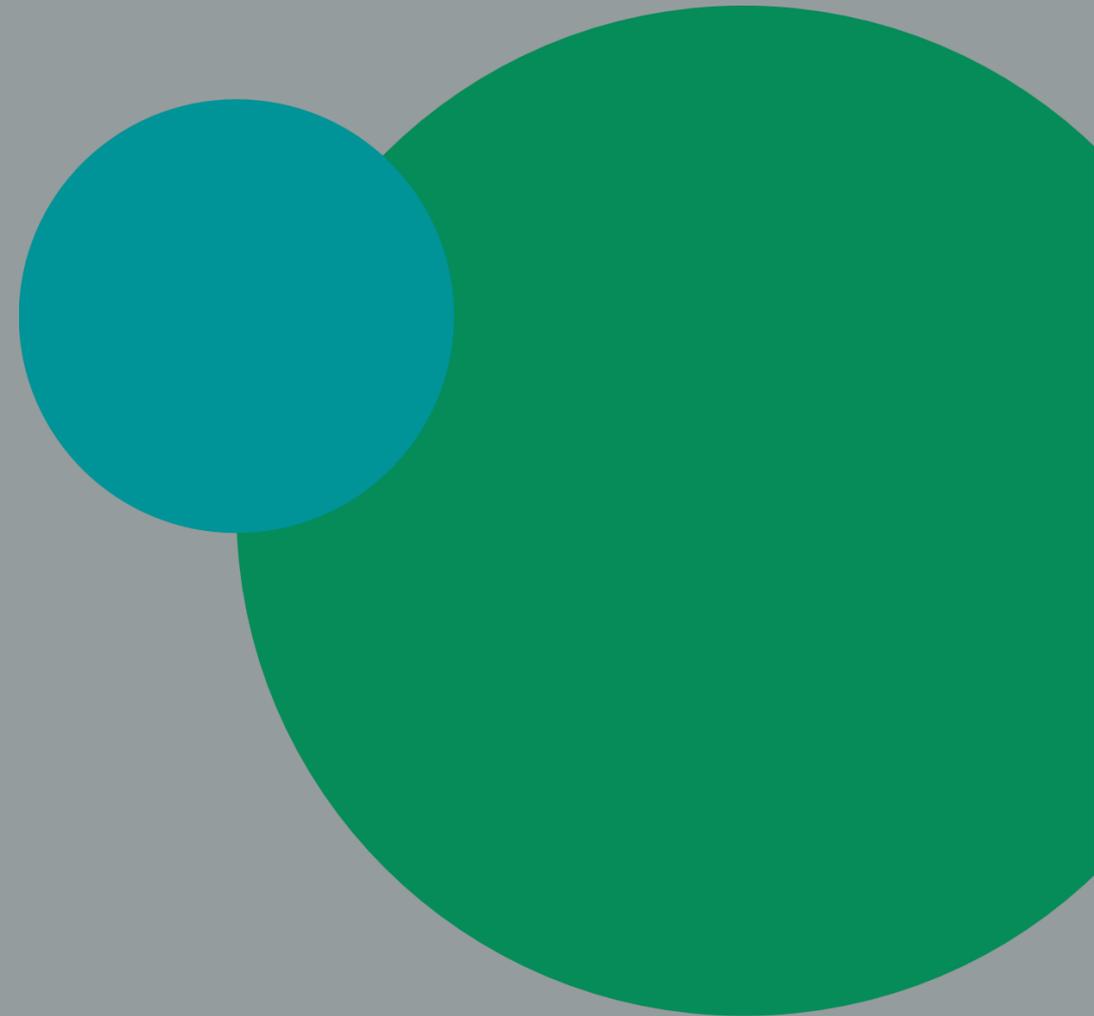
Affordability & Acceptability Testing 1

Quantitative Report

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09 June 2023 | 3606 United Utilities AAT1 -
Quantitative Fieldwork Report

Contents

- 1 Executive Summary
- 2 Fieldwork Methodology & Demographics
- 3 Research Findings and Results
- 4 Appendices



Executive Summary



Methodology

700

Interviews
total



597

Household
(HH)
participants



103

Non-Household
(NHH)
participants



Findings

The economic circumstances for many participants were not favourable

Roughly half of household (HH) participants were struggling financially, and prospects for improvement are scant. Businesses were somewhat less troubled, with around a third struggling financially but had more positive longer-term prospects.

Affordability of the proposed business plan was low at 13% overall

Just 9% of households and 39% of non-households said the increases would be fairly or very easy to afford.

Acceptability of the proposed plan was high at 72% overall

69% of households and 88% of non-households said it was either acceptable or completely acceptable. Only 11% of households and 6% of non-households said it was unacceptable or completely unacceptable.

Leaks, Pollution Incidents, and Affordability Support for vulnerable customers were the top priorities for both households and businesses

Fieldwork Methodology & Demographics



Methodology & Demographics (Household customers)

- The data presented in this report is from an initial ‘light touch’ AAT1 survey to get an **early indication of affordability**. Findings and learnings from this element of the research will be applied to the full AAT2 quantitative survey approach.
- **Household participants were approached by email only, inviting to web.** In AAT2, customers without email addresses will be approached by post, and paper versions will be available, in accordance with the Ofwat/CCW guidance.
- **In all other respects the Guidance was followed:**
 - A random selection of customers across the supply area was approached.
 - Lower IMD (indices of multiple deprivation) deciles were over-sampled and higher IMD deciles under-sampled, to compensate for lower response rates.
 - An incentive of £10 was offered to encourage participation.
 - Future customers were not included.



Weighting

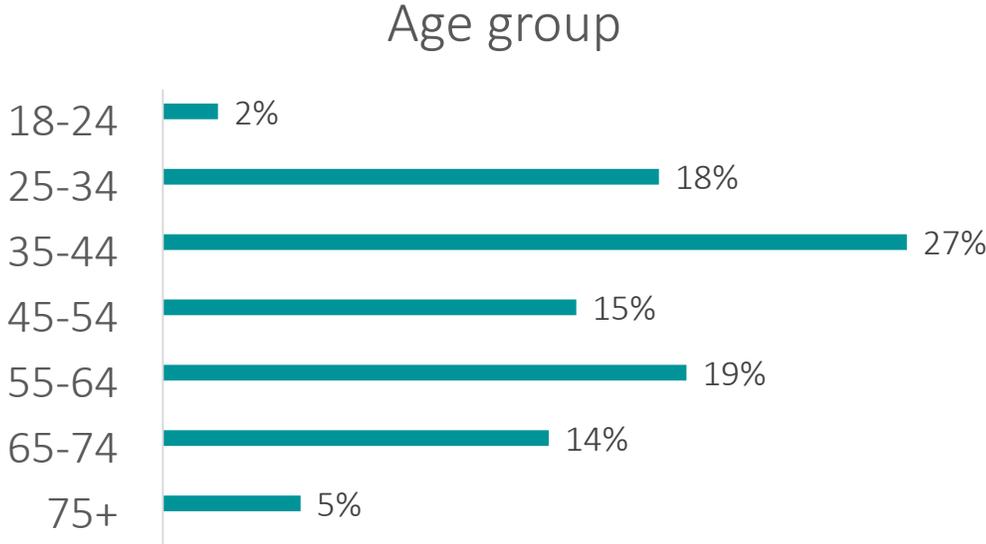
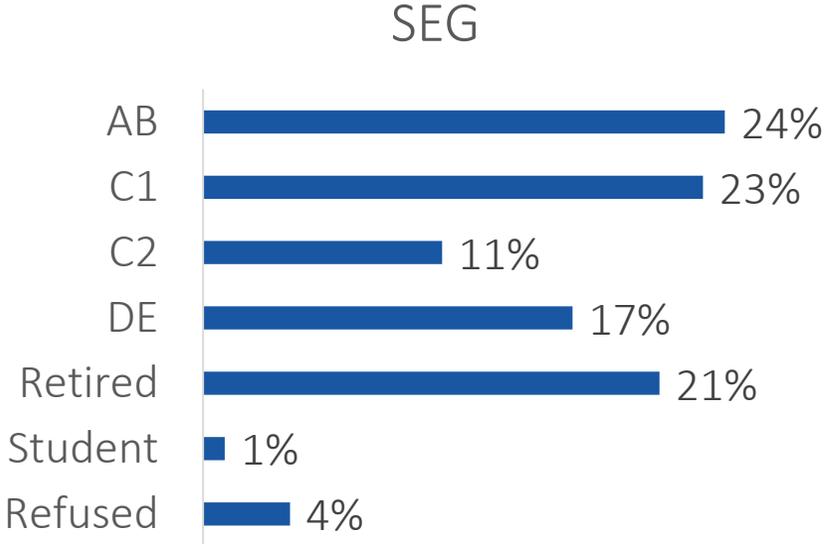
- Survey responses for both HH and NHH were weighted back to the UK population.
- SPSS was used to run RIM weighting (Random Iterative Methods, or “Raking”).

| Gender | Population | Achieved |
|--------|------------|----------|
| Male | 49% | 48% |
| Female | 51% | 52% |
| Age | | |
| 18-34 | 30% | 20% |
| 35-64 | 48% | 61% |
| 65+ | 23% | 19% |
| SEG | | |
| AB | 20% | |
| C | 51% | |
| DE | 29% | |

| NHH size (number of employees) | Population | Achieved |
|--------------------------------------|------------|----------|
| 0 | 15% | 5% |
| 1-49 | 35% | 34% |
| 50-249 | 15% | 31% |
| 250+ | 35% | 30% |

Methodology & Demographics (Household customers)

- 597 Household participants were interviewed.
- Broadly speaking demographics fell out well
 - Participants from higher socio-economic backgrounds were over-represented in the data. This is despite under-sampling higher IMD decile addresses. This is in line with the expectations of the methodology. It is anticipated that introducing postal invitations in AAT2 may go *some* way towards compensating for this bias.



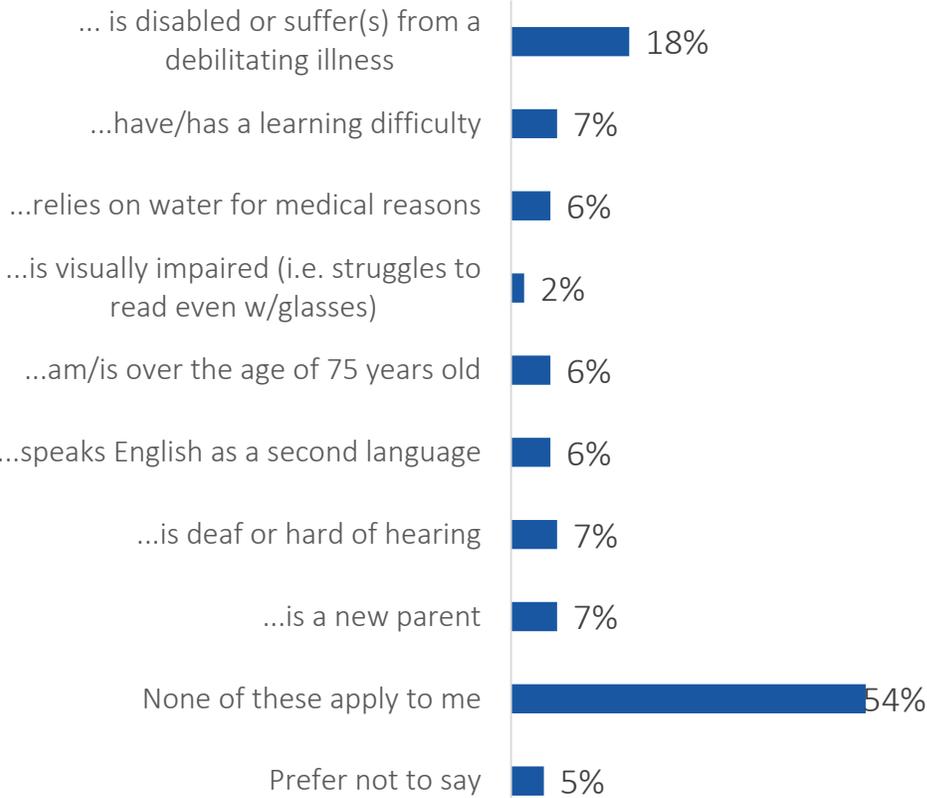
Base: All household participants (597)

Demographics (Household customers, Cont.)

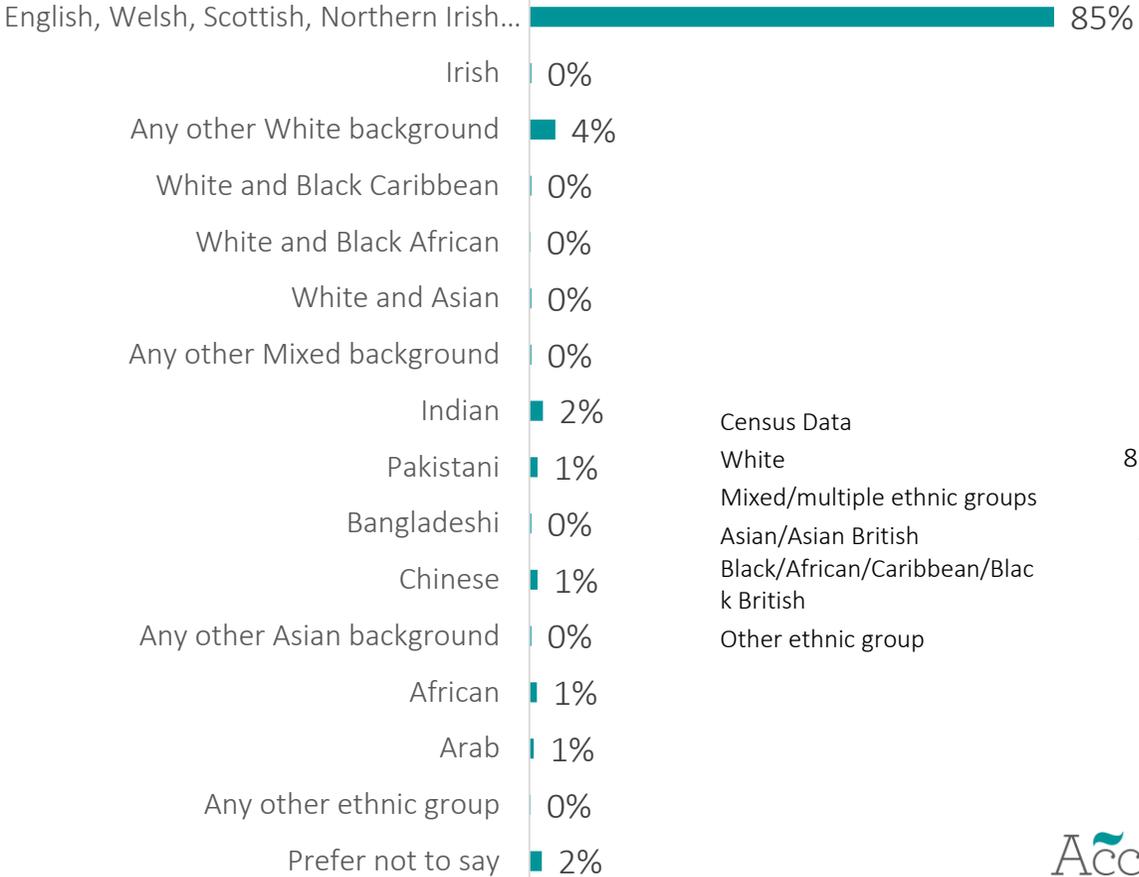
Participants with a range of vulnerabilities were well represented, with fewer than half of households reporting none present

Although the ethnicity bandings used do not correlate directly with census data, the spread found (89% white, 4% Asian, 0-2% for other groupings) was fairly representative

I or another member of my household...

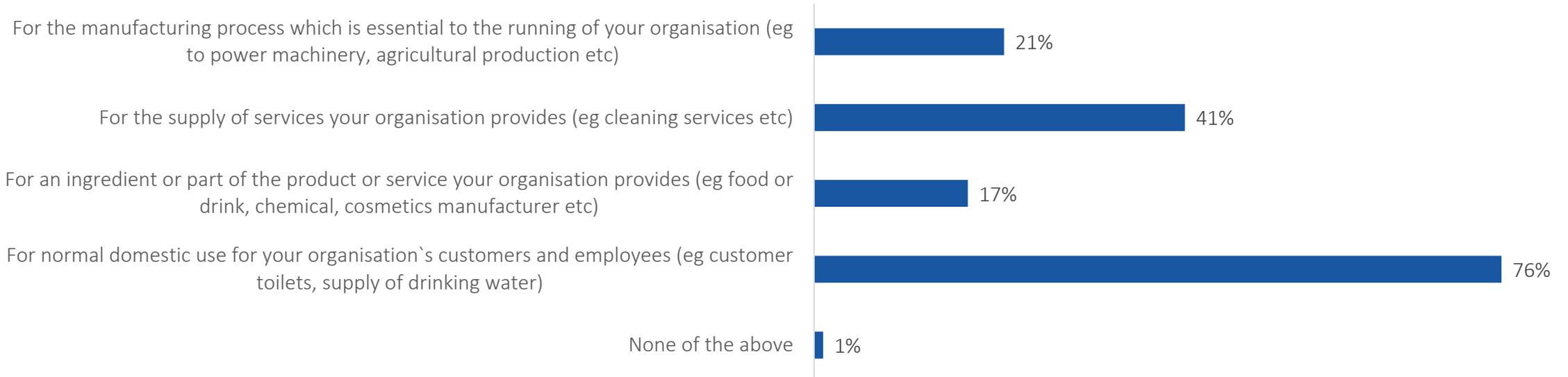


Base: All household participants (597)



Methodology & Demographics (Non-Household customers)

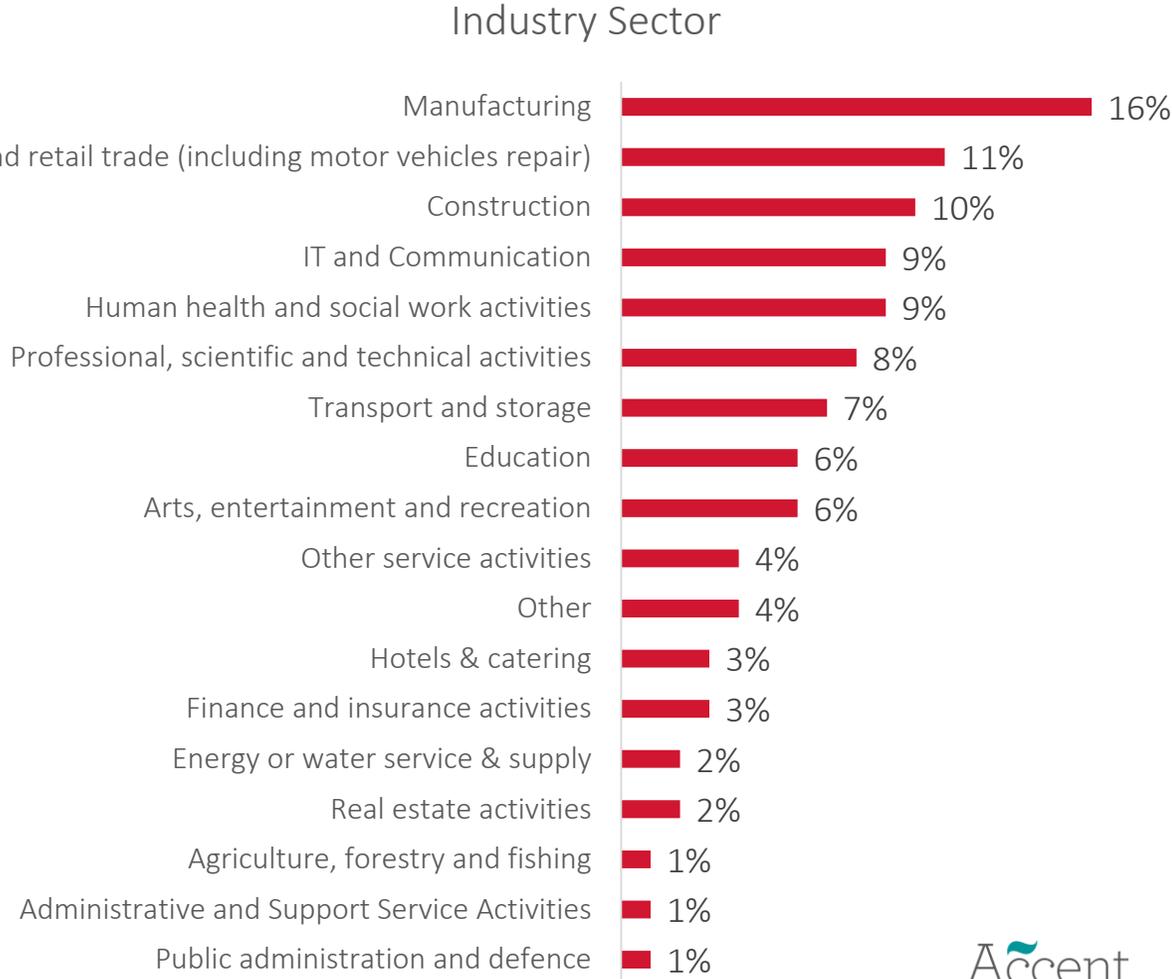
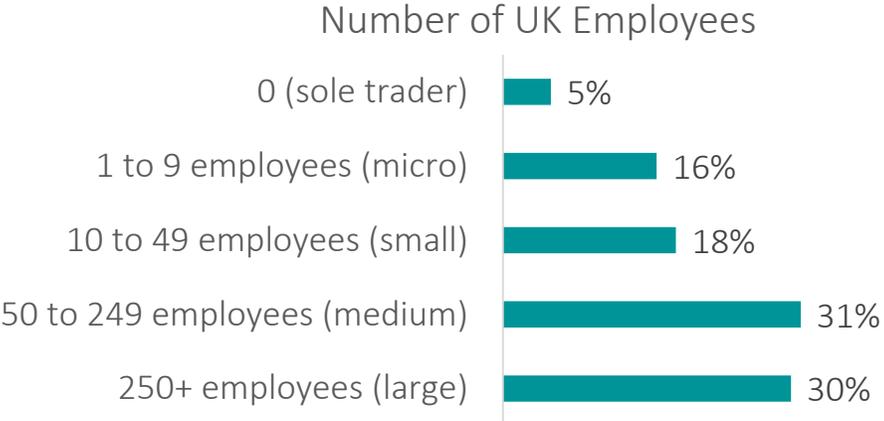
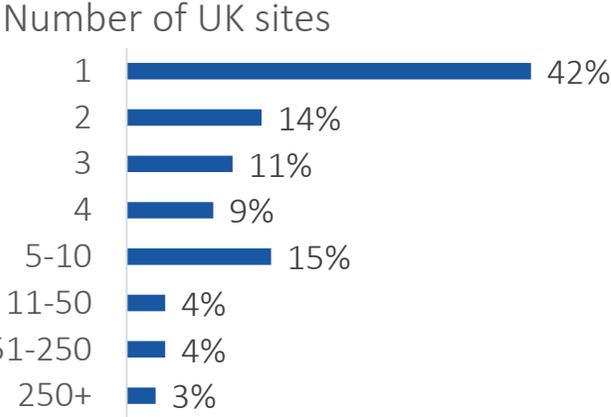
- 103 Non-Household participants were interviewed
 - 92 via NHH an online panel
 - 11 via CATI (computer assisted telephone interview)
- CATI participants were recruited by phone, emailed/given a link to the necessary materials, and interviewed at a time convenient to them. **This is entirely in line with the guidance.**
 - Emailing the entire questionnaire was trialled (without success)
- Businesses with a range of dependencies on water were interviewed:



Base: All non-household participants (multi-code) (103)

Demographics (Non-Household customers)

Both single and multi-site organisations of various sizes were interviewed, from a range of industry sectors.



Base: All non-household participants (103)

Sampling Observation (Household customers)

- The Ofwat/CCW Guidance, mandates over-sampling areas of higher deprivation (= lower IMD quintile properties) to compensate for their lower likelihood to respond. Suggested factors of compensation were provided.
- The “Ofwat adjustment factor” provided was very close to the adjustment factor that can be calculated as a result of the fieldwork conducted here (“Calculated adjustment factor”).

| IMD Quintile | Records in sample | Interviews Achieved | Actual Conversion Rate | Expected Interviews (at average response rate) | Ofwat adjustment factor | Calculated adjustment factor |
|--------------|-------------------|---------------------|------------------------|--|-------------------------|------------------------------|
| 1 | 3399 | 198 | 5.8% | 239 | 1.25 | 1.21 |
| 2 | 1665 | 113 | 6.8% | 117 | 1.1 | 1.03 |
| 3 | 1171 | 91 | 7.8% | 82 | 1 | 0.90 |
| 4 | 1244 | 103 | 8.3% | 87 | 0.9 | 0.85 |
| 5 | 901 | 84 | 9.3% | 63 | 0.75 | 0.75 |
| Unknown | 120 | 8 | 6.7% | 8 | 1 | 1 |
| | 8500 | 597 | 7.0% | 597 | | |

- It could be argued that the lower deciles require less boosting than suggested by Ofwat– but without having considered postal response rates, that may not be prudent. There is the necessary information available (from the recently conducted postal ODI work) that will enable this consideration to be given, and a measured decision for AAT2 to be made.

Sampling & Methodology Observations (Non-Household customers)

- Recruiting and conducting interviews through the CATI approach proved very difficult throughout this fieldwork, and fewer CATI interviews were achieved than were aimed for. The primary reasons were:
 1. high refusal rate
 2. large number of “not in scope” participants (primarily due to not having a business water supply)

| | All | Recruited |
|---------------------------------|------|-----------|
| 01. Interview Achieved | 11 | 11 |
| 04. Call again | 175 | 0 |
| 06. No Reply/Answerphone | 597 | 0 |
| 07. Refusal | 369 | 3 |
| 08. Not Available During Survey | 159 | 0 |
| 11. Number Not Recognised | 133 | 0 |
| 14. Not In Scope | 176 | 0 |
| 16. Other | 114 | 13 |
| All Sample | 1734 | 27 |

- For AAT2, adjusted and additional interviewer training will be provided to address the high refusal rate.
- Sample analysis, and subsequent specification refinement, will be conducted to address issues with “not in scope” participants

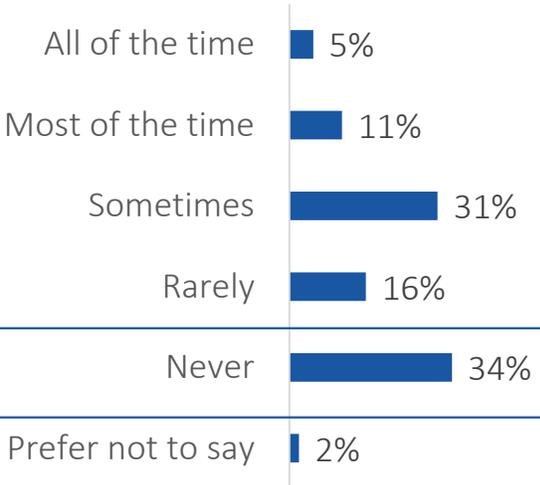
Research findings and results



Financial Temperature Check – (HH)

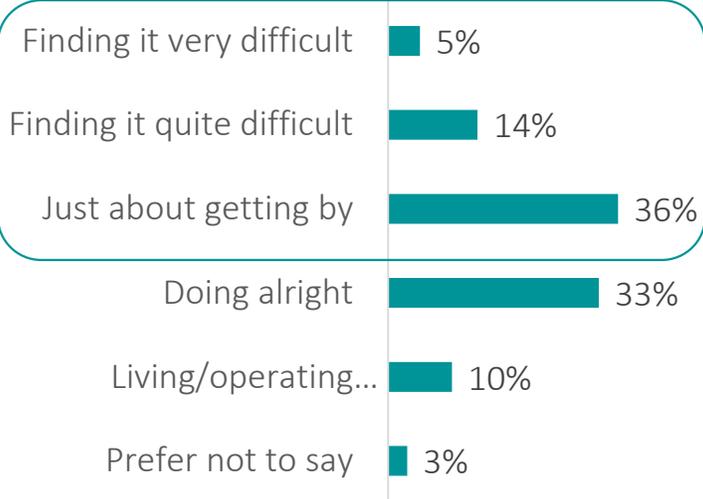
Only 34% of households said they never struggle to pay their bills

Q9: Thinking about your finances over the last year, how often, if at all, has your household struggled to pay at least one of its bills?



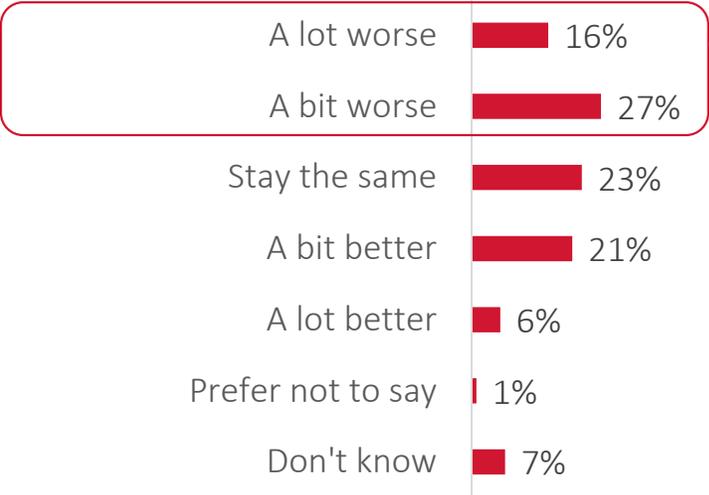
55% of households are currently finding it difficult to manage financially or are just getting by

Q10: Overall, how well would you say you are managing financially now?



43% of households are expecting their financial situation to get worse up to 2030

Q11: Thinking about your household's financial situation over the next few years up to 2030, do you expect it to get:

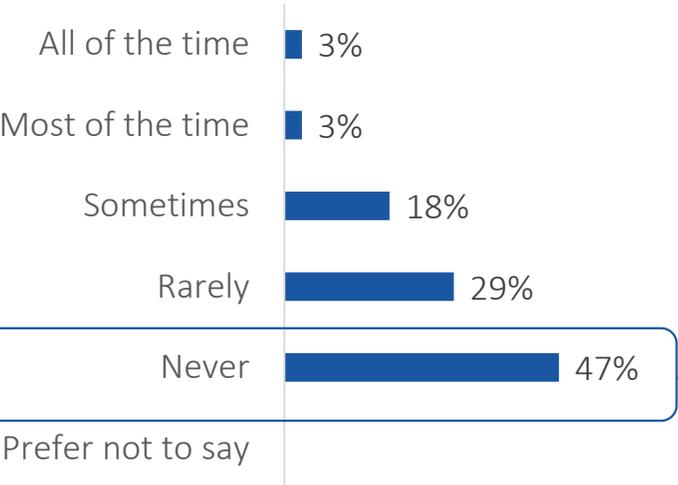


Base: All household participants (597)

Financial Temperature Check – (NHH)

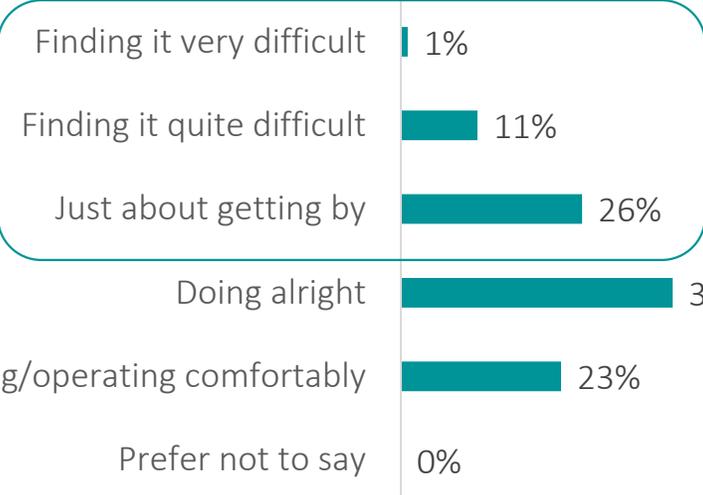
Fewer than half (47%) of businesses never struggled to pay their bills in the last 12 months

Q9: Thinking about your finances over the last year, how often, if at all, has your organization struggled to pay at least one of its bills?



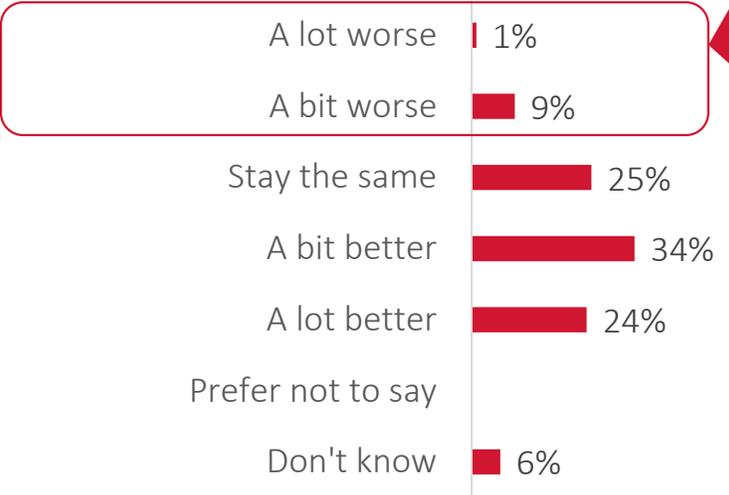
38% of businesses are currently finding it difficult to manage financially or are just getting by

Q10: Overall, how well would you say you are managing financially now?



10% of businesses are expecting their financial situation to worsen up to 2030, 58% expect it to improve

Q11: Thinking about your organization’s financial situation over the next few years up to 2030, do you expect it to get:



Base: All non-household participants (103)

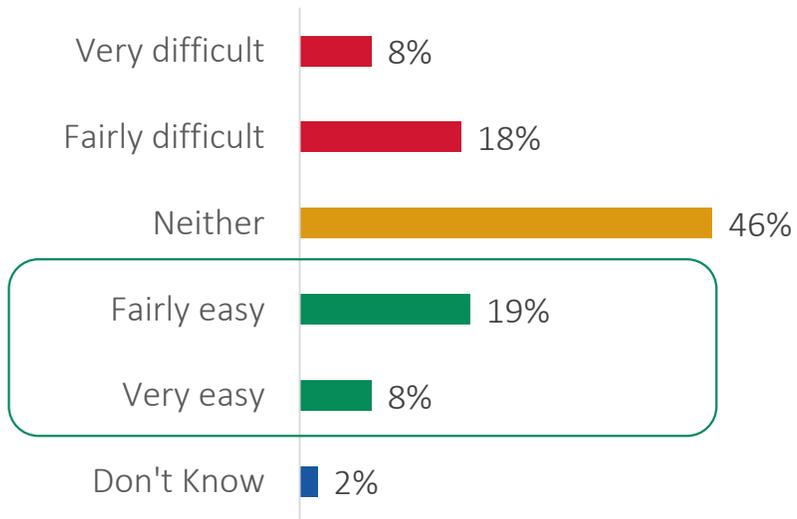
Affordability (HH)

- Currently, only 27% of households can afford their existing water and sewerage bills fairly or very easily.
- Only 9% of household customers thought that the proposed bill would be fairly or very easy to afford.

Of their current bill

27%

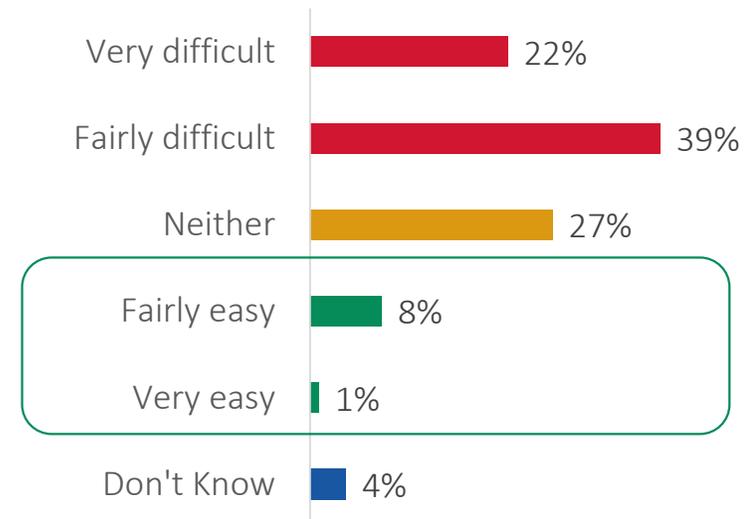
Q13: How easy or difficult is it for your household to afford to pay your current water and sewerage bill



Of the proposed bill

9%

Q14: How easy or difficult do you think it would be for you or household to afford these water/sewerage bills?



Q14 = Key Reportable question

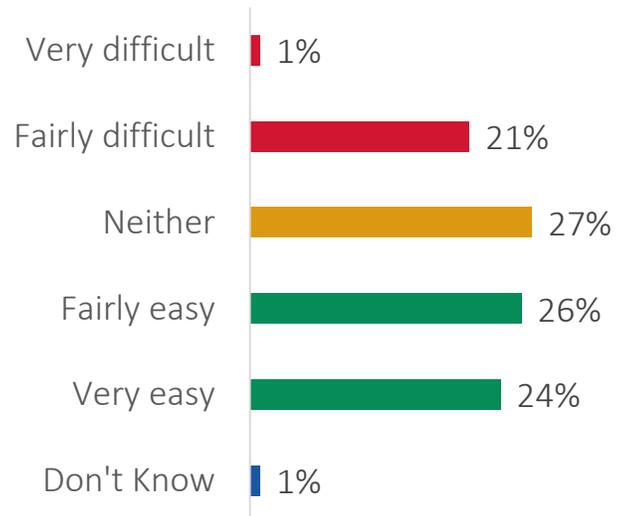
Affordability (NHH)

- 50% of businesses currently find their bill easy or very easy to afford.
- This reduced to 39% when looking at the proposed bills.

Of the current bill

50%

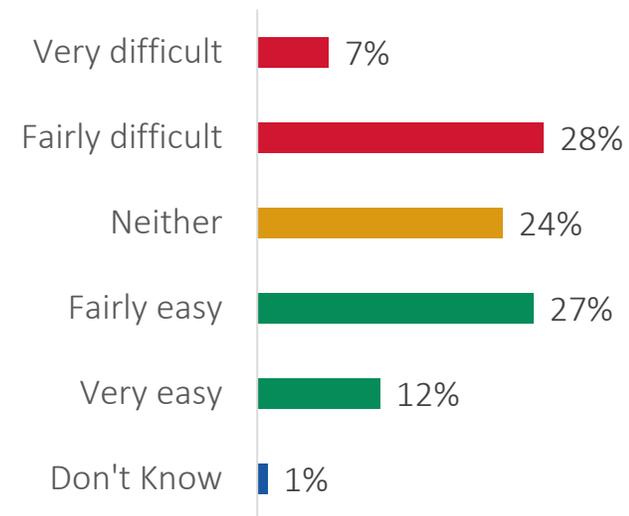
Q13: How easy or difficult is it for your household to afford to pay your current water and sewerage bill



Of the proposed bill

39%

Q14: How easy or difficult do you think it would be for you or household to afford these water/sewerage bills?



Q14 = Key Reportable question

Affordability – HH demographics

Metered Household participants seemed more resilient to bill increases – perhaps a sense of control still exists for these participants.

Headline/overall affordability was somewhat lower amongst households containing vulnerable participants, and far more stated increases would be “very difficult” to afford.

Metered

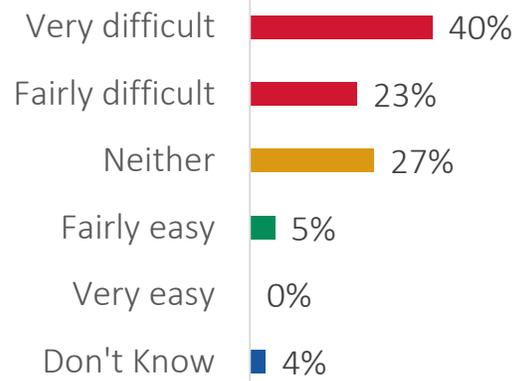
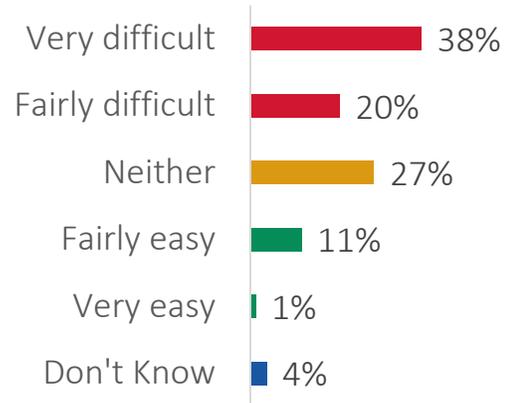
12%

Un-Metered

5%

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?



Base: Household metered participants (294)

Base: Household unmetered participants (279)

Vulnerable

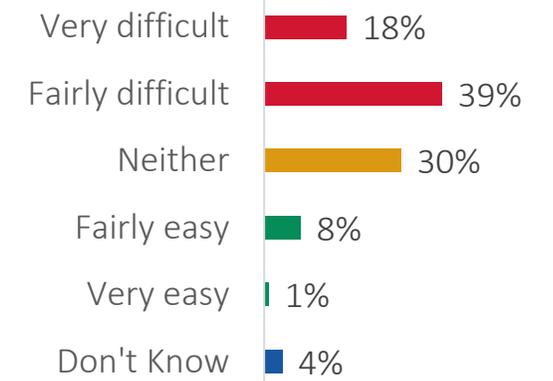
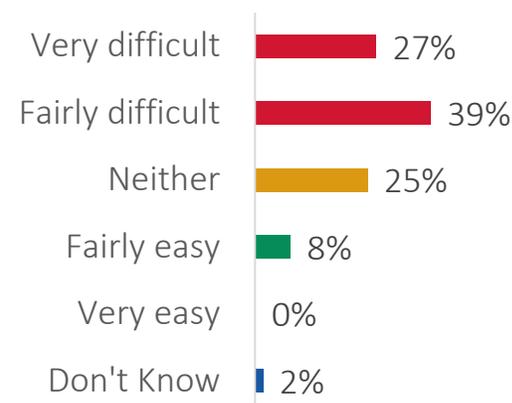
8%

Non-Vulnerable

9%

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?



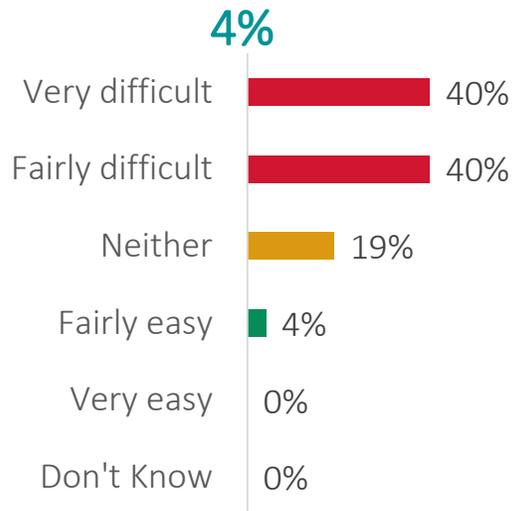
Base: Vulnerable household participants (244)

Base: Non-vulnerable household participants (305)

Affordability – HH demographics (cont.)

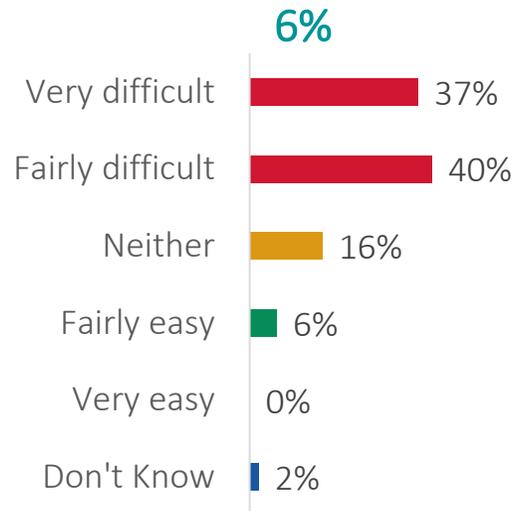
- As expected, the lowest income participants rated affordability lowest.
- Perhaps unexpectedly, whilst affordability did increase on the inclusion of the next income band, it lowered significantly on the inclusion of what might be described as the lowest middle-income band. This is likely to be related to income bands that can access social tariffs.
- The key metric that did decrease as higher income bands were included, was the percentage of participants saying the bills would be *very difficult* to afford.

Lowest Income - Up to £10,399 a year



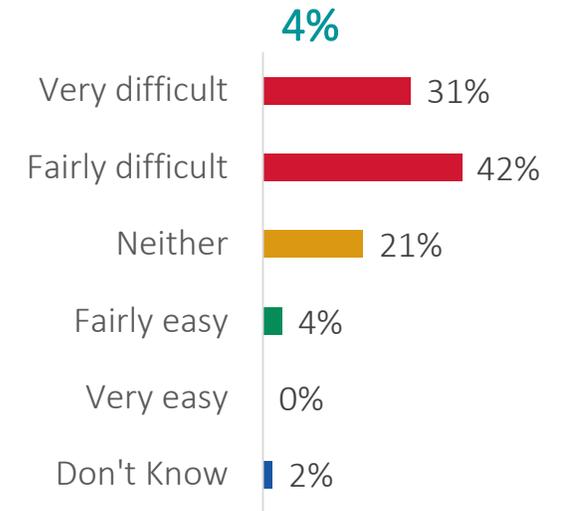
Base: Up to £199 a week/Up to £10,399 a year (48)

Lower Income - Up to £15,599 a year



Base: up to £299 a week/Up to £15,599 a year (111)

Low income - Up to £25,999 a year



From up to £499 a week/Up to £25,999 a year (223)

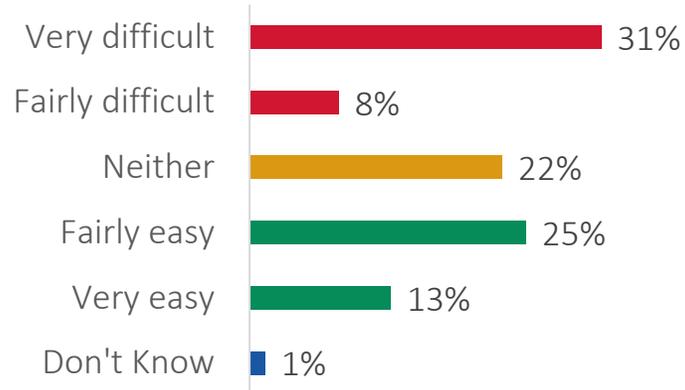
Affordability – NHH firmographics

Unlike HH participants, un-metered businesses seemed more resilient to bill increases

Metered

38%

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?

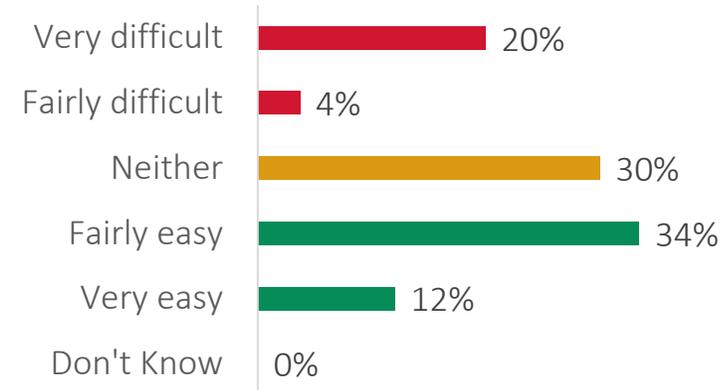


Base: Non-household metered participants* (74)

Un-Metered

46%

Q14. How easy or difficult do you think it would be for you or your company/organisation to afford these water/sewerage bills?

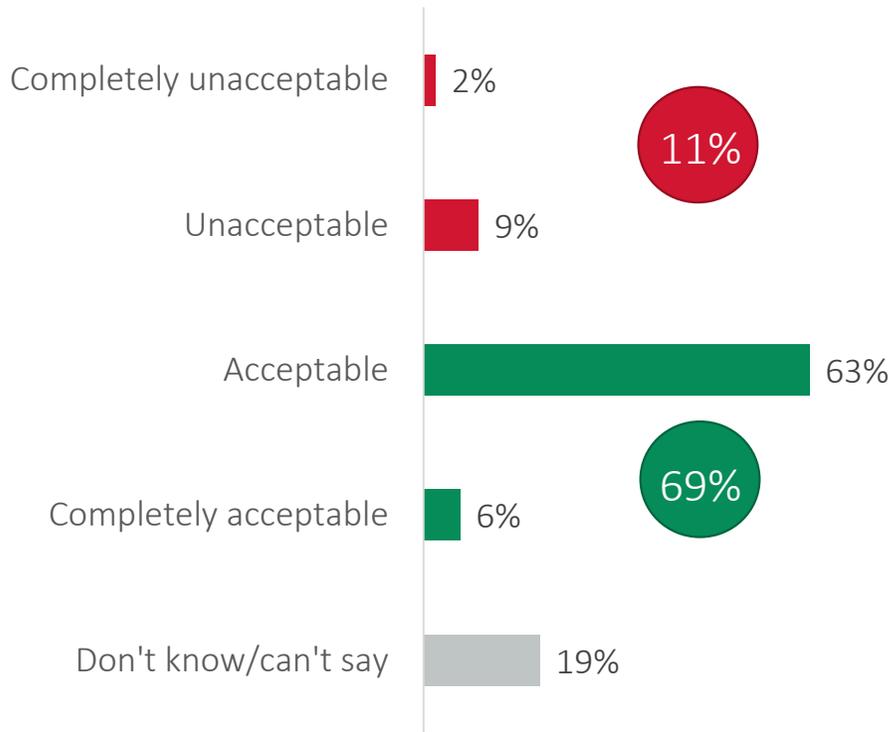


Base: Non-household unmetered participants* (28)

*91% of UU NHH customers do have a meter, but some are shared/common meters or may be read in different ways, potentially impacting whether customers categorise themselves as having a water meter or not

Acceptability (HH)

Q29: Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?



Base: All household participants (597)

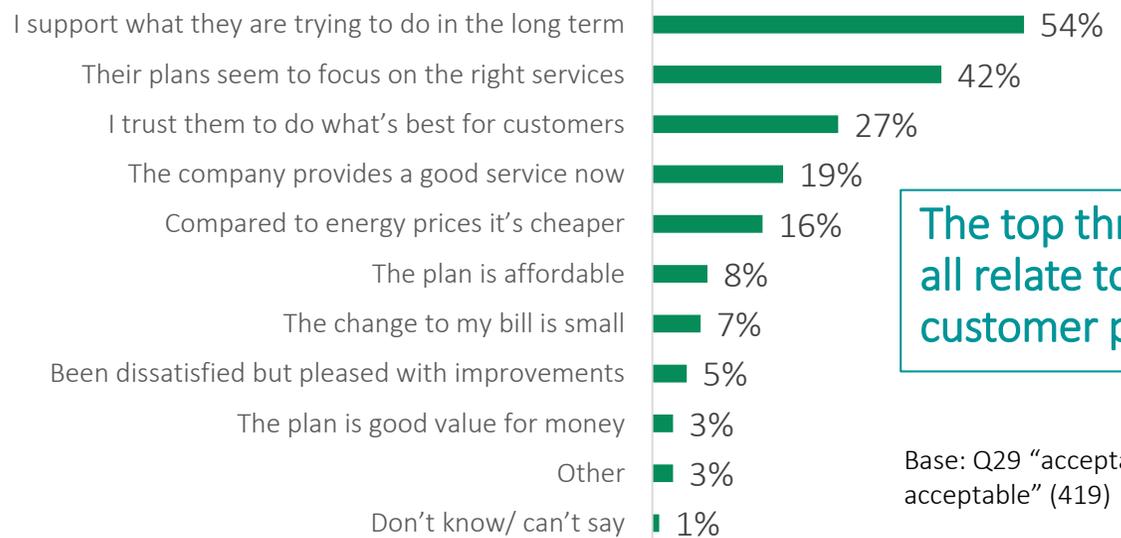
Reasons for Unacceptability



The top three reasons all relate to affordability

Base: Q29 "unacceptable" or "completely unacceptable" (70)

Reasons for Acceptability

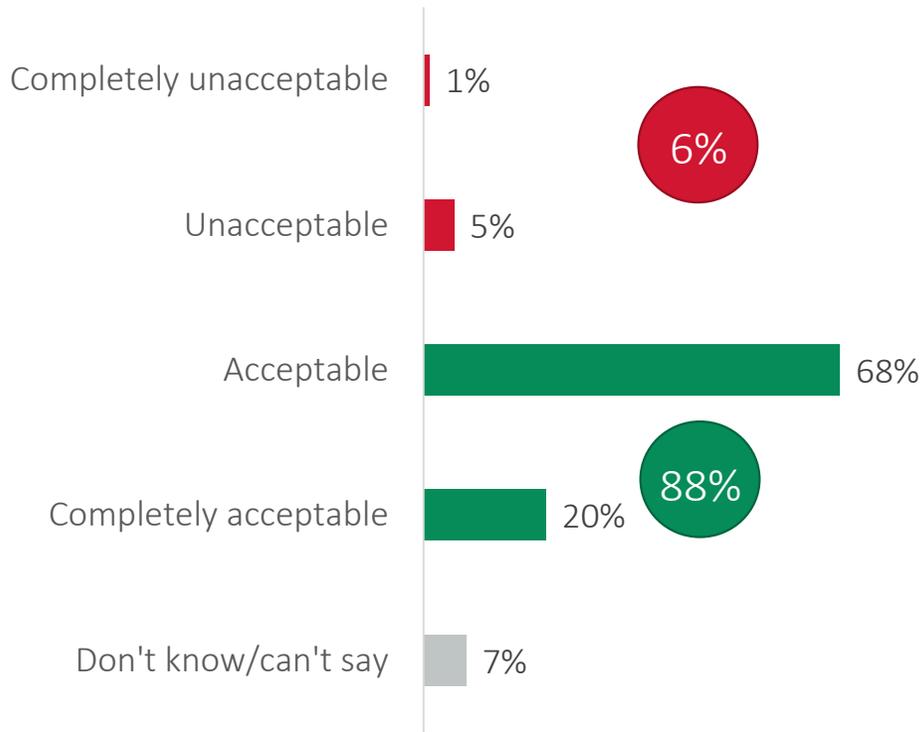


The top three reasons all relate to delivering customer priorities

Base: Q29 "acceptable" or "completely acceptable" (419)

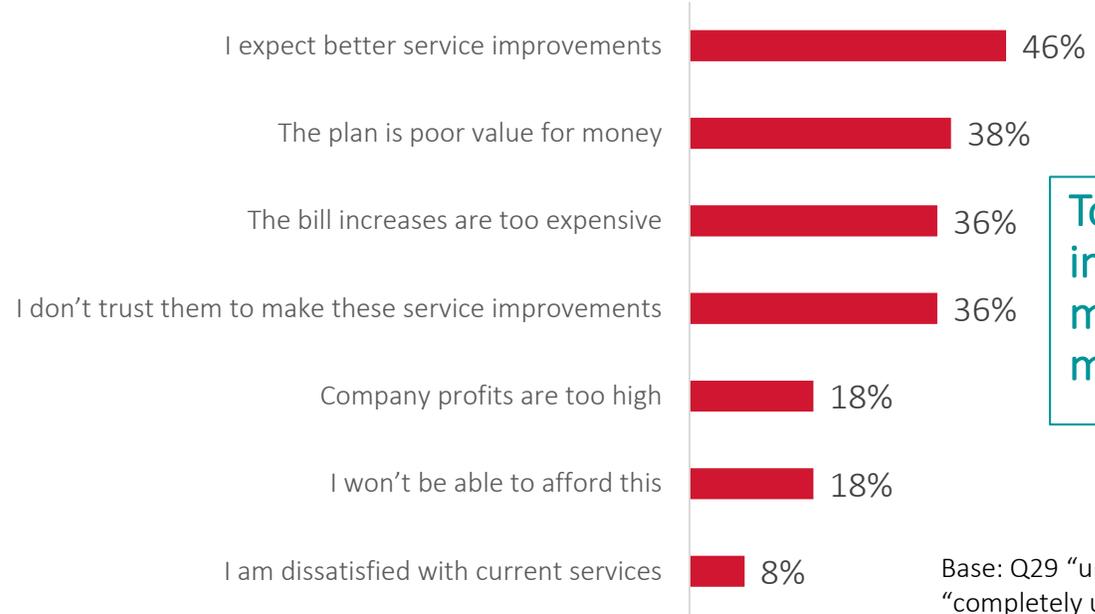
Acceptability (NHH)

Q29: Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?



Base: All non-household participants (103)

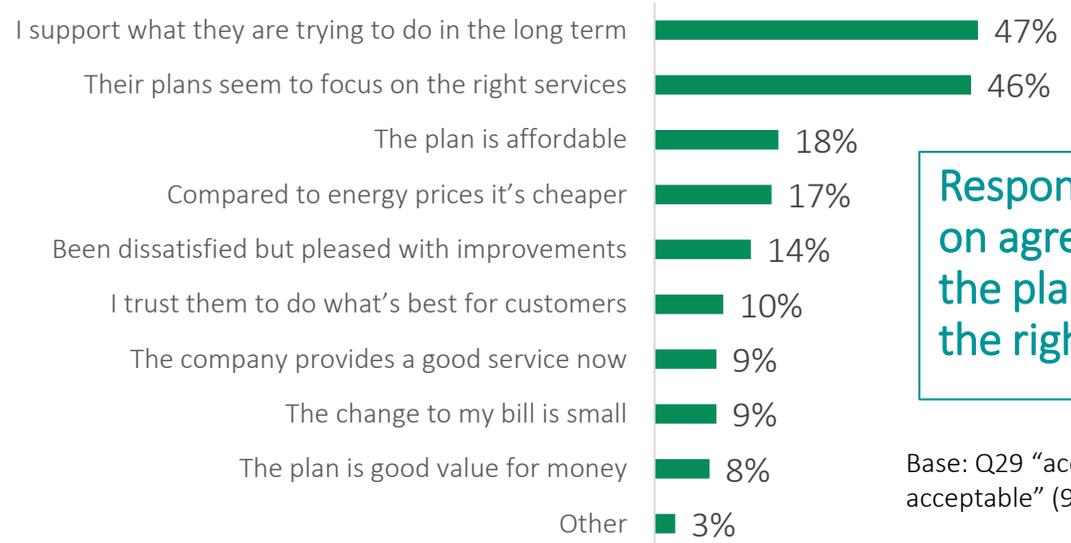
Reasons for Unacceptability



Top answers involve expecting more (for the money)

Base: Q29 "unacceptable" or "completely unacceptable" (6)

Reasons for Acceptability



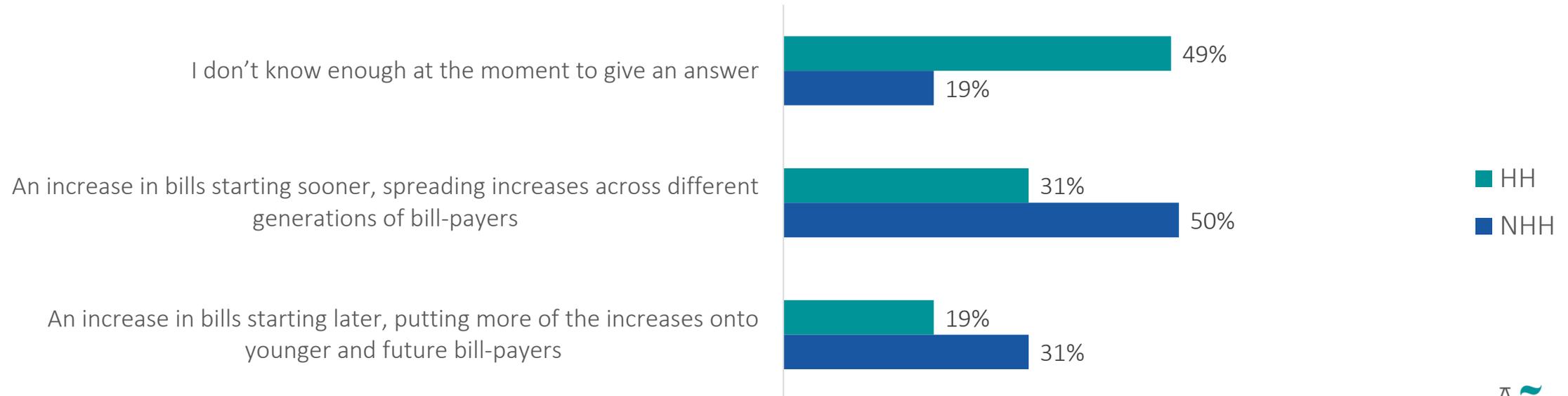
Responses focus on agreeing that the plan delivers the right things

Base: Q29 "acceptable" or "completely acceptable" (92)

Intergenerational Phasing

- **Householders seemed more reluctant than businesses for price increases to be put onto future customers.** Also, almost 50% of household customers were unable or unwilling to answer the question on phasing in a decisive way.
- For both businesses and household customers, the preferred phasing option amongst those able to choose was for an immediate increase in bills rather than a delay (mirroring the findings of the qualitative phase of this A&AT study, and UU's Long Term Delivery Strategy research).

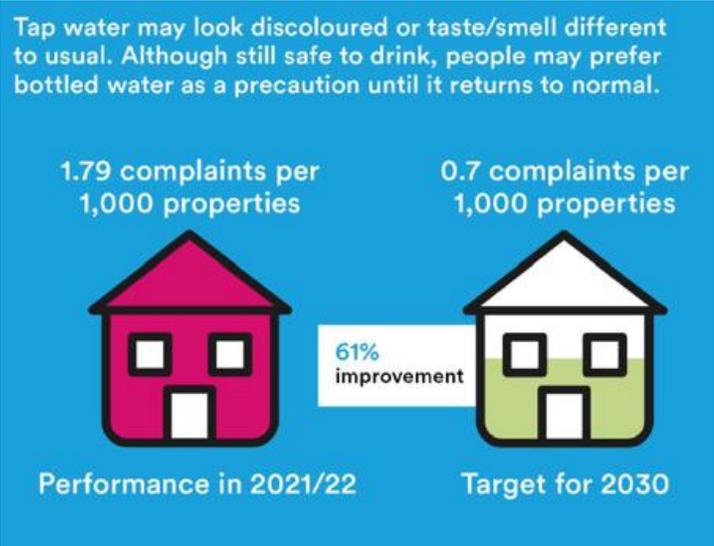
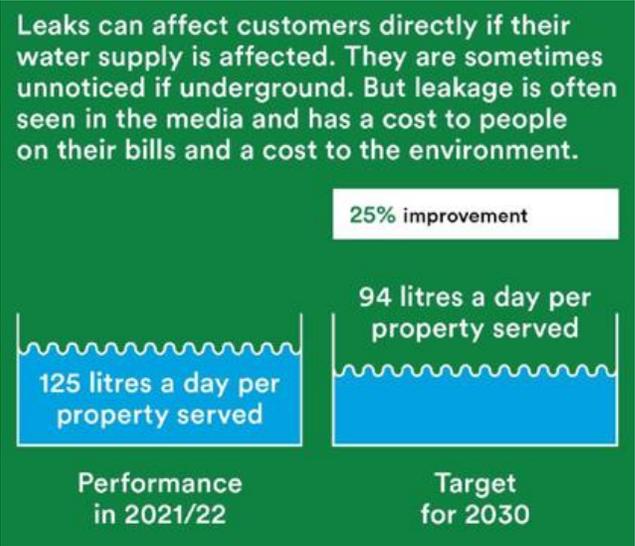
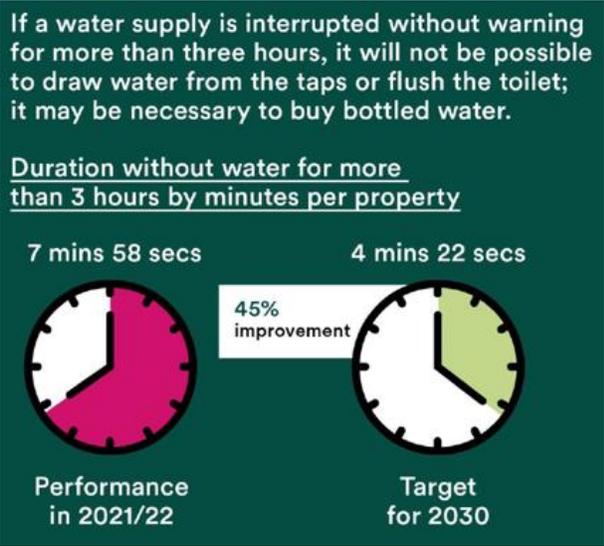
Q32. Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. Which one of the following options would you prefer?



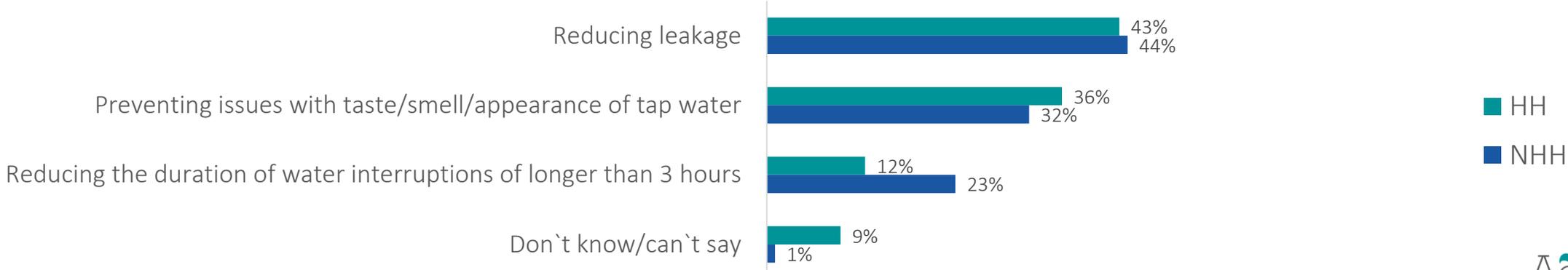
Base: All participants (700)

Performance Commitments (bank 1)

Q19. ...which of these three parts of the business plan is the most important to you?



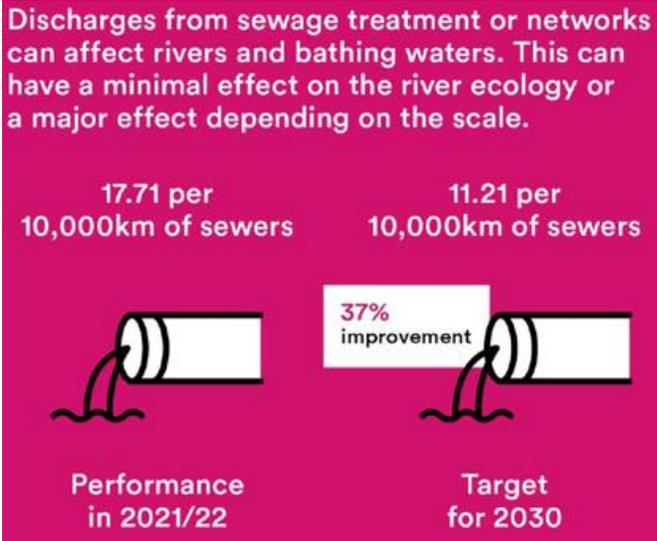
In this bank, supply interruptions were rated as much less important than leaks and taste/smell of tap water



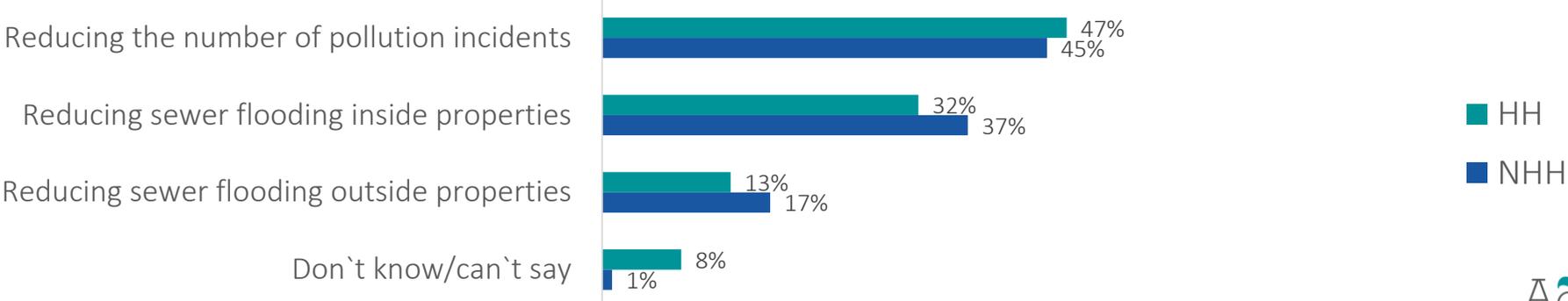
Base: All participants (700)

Performance Commitments (bank 2)

Q23. ...which of these three parts of the business plan is the most important to you?



External sewage flooding was rated as much less important than internal sewer flooding, particularly for households. Pollution Incidents were of the highest importance to householders (and joint highest for businesses).



Base: All participants (700)

Enhancements

Q28.which of these four parts of the business plan is the most important to you?

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



670,000
new smart meters
in homes and
businesses
Target for 2030

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



**Halving
the
chance**

Target for 2030

**Carbon reduction to
improve the environment**

40%
reduction

Target for 2030

Affordability support

Under the proposed plan, United Utilities would assign £500m towards a fund for struggling bill payers.



£250
million

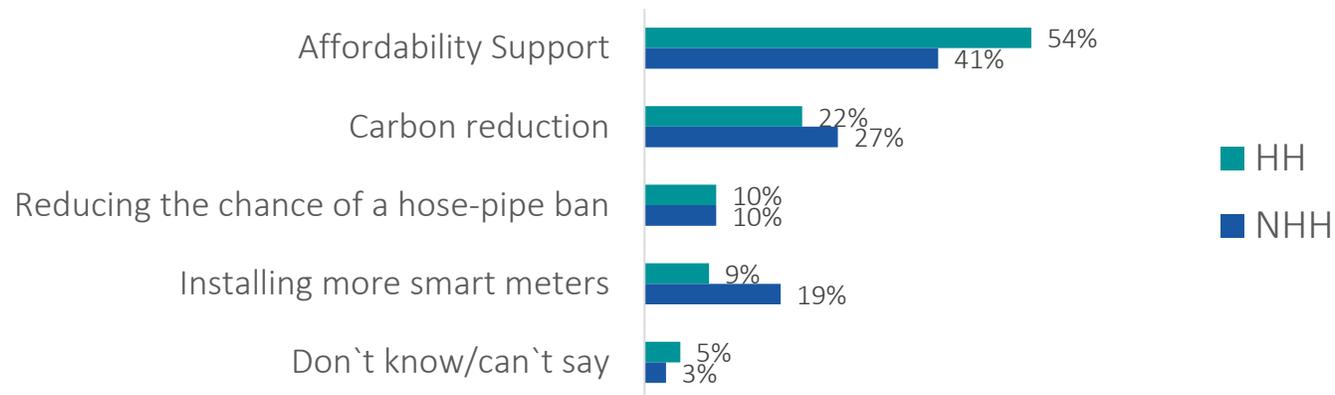
Performance
in 2021/22



£500
million

Target
for 2030

Affordability Support was the key priority for customers of both types:



Base: All participants (700)

The majority (61%) of unmetered participants prioritised "Affordability Support". This dropped to 44% of metered participants. Metered participants supported all of the other measures more heavily than unmetered participants did.

Thank you

Full details of research design and methodology are available upon request.

Accent conforms to the requirements of ISO 20252:2019



Registered in London No. 2231083
Accent Marketing & Research Limited
Registered Address: 30 City Road, London, EC1Y 2AB



Appendix A: Adherence to Ofwat's standards for high quality customer research

| Requirement | How the study has adhered |
|----------------------------|---|
| Useful and contextualised | Research objectives aligned to PR24 and undertaken in accordance with Ofwat & CCW's published guidance. |
| Neutrally designed | Outside of the prescribed Ofwat guidance, every effort has been made to ensure that the research is neutral and free from bias. Where there is the potential for bias, this has been acknowledged in the report. |
| Fit for purpose | Research undertaken in accordance with Ofwat & CCW's published guidance. Cognitive testing was carried out to ensure the complex subject matter was presented in the questionnaire in a way which was as understandable and engaging as possible for respondents. Visual stimulus was created in order to aid participant understanding of the proposed plan. |
| Inclusive | Household and business customers were represented. Lower IMD deciles were over-sampled and higher IMD deciles under-sampled, to compensate for lower response rates. The response rates were monitored across a range of demographics to ensure representation, although the prescribed methodology prevents any interventions in this regard. |
| Continual | Questions were included to compare results to other United Utilities quantitative research. The outcomes and learnings from this round of research will feed directly into the AAT2 phase. |
| Independently assured | All research was conducted by Accent, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings. |
| Shared in full with others | The research will be published and shared on the United Utilities website and through our industry customer insight newsletter, The Source. |
| Ethical | Research conducted in accordance with the Market Research Society code of conduct and conforming to the requirements of ISO 20252:2019. Accent and United Utilities were subject to strict data protection protocols. |

Appendix B: Additional Information

The following information on **Quantitative** work is available upon request:

- ~ The fieldwork method (e.g. in-person, telephone or online, individual or group interviews, synchronous or asynchronous),
- ~ The target group and sample selection methods,
- ~ Assessment of sample representation of target population and respective implications,
- ~ The sampling method, including size of planned and achieved sample, reasons for differences in planned and achieved and how any problems in this respect were dealt with,
- ~ Response rate where probability samples were used and its definition and calculation method,
- ~ Participation rate where non-probability samples were used,
- ~ The number of interviewers or moderators, if applicable,
- ~ The fieldworker/moderator validation methods, if applicable,
- ~ The questionnaires, any visual exhibits or show cards, and other relevant data collection documents,
- ~ The weighting procedures, if applicable,
- ~ Any methods statistical analysis used,
- ~ The estimating and imputation procedures, if applicable,
- ~ The results that are based on subgroups and the number of cases used in subgroup analysis,
- ~ Variance and estimates of non-sampling errors or indicators thereof (when probability samples are used).



Appendix C: Limitations

| Limitation | Impact |
|---|---|
| AAT1 HH recruitment was via email only | Customers who do not use email either completely or for billing purposes (such as people who do not use the internet or some older or more vulnerable people) will not be present in this sample. |
| Recruiting NHH participants via CATI proved challenging | A low percentage of the NHH sample consists of CATI participants. |
| Small NHH participants are unlikely to be in scope (either by not having a dedicated business water supply, or by being in serviced offices with inclusive water) | The NHH sample is skewed towards larger organisations. |
| The data has been weighted using a method comparable to the recent ODI work which used nationwide census data. | The sample is therefore not weighted specifically to the UU regional customer base. |



Appendix D

Affordability *after* seeing the business plan, and additional diagnostic questions



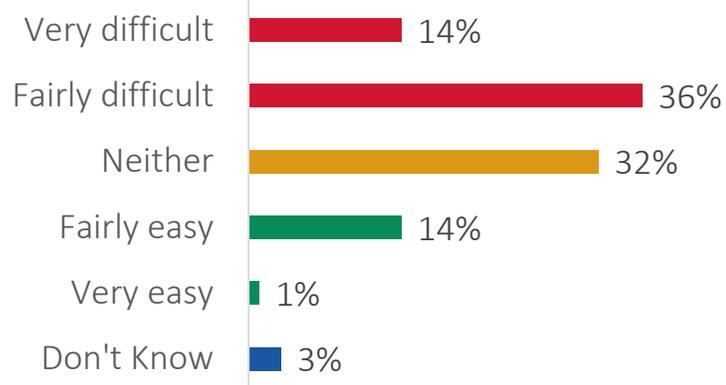
Affordability (HH) – *after* seeing plan

- Affordability (although an absolute concept) did improve when people knew where the money was going, increasing from 9% to 15%.
- Of those who rejected the affordability of the proposed plan (by not saying it was either easy or very easy to afford), 10% said that a bill with half the proposed increase *would* be affordable. This shows that a substantially smaller bill increase is still largely unaffordable.
- These questions were added as diagnostic tests of affordability by UU, and do not form part of the data that will be delivered to Ofwat.

Of the Proposed bill (*after* seeing plan)...

15%

Q35. Knowing what you know now about how that money is intended to be used, how easy or difficult do you think it would be for you or household to afford these water/sewerage bills?

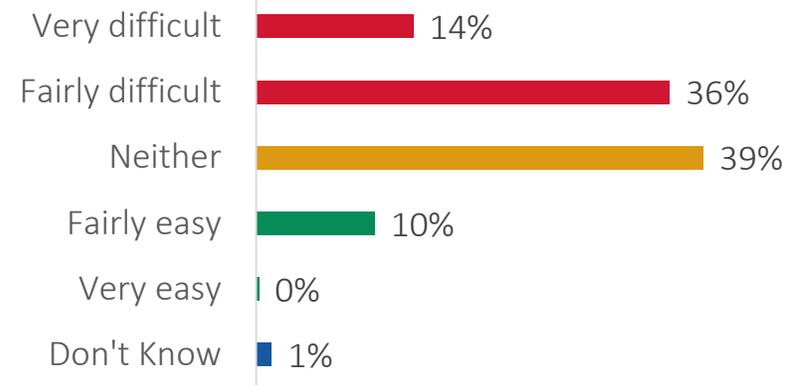


Base: Q14 is not "Don't know" (575)

Of the half-increased bill

10%

Q36. How easy or difficult do you think it would be for you or household to afford *these* water/sewerage bills?



Base: Q35 is "Very difficult", "Fairly difficult", or "Neither" (477)

Affordability (NHH) – *after seeing plan*

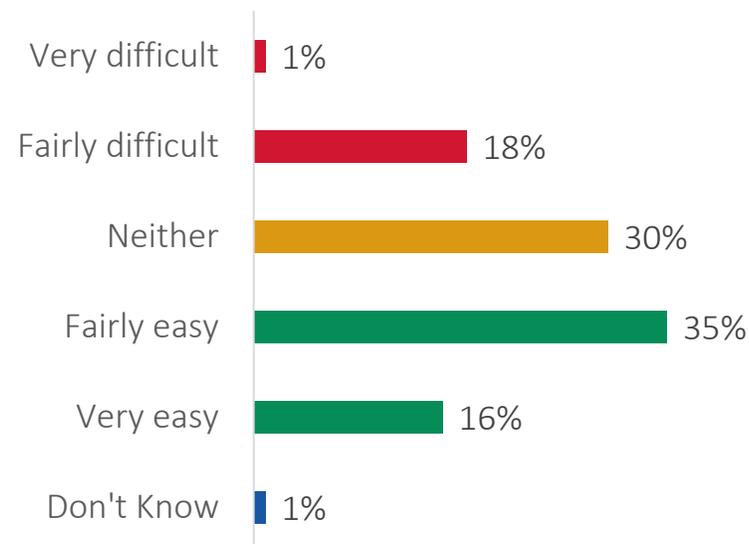
- Affordability (although an absolute concept) did improve when people knew where the money was going, increasing from 39% to 51%.

Of the Proposed bill (*after seeing plan*)...

51%

Q35 = UU
Diagnostic
question

Q35. Knowing what you know now about how that money is intended to be used, how easy or difficult do you think it would be for you or household to afford these water/sewerage bills?

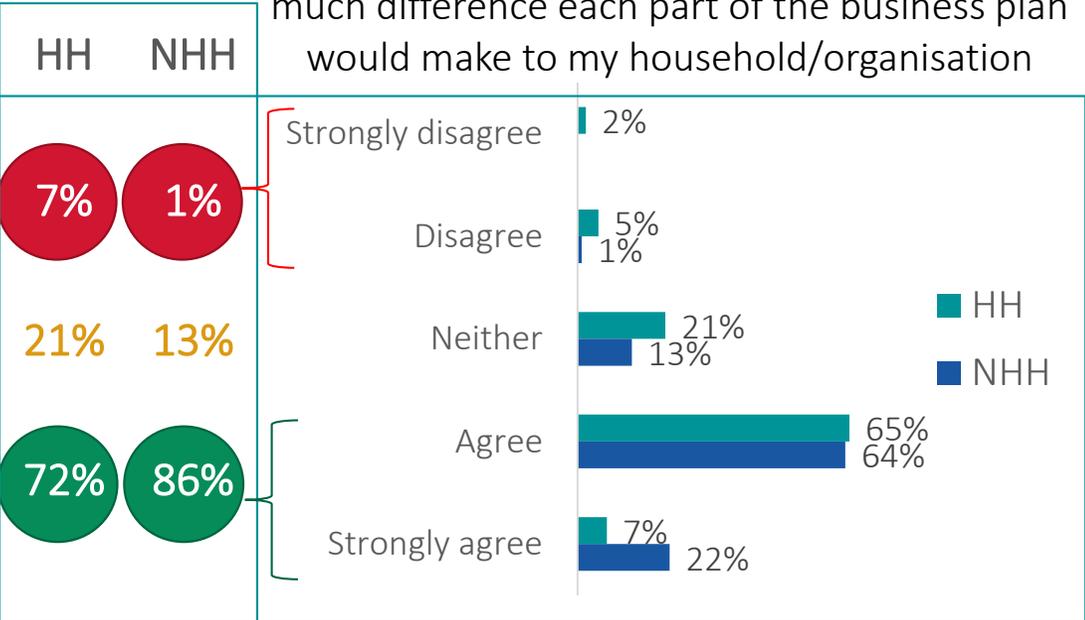


Diagnostics

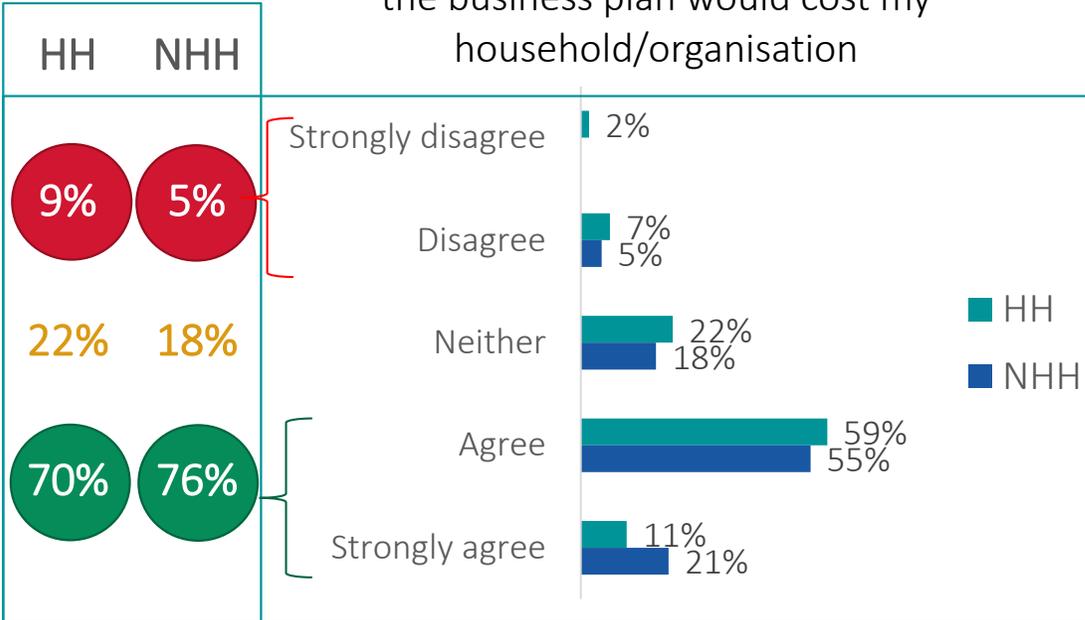
It's unclear whether the strong appetite for "affordability support for vulnerable customers" is being driven by individuals requiring that support themselves, or by individuals recognising the fact that other people do require support, and agree with the initiative more generally.

What is clear, is that participants did respond to the questions on affordability with their own personal household/business circumstances in mind

Q33r2. My responses were based on how much difference each part of the business plan would make to my household/organisation



Q33r3. My responses were based on how much the business plan would cost my household/organisation



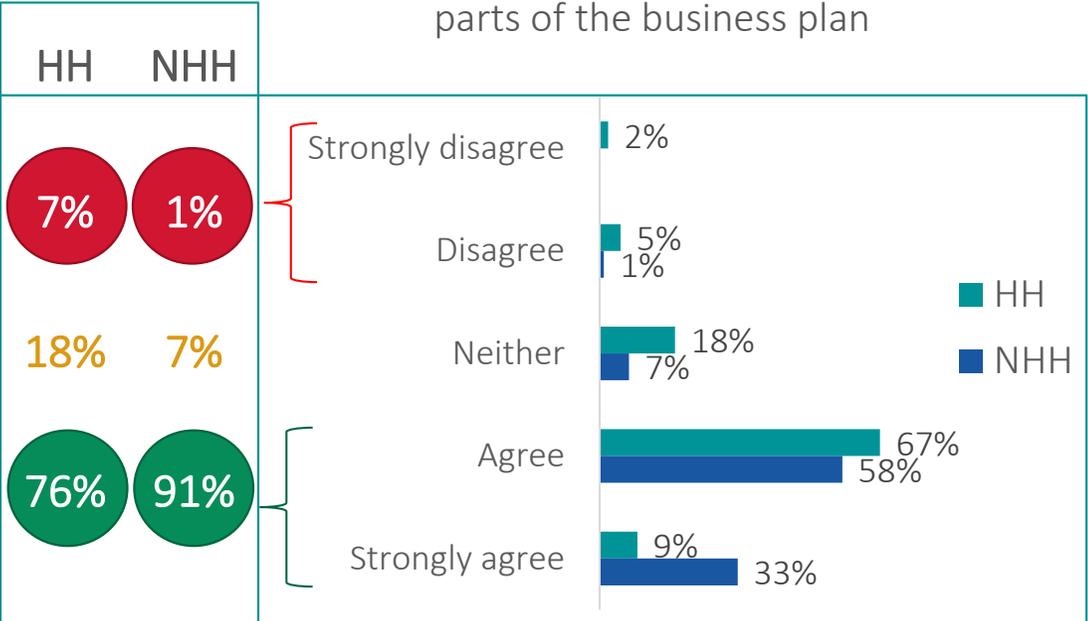
Base: All participants (700)

Diagnostics (cont.)

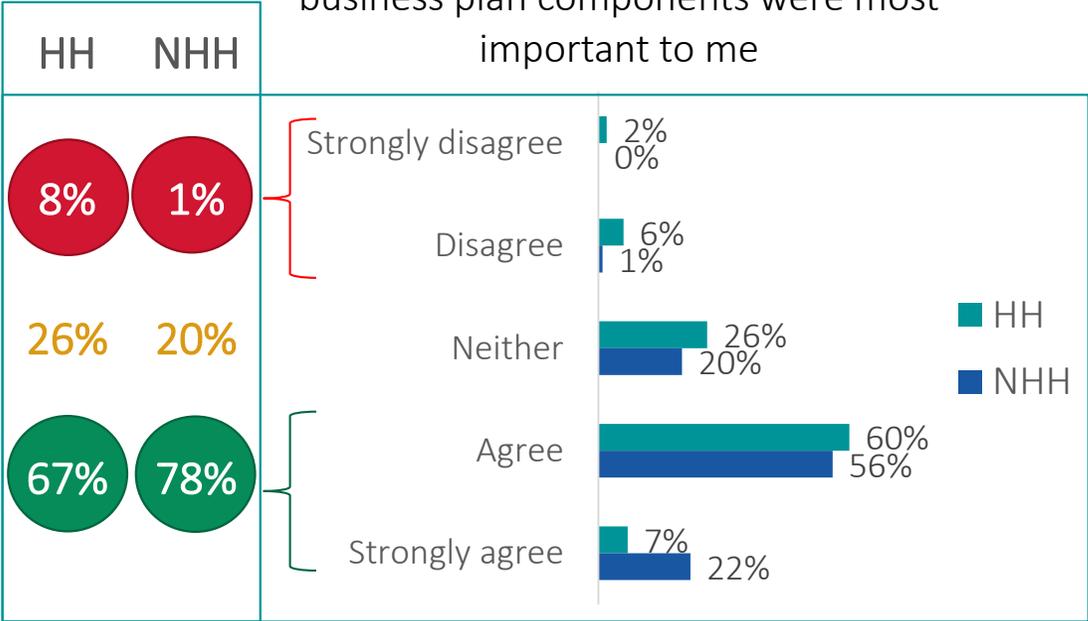
Did people understand what they were being shown, and asked to consider?

- In the main, yes; understanding was high – especially for businesses (at 91%) but also for households (over 75%).
- Most customers also found it easy to choose what was important to them (although it’s worth noting that even for the minority that disagreed, finding a choice difficult does not necessarily mean a lack of understanding of the options).

Q33r1. I was able to understand the various parts of the business plan



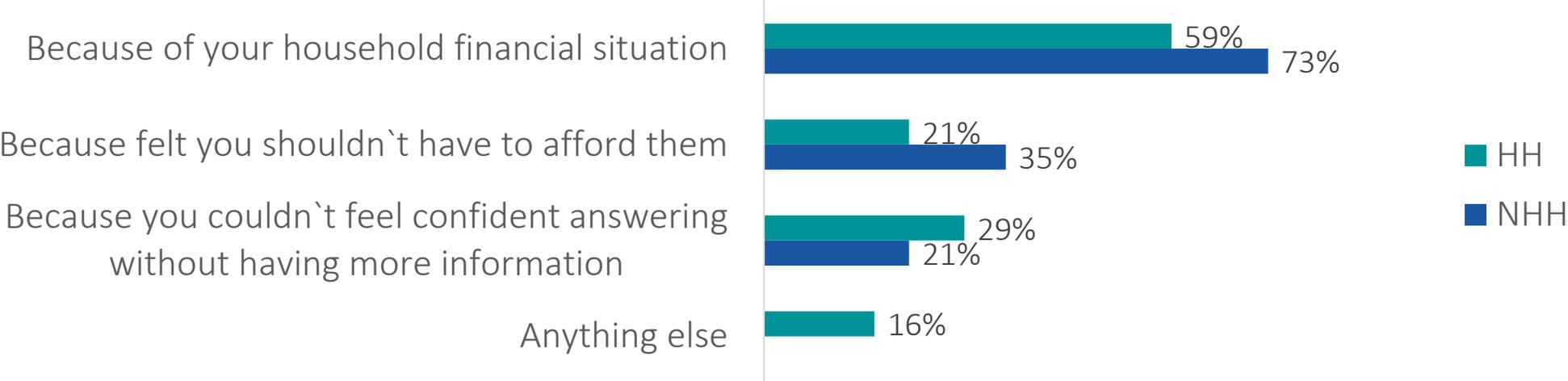
Q33r4. I found it easy to choose which of the business plan components were most important to me



Base: All participants (700)

Diagnostics (cont.)

A very small number of participants (3.6% of HHs, 7.4% of NHH) who appeared financially comfortable (rarely/never struggled to pay bills, and consider themselves to be living comfortably/doing alright), also said it would be either fairly or very difficult to afford the price increases shown. Why?



It does *appear* that it was not a protest vote against rises in principle— a small number (just 7 of an overall sample size of 700) objected because they didn't think they should be affording the rise. More wanted more information before committing. But the largest number did cite their own financial circumstances as being the reason (implying that the rises presented would be sufficient to change their answers in the “financial temperature check” bank of questions).

Nb. the base at this question is sufficiently low to cast doubt over the statistical reliability of the data at this particular question.

Base: (Q9 = 4 or 5) AND (Q10 = 1 or 2) AND (Q14= 4 or 5) (29)

A.4 A&A Testing Qualitative Alternative Higher Bill Scenario Report and Materials

Acceptability & affordability research (stage 2)



United Utilities' AMP8
business plan 2025-2030



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- 78** Phasing and intergenerational fairness
- 86** Summary and conclusions
- 92** Appendix 1 – Stimulus
- 94** Appendix 2 – Post-task question results
- 107** Appendix 3 – Customer questions and answers
- 112** Appendix 4 – Limitations of the prescribed approach

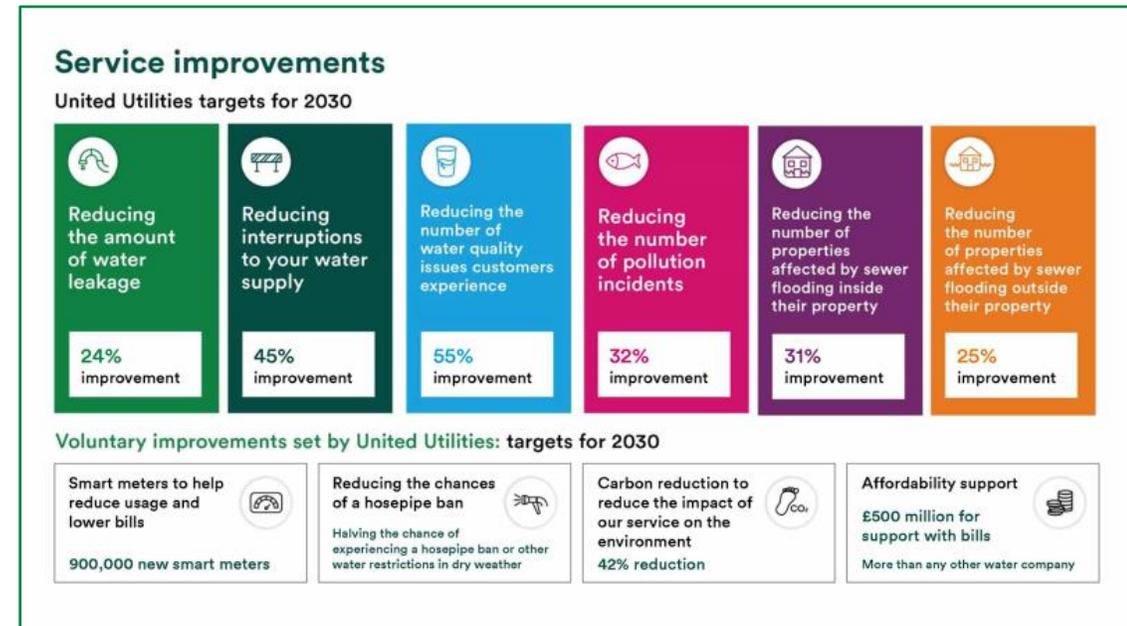
Methodology, objectives, approach & key take-outs

Background

In April 2023, DJS Research were commissioned to conduct extensive deliberative research across household (HH), non-household (NHH), vulnerable and future customers to test the acceptability and affordability of the company's 2025-2030 business plan (shown below). The research was conducted in line with CCW and Ofwat guidelines for sampling (details shown on slide 6).

The plan generated acceptability levels ranging from 69% among vulnerable customers to 88% among future customers (HH and NHH customers were 78% and 75% respectively) , and affordability scores of 25% among vulnerable customers to 61% among non-household customers, with households at 50%.

Following this research, United Utilities felt additional testing was required to take into account uncertainties around projected bill increases. It was evident a higher bill may be required to fund AMP8 investments, which could in effect be a material change to the plan tested in the first round. As a result; in-line with CCW and Ofwat guidelines, there was a need to test the revised plan and bill with current and future customers.



Objectives

The overall purpose of the research was to understand the extent to which United Utilities' plan for 2025-2030 represents an acceptable and affordable vision to its customers.

In particular, guidance from Ofwat/CCW requires the research to interrogate:

1. The acceptability of the plan
2. The affordability of the plan
3. Understanding affordability and acceptability across different audiences
4. Comparisons with the 'must do' alternative*
5. Views on phasing and inter-generational fairness
6. Suggestions on how the affordability and acceptability of the plan could be improved

*'Must do' business plan, refers to a business plan based on statutory elements to meet statutory requirements. The 'must do plan' as closely as possible, reflects what United Utilities must do to meet their legal obligations.

Methodology

Within the guidelines, Ofwat states:

We expect re-testing approaches to follow this guidance to the greatest extent possible, always aiming to achieve the standards for high-quality research. Companies *could* consider retaining a sample of participants from the ‘full scale’ household and non-household deliberative research to test the direction of travel of refinements to their proposed business plan where there is insufficient time to conduct fresh recruitment for larger scale testing.

We had a total of 52 participants happy to be recontacted following the first round of testing, who were recontacted by email asking if they'd be willing to take part. Too few per audience were willing/available to participate within the short fieldwork window of 3 weeks during the school summer holidays and we had concerns with mixing old and new respondents. Our re-contacts had already been through the first draft of the plan and had been educated around it, so the concern was that they would be starting the research from a different place to any fresh recruits. In addition, we wouldn't be able to mix them in a session and their responses would need to be analysed separately – we had too few on re-contacting to be able to do this within the guidelines of 8 per sample

We also had a concern that we could end up with a skewed acceptability profile (e.g. we may get proportionally more agreeing to take part who found the original plan acceptable or unacceptable than the whole sample), and it is likely that those who found the original plan unacceptable would also find the revised plan unacceptable.

Based on all of this, it was agreed with the ICG not to include the re-contacts in this round of testing and to only test with a fresh sample of customers

Methodology

There has been a very small window of time allocated to test the revised plan (c. 6 weeks from commission to headline findings). As such, adjustments have had to be made to the sample structure in order for United Utilities to receive the results in time for Draft Business Plan submission. These adjustments, which were agreed with United Utilities' ICG are shown in the table below:

| Audience | Ofwat/CCW guidelines | AAT2: Approach and sample size | Comments |
|--|---|---|---|
| Household customers | Deliberative sessions (3 hours) – 48 respondents | 2 x deliberative sessions (3 hours and 16 respondents) – 30 respondents Locations: Liverpool and Lancaster | There has not been adequate time to hold 3-4 deliberative sessions to consult 48 customers. It was agreed with UU and Your Voice that 30 was a robust enough sample. |
| Non Household customers (micro) | 1 x deliberative session (3 hours) – 16 respondents | 1 x deliberative session (3 hours) – 15 respondents: Trafford | The session was held in Trafford to allow transport links to other parts of the region. There was participation from micro NHH customers from Greater Manchester, Cheshire and Cumbria |
| Non Household customers (small to large) | Minimum 8 depth interviews | 8 online depth interviews conducted across the region | CCW and Ofwat guidelines for sampling were met |
| Future Bill Payers | 1 x deliberative session (3 hours) – 8 respondents | 1 x deliberative session (3 hours) – 10 respondents: Central Manchester | CCW and Ofwat guidelines for sampling were met |
| Vulnerable customers | 8 x depth interviews with financially vulnerable customers 8 x depth interviews with health vulnerable customers | 4 x face-to-face depth interviews with financially vulnerable customers 4 x face-to-face depth interviews with health vulnerable customers Across the region. | In AAT1, we had a high drop out rate amongst this audience. The decision was made to reduce the number of interviews to allow for drop outs so we could meet timelines. This audience has been analysed at a total level i.e. 8 instead of sub-group level. |

Methodology breakdown

| NHH customers | | | | | |
|--------------------|-----------|---|--|------------|------------|
| | n | Size | Employees | Industry | Guidance n |
| Group 4 (Trafford) | 15 | Micro | 7 (1-4), 8 (5-9) | Mix | 16 |
| Depth interviews | 8 | 6 (SME), 2 (large) | 3 (10-49), 3 (50-250), 2 (250+) | Mix | 8 |
| TOTAL NHH | 23 | 15 (micro), 6 (SME), 2 (large) | 7 (1-4), 8 (5-9), 3 (10-49), 3 (50-250), 2 (250+) | Mix | 24 |

| HH customers | | | | | |
|---------------------|-----------|--------------|-----------------------|------------|-----------------|
| | n | Age | Gender | SEG | Guidance n |
| Group 1 (Lancaster) | 14 | 28-71 | 6 (f), 8 (m) | Mix | 16 per group |
| Group 3 (L'pool) | 16 | 27-74 | 9 (f), 7 (m) | Mix | |
| TOTAL HH | 30 | 27-74 | 15 (f), 15 (m) | Mix | 48-64 |

| Future customers | | | | | |
|------------------|----|-------|--------------|-----|------------|
| | n | Age | Gender | SEG | Guidance n |
| Group 2 (FBP)* | 10 | 19-28 | 5 (f), 5 (m) | Mix | 8 |

| Vulnerable customers | | | | | |
|----------------------|---|-------|--------------|-----|------------|
| | n | Age | Gender | SEG | Guidance n |
| Depth interviews** | 8 | 37-68 | 5 (f), 3 (m) | Mix | 16 |

*Future bill payers included respondents aged 18-30 who do not currently contribute financially towards their water bill

**8 depth interviews were carried out with customers with vulnerabilities, this included: those struggling financially, and those with disabilities. Two customers were on a social tariff at the time of interview



Ofwat standards for high-quality research

Ofwat have set out requirements for [high-quality research in their Customer Engagement Policy](#). All water company research and engagement should follow best practice and lead to a meaningful understanding of what is important to customers and wider stakeholders.

Useful and contextualised

This research was conducted in order to test customer perceptions of the acceptability and affordability of United Utilities' revised business plan for 2025-2030 and will be used by United Utilities to shape the final business plan. The research was conducted in line with Ofwat / CCW guidance (except where highlighted on slide 6) and so is comparable to research across the industry.

Fit for purpose

Extensive cognitive testing was carried out during the design phase of Stage 1 of this research to ensure the complex subject matter was presented in a way which was as understandable and engaging as possible for respondents. Additional cognitive testing was conducted at the outset of this stage of the research.

Ethical

This research was conducted by DJS Research who are a member of the Market Research Society. Participants were regularly reminded that they could be open and honest in their views due to anonymity and DJS and United Utilities were subject to strict data protection protocols.

Continual

The business plan was revised taking into account feedback from AAT1, and feedback from AAT2 will be incorporated in the next stages of the business plan submission.

Inclusive

A mix of online, in-person and telephone engagements with customers were conducted using customer sample provided by United Utilities. Additionally, supporting materials that were presented to customers were provided in a range of formats, including video formatting with sign language overlaid. Audio description was also offered to those who required it.

Neutrally designed

Every effort has been made to ensure that the research is neutral and free from bias. Where there is the potential for bias, this has been acknowledged in the report. Participants were encouraged to give their open and honest views and reassurances were given throughout the research that United Utilities were open to hearing their honest opinions and experiences. United Utilities' ICG reviewed all materials prior to fieldwork with a view to ensuring questions and materials were neutrally designed.

Independently assured

Research was conducted by DJS Research, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings. Compliance with Ofwat/CCW guidance will also receive second line assurance by the independent assurance provider, Turner & Townsend.

Shared in full with others

The full final report and research materials will be shared on the United Utilities' research library webpage.

Approach (I)

Prior to fieldwork commencing

- All materials were cognitively tested to understand where improvements to understanding and clarity could be made.

Pre-task materials

- Prior to attending a focus group session or in-depth interview, all customers were sent materials which they had to go through ahead of the session. Materials were sent c.4 days ahead of the session, and included:
 - A one-page document outlining United Utilities' proposed business plan, as well as statutory requirements that they must follow.
 - A slide deck which gave customers information about what United Utilities does within the North West, the statutory requirements they must follow, and how they are performing in line with other water companies in a range of areas.
 - Customers were also sent a video to watch which covered all of the information in the slide deck and one-page document.
- There was also an option to send customers print or audio copies of the materials if requested.

Pre-task questionnaire

- Once customers arrived at the session, they completed a pre-task questionnaire which asked them how easy or difficult they find paying their current bill, as well as key takeouts from the materials they were sent.

Overview of 'Our Plan' 2025–2030

United Utilities' business plan, 'Our Plan', for 2025 to 2030 is focussed on the company investing to improve the core services it provides to customers and to improve the region as a whole with more jobs and greater investment in the local environment and economy. 'Our Plan' is centred around three key ambitions for the North West, all of which have been identified by customers and communities in the region as important to them. By working together to address the challenges the region faces, United Utilities hopes to make the region **stronger, greener, and healthier**.

| A STRONGER NORTH WEST: Proactively protecting our service against future challenges like climate change | A GREENER NORTH WEST: Reducing water wastage and protecting and enhancing the North West's nature and ecosystems | A HEALTHIER NORTH WEST: Proving additional social benefits to North West communities |
|--|--|--|
| <ul style="list-style-type: none"> Investing £150m in pipes that are fit for the future Employing an inclusive and diverse workforce with 5,700 jobs Investing now to reduce the future impact of storms on the network Reducing the likelihood of future water restrictions Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment | <ul style="list-style-type: none"> Reducing water wastage by 24% on our network and reducing usage Significantly reducing sewage water spills into water courses by 39% Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term Protecting 475km of cleaner rivers to promote biodiversity and wildlife Planting a million trees Investing c.£195m to reduce carbon emissions by 42% through upgrading to processes with lower emissions and using renewable energy sources | <ul style="list-style-type: none"> Continuing to provide great quality drinking water across the North West Restoring 14 coastal water areas in the North West used for wild swimming and water sports Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches) Leading the utility sector on supporting vulnerable customers with services tailored to their health needs Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company |

Service improvements

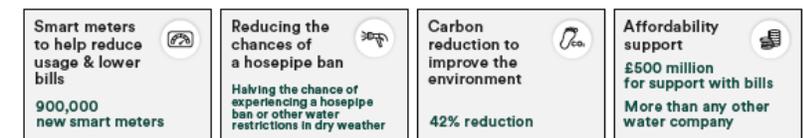
All of these investments from 2025 to 2030 are expected to deliver significant improvements to many of the day-to-day services that United Utilities' customers rely on. In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives.

The first six of these ten are improvements that the water regulator, Ofwat, says water companies must include in their business plans. The last four, are voluntary targets that United Utilities wants to set itself, but these aren't required by Ofwat.

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



Approach (II)

Structure of sessions

- All session / interview materials were developed in line with Ofwat / CCW guidance, and a variety of topics were covered with customers. These included:
 - **Initial introductions** – customers were first invited to tell us a little bit about themselves e.g., who they live with, hobbies etc.
 - **Reactions to the pre-task** – next we asked customers to reflect on the pre-task materials they received ahead of the session. They were asked if anything was unclear or difficult to understand and if anything surprised them.
 - **Introduction to United Utilities** – then we asked customers to tell us a little bit about what they thought of United Utilities as an organisation whilst guiding them through slides that outlined what United Utilities does within the North West.
 - **Temperature check** – here we checked in with customers and asked them to shed some light on their current finances.
 - **Long-term picture** – then we talked customers through United Utilities' vision all the way up to 2050 and asked them to consider the plan from three different perspectives: as customers, as consumers and as citizens.
 - **Short-term picture** – next we showed customers United Utilities' proposed business plan and asked for their initial thoughts.
 - **Comparative data** – then customers were shown how United Utilities is comparing to other companies on a range of measures. They were asked how they thought United Utilities is performing compared to other companies against each measure.
 - **Focus on the short-term plan (service improvements)** – an in-depth review of the acceptability of all ten service improvement targets included in the plan took place, followed by an assessment of overall acceptability.
 - **Affordability** – we undertook an assessment of the affordability and service levels of the proposed and 'must do' plans, in relation to personalised bill projections impacts based on the current position to 2030 (HH, NHH and Vulnerable) and projections based on the average bill for future customers. Financially vulnerable customers on social tariffs were given a projection based on their current position and informed that whilst they remain on a social tariff their bill will be discounted.
 - **Phasing** – finally, we explored preferences regarding investment phasing and intergenerational fairness.

Approach (III)

Post-task questionnaire

- At the end of each session, participants were given a final questionnaire to complete that quantified the audiences' reactions to the acceptability and affordability of the proposed plan and preference regarding the 'must do' alternative and investment phasing options.

Q02.
Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?
Please select one answer only.

| Code | Answer list | |
|------|--------------------------------------|--------------------------|
| 1 | Completely acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 2 | Acceptable (GO TO Q03b) | <input type="checkbox"/> |
| 3 | Unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 4 | Completely unacceptable (GO TO Q03a) | <input type="checkbox"/> |
| 85 | Don't know / can't say (GO TO Q04) | <input type="checkbox"/> |

Context (I)

The following events happened before or during the fieldwork period and may have influenced customers' answers.

Late 2021 – cost of living

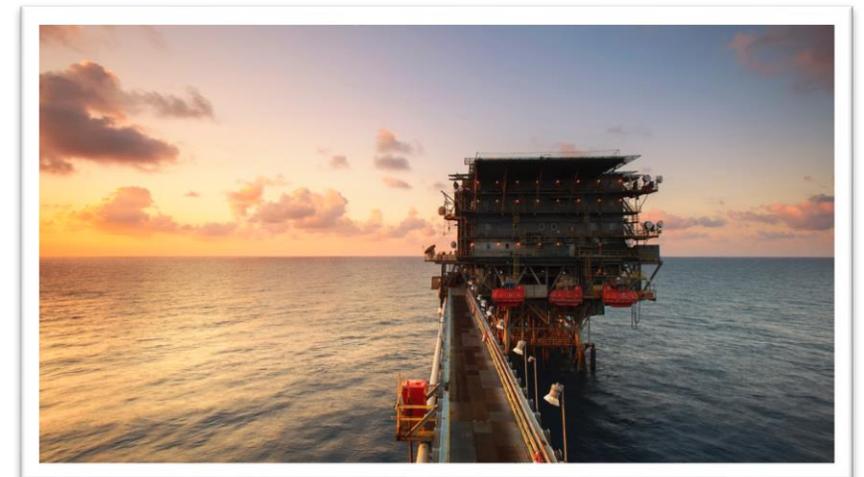
Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income and United Utilities customers may be feeling significantly more squeezed in terms of their finances than normal.

February 2023 – news on bill rises, energy company profits and forced energy metering

In early February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase on 2022/23 bills.

Throughout February 2023, oil and gas companies published record profits. This again took place during the fieldwork period and may have influenced customers' answers in the sense that a handful of customers mentioned the fact United Utilities are yet to publish their profits. This may not have been mentioned had oil and gas companies not published their profits.

Also in February, the Government reached an agreement with energy companies to halt forced installation of prepayment meters for energy customers. While this practice is not found in the water industry, concerns about this were still raised in relation to water meters and, especially, the roll out of smart water meters.



Context (II)

The following events happened before or during the fieldwork period and may have influenced customers' answers.

May 2023 – media coverage of sewer overflows and shareholder bonuses

In reaction to public anger regarding stories of water companies releasing raw sewage into the UK waterways, a number of actions were taken within the industry.

Bonuses, in themselves, have been a source of public frustration particularly in recent months. However, a number of water service provider CEOs (Yorkshire Water, Thames Water and South West Water) recently declined to accept their usual bonuses due to poor performance.

Secondly, a joint apology was offered to the public for not acting quickly enough to prevent sewage spills, with a promise to increase investment to prevent spills in future to £10bn by 2030. However, some criticism was received due to this increased investment being funded by customers' bills.

June/July 2023 – Thames Water in billions of debt

At the end of June the CEO of Thames Water resigned, it was revealed that the company was in £14bn of debt and there were fears it was on the verge of collapse.

August 2023 – Water companies facing lawsuits over allegations of underreporting pollution incidents.

On August 9th (the day of the Future Bill Payers deliberative session), the news headlines featured 6 water companies (including United Utilities) which could be facing £800m lawsuits over allegations of underreporting pollution incidents and overcharging customers. At the time, only one lawsuit had been filed and this was against Severn Trent.

Positive and negative sentiment towards United Utilities: overall

What do customers think of United Utilities?

Across all audiences, customers were in general personally satisfied with the service they receive from United Utilities with the majority scoring them between 7 and 9 out of 10. However, on a wider scale customers were unhappy with sewer discharges (enhanced by news reports prior to and during fieldwork), shareholder profits and leakage (especially in Liverpool where several examples were given).



“We live relatively close to Devonshire Road...I've lived there for three years and every year it's burst. And every time I see it, and it floods the roads and I think if it keeps happening, they must be doing something wrong”

Household, Liverpool

“There needs to be a long term strategy. You see a lot of quick fixes but actually I think a whole system needs to change for them, for the money to be worth it and to be safe in the long run as well.”

Household, Lancaster

“Personally, we've always had good service... No disruption (fingers crossed), and good service. But you see leaks, and you hear about the sewage, alongside bills going up and it's not so good.”

Micro, Trafford

Financial health: overall

58%

of customers say that they currently find it 'very easy' or 'fairly easy' to pay their water and sewerage services bill

Note: 67% 'very easy' or 'fairly easy' in AAT1

We see a difference in ease of paying current bills between household & non-household* customers
(62% cf. 52%)

Temperature checks with household customers revealed that general feelings around finances were mainly negative (see next slide)

When split by SEG, we see no difference between ABC1 and C2DE **(61% cf. 63%)**

*19% 'fairly difficult' among non-household customers

Financial temperature check

Most households and businesses felt that their current water bills were affordable, despite additional pressure among other rising costs such as energy bills and food prices.

In isolation customers did not typically see their water bills as a grave concern, however, the expense sits within an ecosystem of rising costs that for many *was* deeply concerning, and because of this, many reported low resilience towards one-off or unexpected expenses.

In the context of these other pressures, water bills were typically thought to be cheaper and less pressing than other household bills. Just one of 30 household customers found their current bill 'fairly difficult' to afford (a C1 SEG customer), but 10 found it neither easy nor difficult – suggesting that any unexpected change in circumstance could make a significant difference to longer term affordability.

Wider financial outlook

Outside of direct financial pressures, there was a prevailing sense of negativity about the economy, support systems available to people and businesses that might be struggling and the wider political landscape - particularly among micro businesses.



Important theme for the majority of customers: delayed investment



Why has it taken this long?

While customers were, typically, pleased to see plans to invest in pipe infrastructure, some were of the opinion that this investment is long overdue and has been delayed (presumably to reduce expenditure).

This angered some individuals who felt that profits have been lining shareholders and executives' pockets when they should have been re-invested into the network.

As such, most felt that the current plan is, to that extent, reacting to problems caused by a previous failure to invest.

"If it's that easy though, to get that much of an improvement, then why is it taking so long to get the improvements?"

FBP, Manchester

"If you look at the revenue generated from the profit margins, more can be done"

Micro, Trafford

"Why haven't they invested in assets?"

Household, Lancaster

"There's no other business where it would be acceptable to just basically run your business into the ground by skimming off profits the entire time, and then expect people to pay more because you haven't been maintaining systems and your infrastructure the entire time"

Household, Liverpool

"How long has United Utilities been in control of the water in the North West? The only reason I ask is because so often in these debates you hear oh, well, we're using a Victorian system. And it's like, well, okay, but the Victorians it was their system, what 150 years ago? At what point do we stop relying on a Victorian system and start building our own system? And what's stopping that from happening? If they could do it, why can't we?"

Household, Liverpool

Important theme for a minority of customers: fairness and profit



“I'm just gonna say why don't they nationalise it and let the government use that profit to invest back into things but I know that's not the discussion today.”

Household, Liverpool

Why does the cost fall on the customer?

Over half of participants (more than at AAT1) noted that, as a private, profitable business, it was unfair for United Utilities to ask bill payers to shoulder the cost of these improvements, preferring, instead, that this be primarily (or entirely) paid from through the company's profits/dividends.

For some customers, there were concerns that the projected increases in their bills were being used to support profits rather than fund infrastructure.

Similarly, across the engagements, a notable minority of customers felt strongly that, as a vital human necessity, it was wrong for a private company to be making a profit from providing water and wastewater services.

Note: in the period leading up to fieldwork there was a press release about how some water company CEOs were declining their bonuses due to poor company performance. UU was not listed as one.

The Liverpool group in particular housed a lot of customers who were very opposed to the operations of the current Conservative government and privatisation of water companies.

“They say we need to do all these things, let's get a bit more money out of them. So I'm a bit worried that they you know, they are making a lot of money”

Household, Liverpool

“If this is, you know, we're investing £150 million in pipes in the future, you're gonna pay for that in the long run, we're still on a £10 billion profit for our shareholders. It switches how you feel about the investment plan”

Micro, Trafford

“They're a multimillion pound company, and the infrastructure is terrible anyway, why can't they improve it now rather than in 30 years' time?”

FBP, Manchester

Retailer vs Wholesaler: non household customers

There was an element of confusion amongst businesses, especially micro and small businesses, about their relationship with United Utilities. Whilst some were aware of the retail market, very few had explored their options in respect of renegotiating an existing deal / contract, or looking to switch to another supplier. The (general) lack of awareness of the retail market meant that most (especially micro and small businesses) would still look to United Utilities for support if required.

Many felt their relationship with United Utilities would at best be described as ‘transactional’ or ‘distanced’ – and very few felt a strong emotional connection:

“I’ll be honest... I thought that United Utilities covered the whole country, I didn’t realise they were just in the North West.”

Micro, Trafford

“I remember a few years ago that it changed, but I couldn’t tell you much about it.”

Medium business

“It was only when I was speaking to my wife about it before this session and asked her where the bill was that I saw it was Water Plus and not United Utilities.”

Micro, Trafford

“I thought Water Plus was like the billing arm of United Utilities!”

Micro, Trafford

Customer perspective: customer vs. consumer vs. citizen

When asked to consider United Utilities' long-term and short term plans, from the perspective of a customer, a consumer and a citizen, there was a considerable difference in the scope of considerations, and the way in which opinions were formed:

Customer perspective:

When thinking as customers and bill-payers only, customers tended to have a narrower focus – concentrating primarily on how United Utilities' proposals would impact them financially and whether they demonstrated value for money. Bill payers were more judgemental but whilst they felt that United Utilities should place greater emphasis on reducing sewer overflows and managing increased water demand, they were mindful of how this might affect their water bills.

Consumer perspective:

When thinking from the consumer perspective, the key long term focuses were managing increased water demand, followed by reducing sewer overflows and improving river water quality. Shorter term, service issues such as water quality, reliability and flooding were most important to future customers and current bill payers felt that consumers were more likely to think more widely about the issues facing United Utilities.

Citizen perspective:

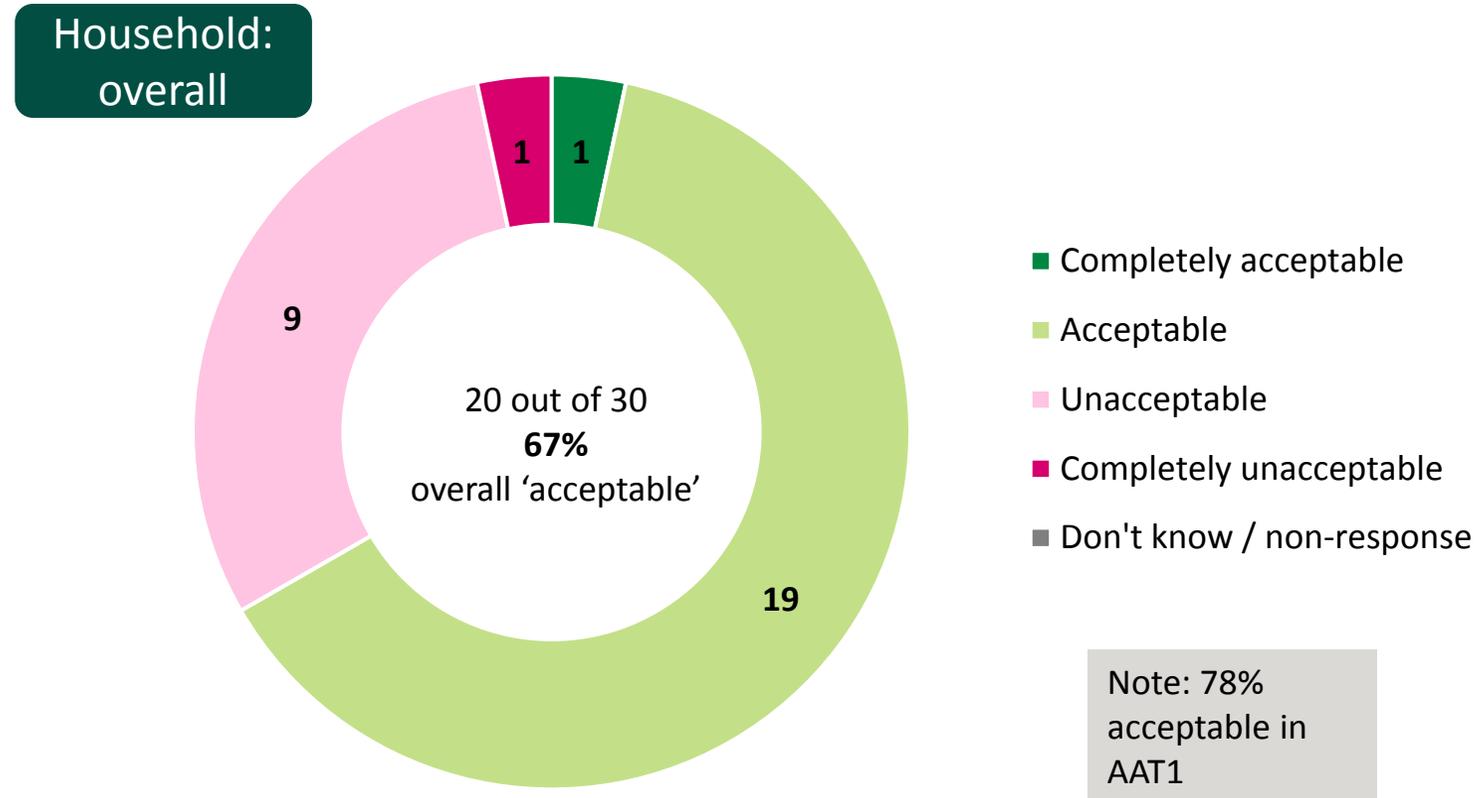
When thinking from the citizen perspective, customers were more likely to consider each part of the plan as important – with net-zero greenhouse gas emissions taking on greater importance than when thinking from a customer and consumer perspective. In this scenario, customers were more likely to think about areas that were not covered (in detail) in the long-term plan, including upgrades to infrastructure and future-proofing the network whilst also reducing its environmental impact. Thus leakage and flooding were issues from the short term plan which customers felt would be most important to citizens.

Proposed plan acceptability

Acceptability of the proposed plan: household customers

Overall, how acceptable did household customers believe the proposed plan to be?

Two thirds of household customers found the proposed plan acceptable (19) or completely acceptable (1). A third of household customers found the plan to be 'unacceptable' (9) or 'completely unacceptable' (1).



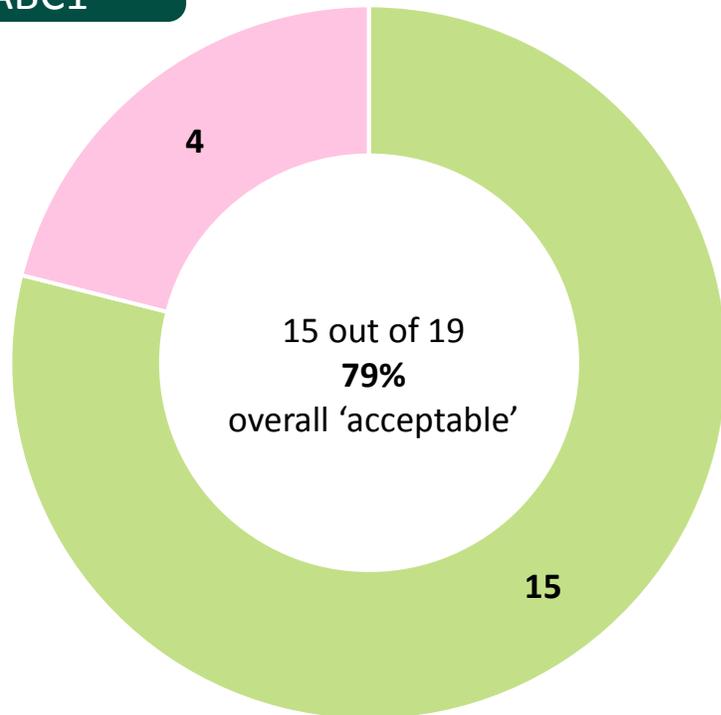
Base: All HH respondents (30) Post-task Q2 Based on everything you have heard and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: household customers

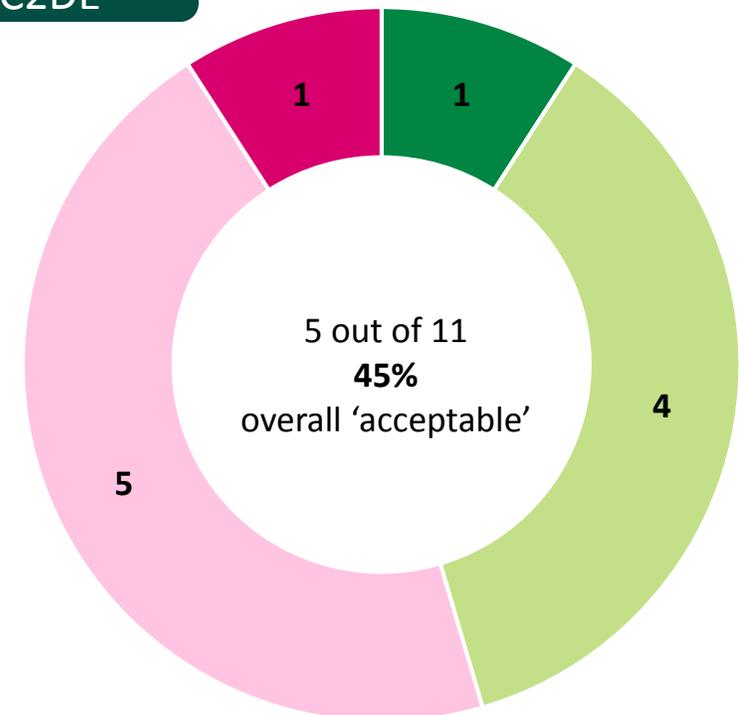
How did householder views of acceptability differ by socio-economic group (SEG)?

ABC1 household showed a large degree of acceptance of the plan, with 15 of the 19 attendees stating that the proposed plan is 'acceptable'. Opinion is more divided amongst the C2DE householders, where only 45% (5) agreed that the plan is acceptable, and six stated the plan is either 'unacceptable' (5) or 'completely unacceptable' (1).

Household:
ABC1



Household:
C2DE



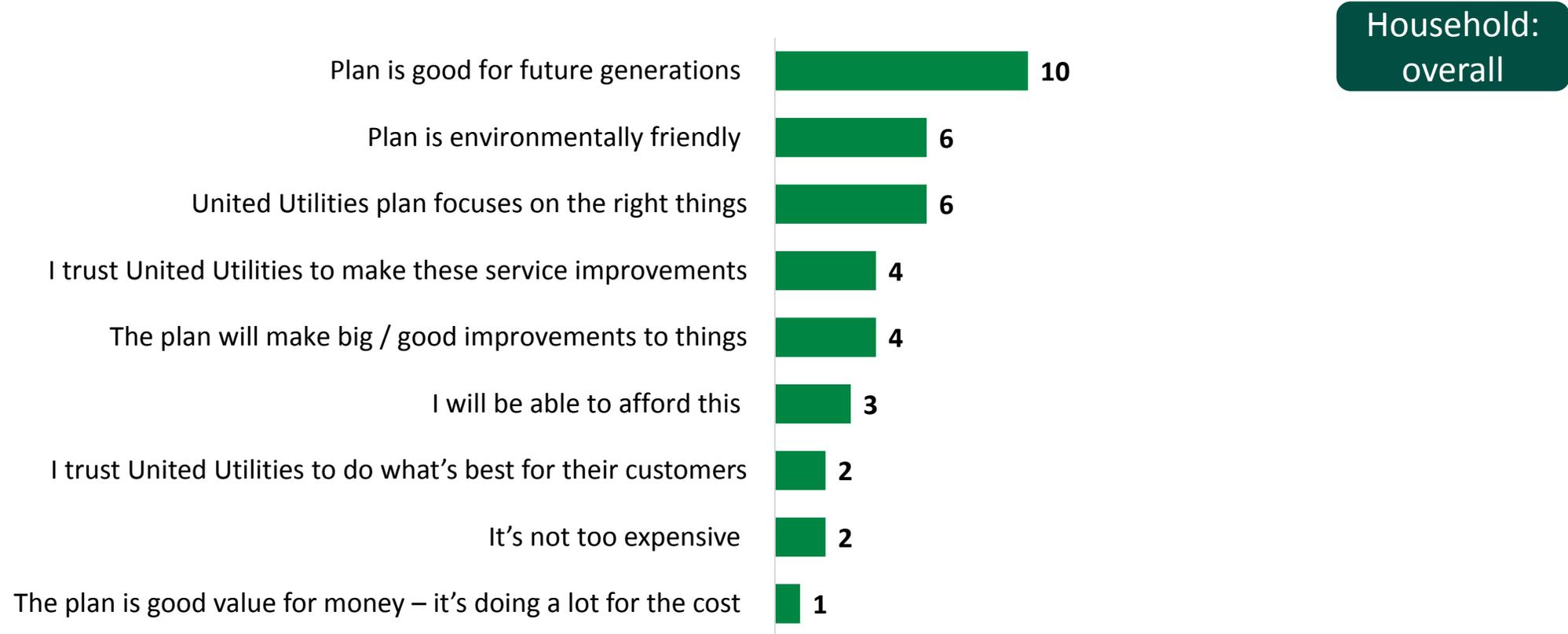
- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

Base: All HH respondents (30) ABC1 (19) C2DE (11) Post-task Q2 Based on everything you have heard and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: household customers

What motivated household customers to say that the plan was acceptable?

Household customers who believed the plan to be acceptable, most commonly did so because they felt it is good for future generations (50%), is environmentally friendly (30%), and focuses on the right things (30%). This differs somewhat from AAT1 where 38% said it was good value for money, compared to just 5% in AAT2. Some also indicate a trust in United Utilities' execution of the plan, with four (20%) indicating they trust UU to make these service improvements and two (10%) trusting them to do what is best for customers. These proportions are similar to those seen in AAT1.

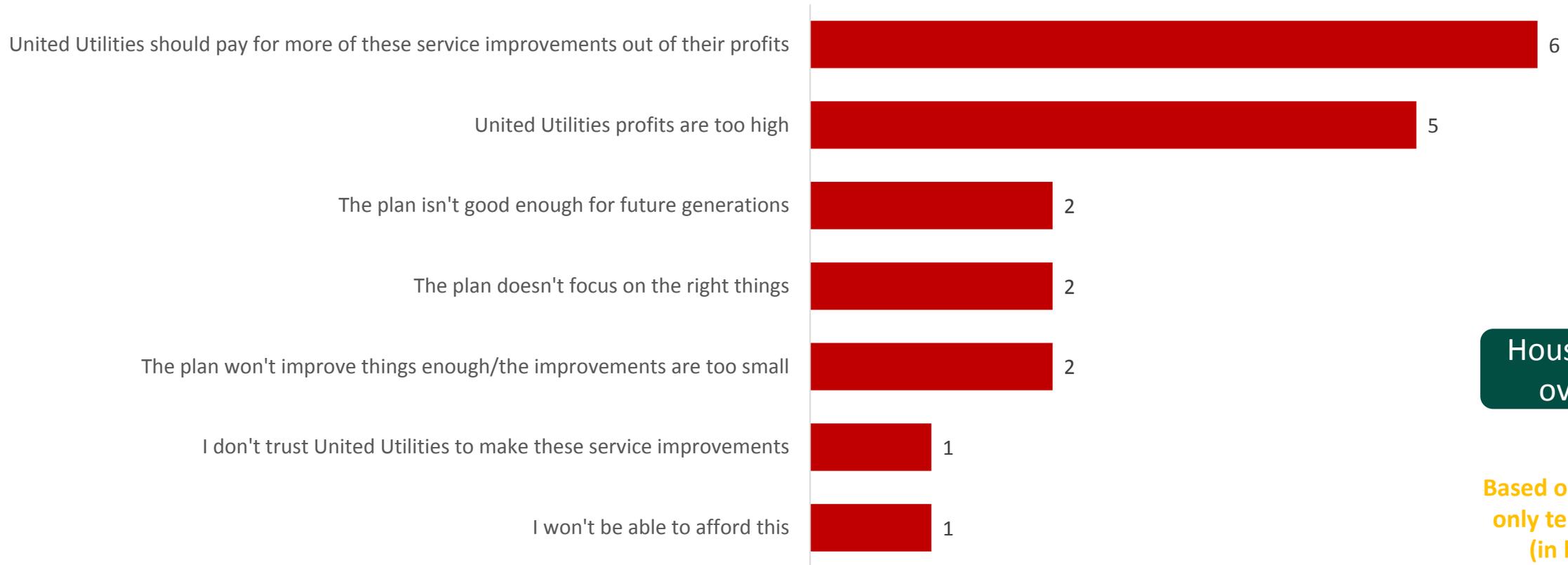


Base: HH respondents stating the plan is acceptable (20) Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

Acceptability of the proposed plan: household customers

What motivated household customers to say that the plan *was not* acceptable?

Six of the ten household customers, who believed the plan to be unacceptable, stated that they feel this way because United Utilities are not shouldering enough of the costs out of their profits. Five of the ten also place the size of United Utilities' profits as part of their reason for finding the plan to be unacceptable. This is in line with AAT1 results.



Household:
overall

Based on a subset of
only ten responses
(in line with
guidance on survey
routing)

Base: HH respondents stating the plan is not acceptable (10) Post-task Q3a You said that the proposed business plan is not acceptable...Why do you say that?

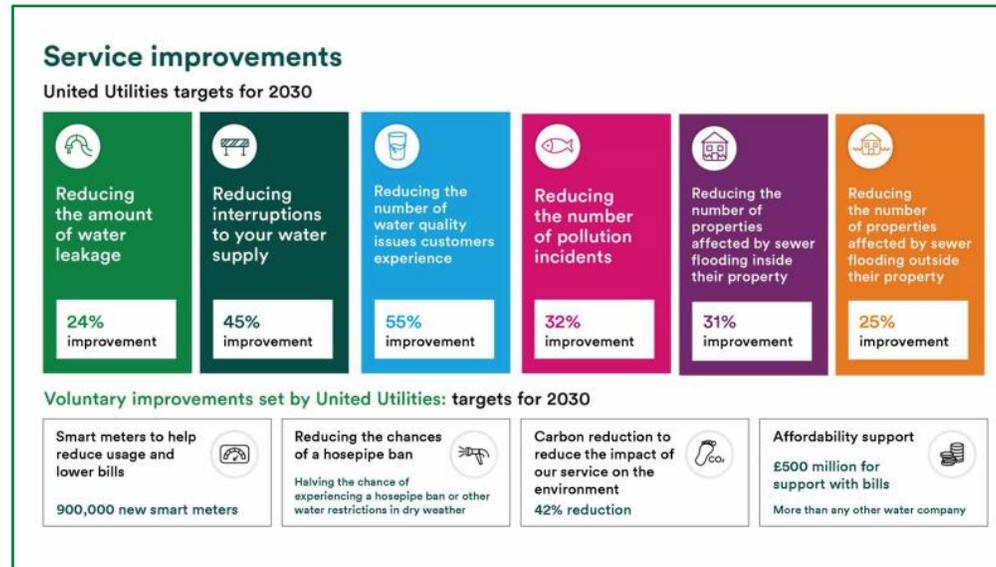
Reactions to the plan: household customers

How did household customers react to the proposed plan?

For most customers, the proposed plan covered the areas they considered a priority; particularly in relation to pollution, water leakage and sewage flooding. That said, typically, customers wanted to see United Utilities being more ambitious with certain targets; in particular that water leakage and pollution should be tackled sooner, with more stretching targets attached in the short to medium term.

Positives

- Acceptable / credible to most
- A good starting point
- Focuses on areas valued by the public (environmental pollution, water wastage)
- Public are aware that infrastructure (especially pipes) needs investment
- Affordability seen as a positive overall, but not a top priority for most



Concerns

- Some elements (leakage, pollution) felt to lack ambition, with a greater or complete improvement expected
- £150m for new water pipes not considered to be enough
- Lack of trust that United Utilities can or expects to meet these targets in areas where it's already lagging.

“Obviously, I think the pollution is probably the most important in my opinion.”

Household, Liverpool

“All these issues are relative to each other. I mean, obviously, we'd like to have all of these improvements. But if you said to me that if we only got 20% improvement, we could get less water leaks and less pollution. I would take it.”

Household, Lancaster

“The risk associated with pollution now is so much more detrimental. So, you know, you need to be targets as the big one”.

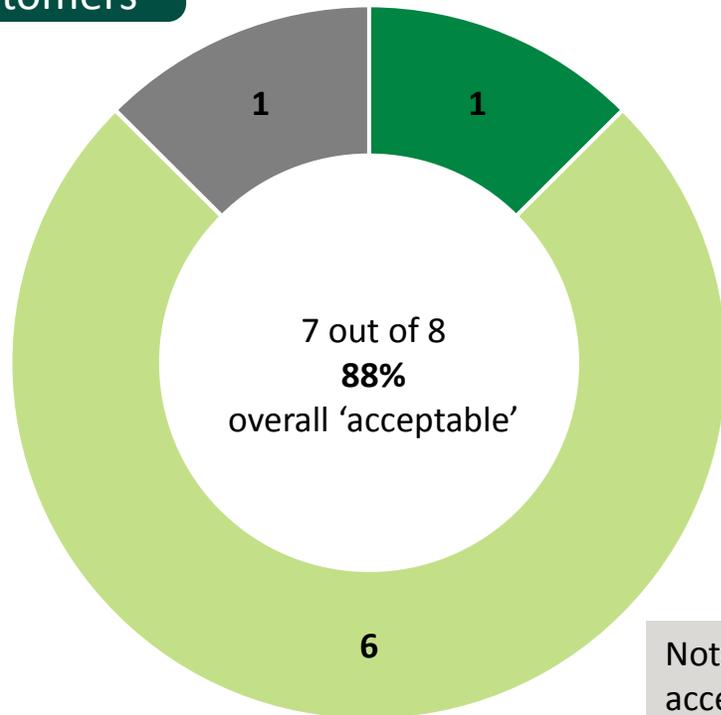
Household, Lancaster

Acceptability of the proposed plan: vulnerable and future customers

Overall, how acceptable did vulnerable and future customers believe the proposed plan to be?

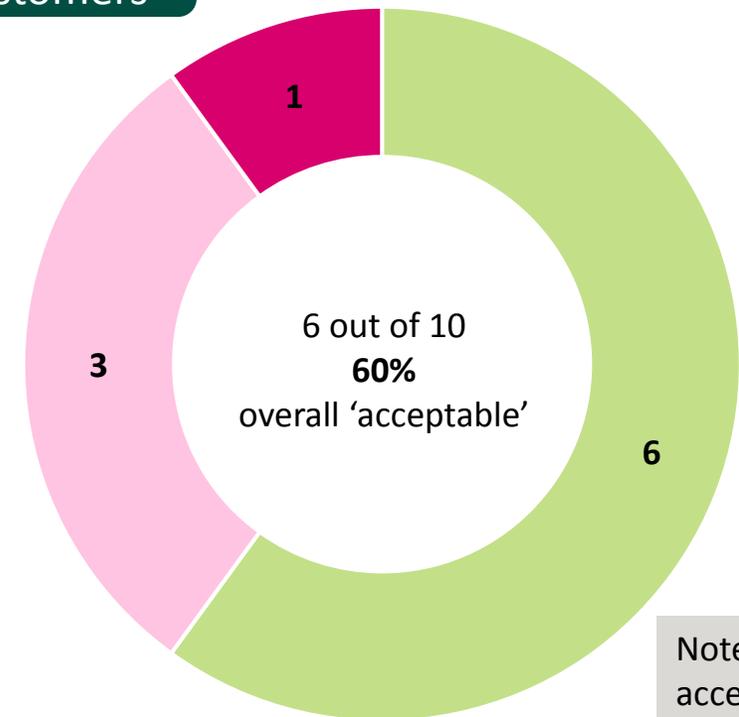
Vulnerable customers are the most accepting audience when it comes to the business plan, whilst future bill payers are on balance accepting but with only a 60/40 split.

Vulnerable customers



Note: 69% acceptable in AAT1

Future customers



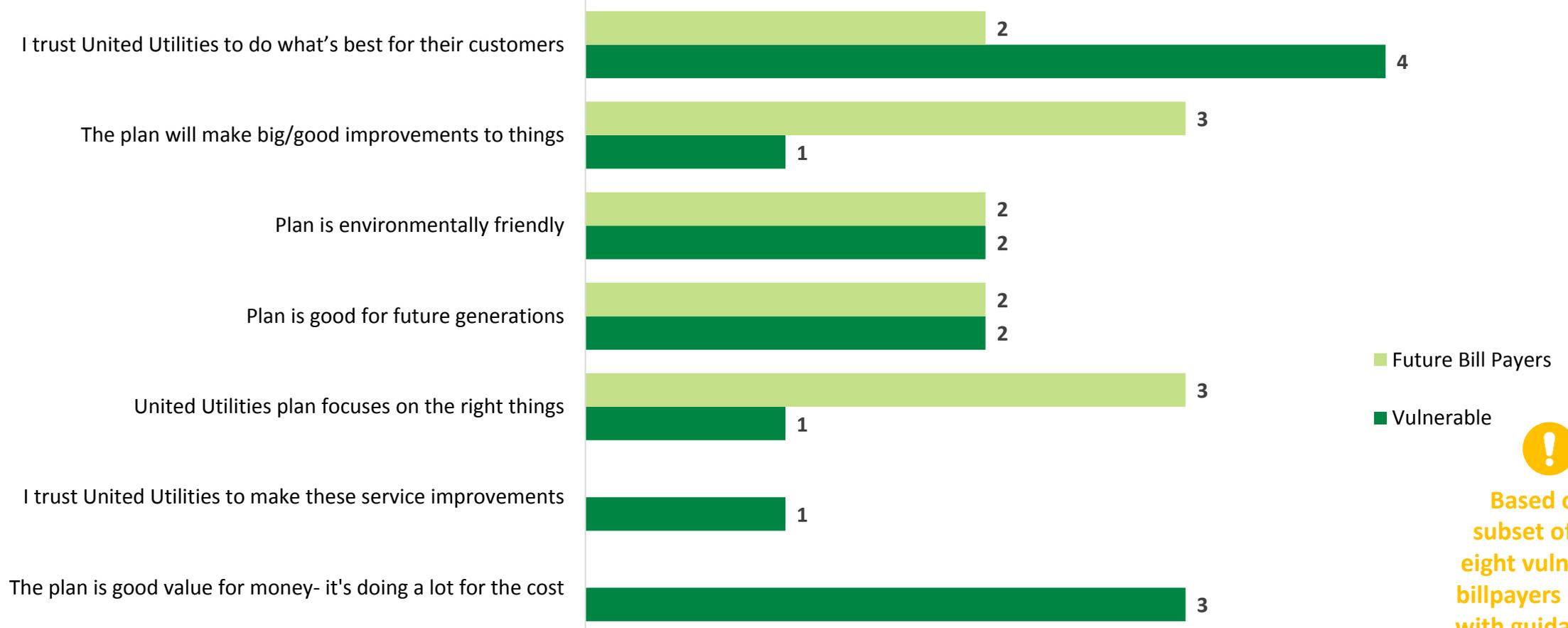
Note: 88% acceptable in AAT1

Base: All vulnerable respondents (8), all future bill payers (10) Post-task Q3/Q2 Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: vulnerable and future customers

What motivated vulnerable and future customers to say that the plan was acceptable?

Future customers who believed the plan was acceptable, most commonly thought so because they felt it focused on the right things and that the plan would make big improvements (**both 3**). Vulnerable customers trust United Utilities to do what's best for their customers (**4**) and think the plan is good value for money. This is in line with AAT1 results.



Base: Vulnerable (7) and FBP (6) respondents stating the plan is acceptable Post-task Q04b/Q3b You said that the proposed business plan is acceptable...Why do you say that?

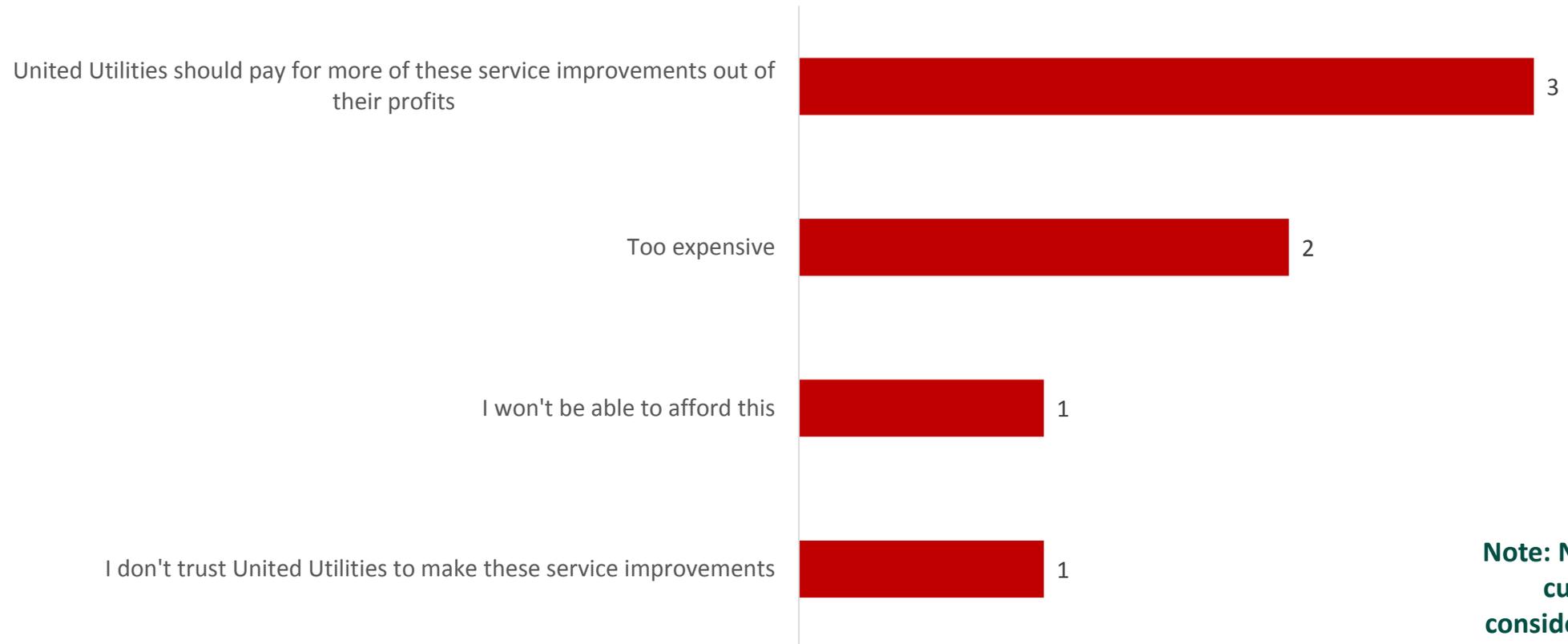


Based on a subset of only eight vulnerable billpayers (in line with guidance on survey routing)

Acceptability of the proposed plan: future customers

What motivated future bill payers to say that the plan *was not* acceptable?

Of the four future bill payers who found the plan to be unacceptable, three felt that United Utilities should pay for more service improvements out of their profits, two that the plan was too expensive, one that they wouldn't be able to afford it, and one that didn't trust United Utilities to make the service improvements outlined.



Note: No vulnerable customers considered the plan unacceptable. No data to show

Base: Future bill payers who state the plan is unacceptable (4) Post-task Q2a You said that the proposed business plan is not acceptable...Why do you say that?

Reactions to the plan: vulnerable and future customers

How did vulnerable customers and future bill payers react to the plan?

Vulnerable customers spoke highly of the plans and targets set out by United Utilities. Generally, they held the company in high esteem as a result of prior positive experiences. Affordability was of particular interest, and many were impressed by the breadth of support offered, and the amount of investment proposed. Future bill payers were generally positive about the plan until they saw the bill predictions which were a concern to several.

Positives



All vulnerable customers agreed that the plan is positive. They were complimentary of United Utilities’ ambitions, and were especially impressed by the amount of support offered for those struggling.

Those vulnerable customers receiving financial help spoke positively about their experiences, and were happy to learn that there is more support on offer, though there is a general lack of awareness.



“The financial support I think is impressive, actually . It's very kind to people. I mean, people have and are struggling, which is heartbreaking, really. And to get through with things like this is good.”
Health vulnerable, Lancashire

“Quite positive, like quite good plans for the future and especially in trying to help... is it 500 million[?], that stood out.”
FBP, Manchester

Negatives



A minority of vulnerable customers saw the plan as slightly overambitious. Instead of spreading investment so broadly, they would have instead preferred to see United Utilities focus on fewer key targets

Whilst future customers felt that the plan covered the right things, they were concerned about the cost and why the government or United Utilities can’t cover more of the cost



“There is a lot to do . And I do feel like maybe too much as a whole; maybe just look at certain points, the main points that are needed ”
Financially vulnerable, Lancashire

“Why is it being passed on to us? If it was the optional stuff, like yeah, that's fair enough. But it's literally mandated”
FBP, Manchester

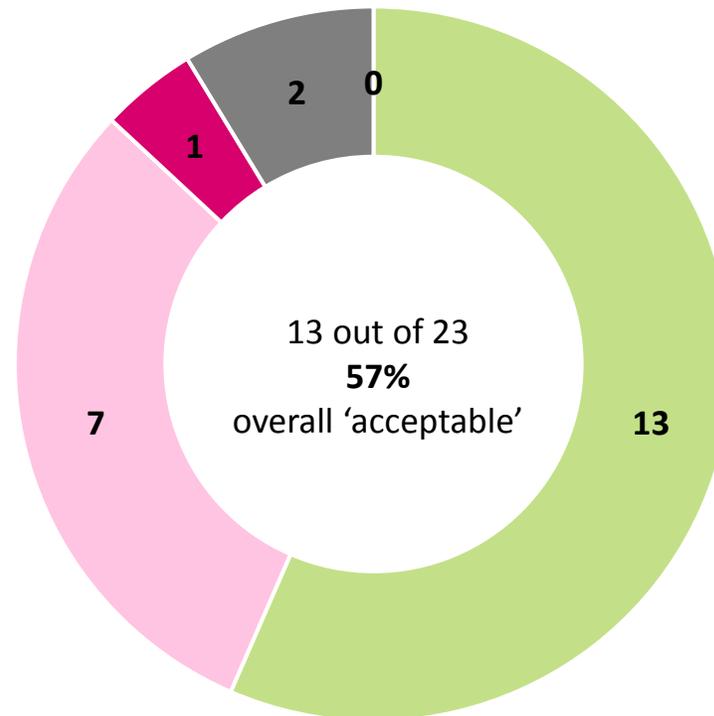
Acceptability of the proposed plan: non-household customers

Overall, how acceptable did non-household customers believe the proposed plan to be?

On balance, non-household customers found the plan acceptable. 9/15 micro businesses found it acceptable, and 4/8 small/medium/large businesses. No businesses found the plan completely acceptable.

“It’s not focusing on the right areas, £150m on leakage and reducing interruptions is nowhere near enough. £500m on additional support and £3bn on sewage... The numbers don’t seem to add up .”
Micro, Trafford

“The plan is fairly standard stuff for a big organisation. I’m not sure it goes far enough, but I’m also not sure they’ll be able to do it.”
Large business



**Non-Household:
overall**

- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

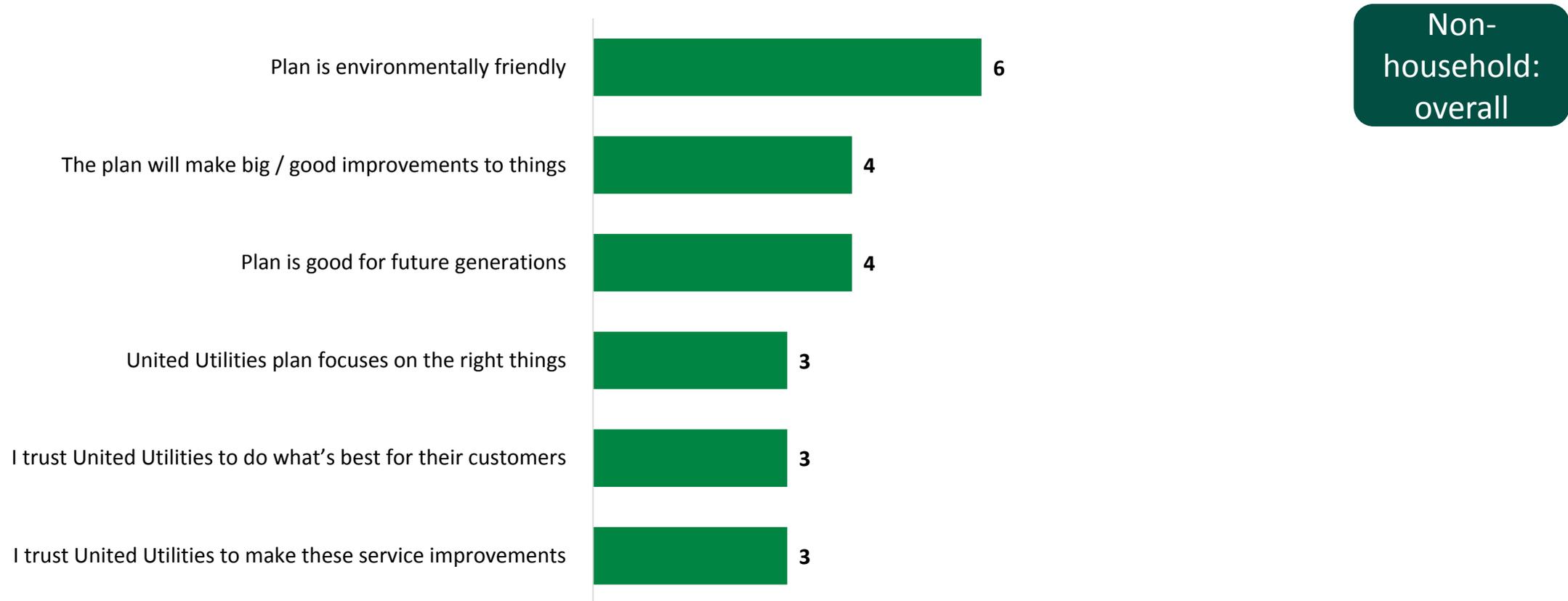
Note: 75%
acceptable in
AAT1

Base: All NHH respondents (23) Post-task Q2 Based on everything you have heard and read about United Utilities proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: non-household customers

What motivated non-household customers to say that the plan *was* acceptable?

Non-household customers who believed the plan to be acceptable, most commonly did so because they felt it was environmentally friendly (6), would make large improvements to things (4) and it would be good for future generations (4). This is in-line with AAT1, where the top three motivations were the plan being good for future generations (8), the plan making big improvements (6), and being environmentally friendly (6).



Base: NHH respondents stating the plan is acceptable (13) Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

Acceptability of the proposed plan: non-household customers

What motivated non-household customers to say that the plan *was not* acceptable?

Four of the eight non-household customers who believed the plan to be unacceptable felt the plan was too expensive, and three felt that United Utilities should pay for more of the service improvements out of their profits. In AAT1 the top motivation was feeling United Utilities should pay for more of the service improvements out of profits (4), while there was only one mention of the plan being too expensive.



Base: HH respondents stating the plan is not acceptable (8) Post-task Q3a You said that the proposed business plan is not acceptable...Why do you say that?

Reactions to the plan: non-household customers

How did non-household customers react to the plan?

Generally, non-household customers shared many of the same opinions and concerns as household customers – with priorities focusing primarily on addressing leakage and sewer overflows as quickly as possible. Micro businesses in particular tended to mirror the outlook of household customers, but with some more stringent views around the pace of change and improvement required. Larger businesses tended to have more understanding of the operational challenges United Utilities could face in implementing its plan – but as with household and micro business, customers felt that (more) action to address key issues around leakage and the sewer network should already have taken place before now.

Positives



The majority felt as though the proposed plan focused on the right things i.e., leakage, sewer overflows, better oversight of network weaknesses etc.

The majority trusted United Utilities to deliver on all or some of its targets – with no particular difference in outlook between different size and type of business.



“It covers the right things... it’s up to them to do it.”
Large business

“Leakage is the priority for me... and they’re taking action.”
Medium business

“They’re saying they’ll make lots of improvements; the proof will be in the pudding, but if they do it it’s great isn’t it.”
Micro, Trafford

Negatives



A minority of non-household customers were unhappy with the overall plan, with particular concerns and criticism around the (lack of) consideration / mention of support and help for business, and a feeling that the plan didn’t go far enough in certain areas.

Among micro businesses in particular, there was concern that the investment attached to different parts of the plan didn’t appear proportionate – with many expecting or hoping for more investment to tackle clean water pipe infrastructure, and potentially less provided in affordability support.



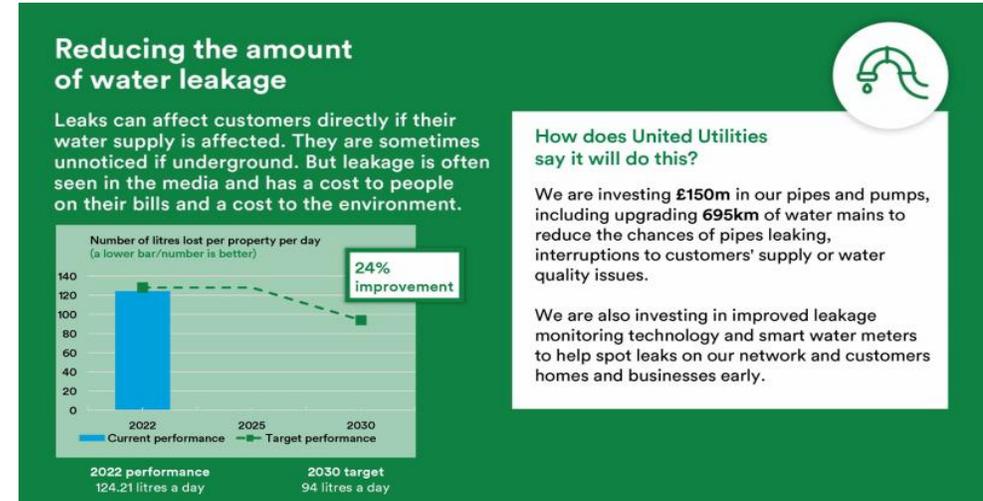
“It doesn't really affect my business but it says they’re providing £500 million support for families struggling to pay but it doesn't mention anything about businesses struggling to pay.”
Micro, Trafford

“They should really have the ambition to think we’re going to get leakage to near zero, a 24% reduction against a very high existing number isn’t that good.”
Medium business

Business plan targets: water leakage

This was a high-importance issue for United Utilities' customers, especially those in Liverpool where leakage was a concern for a significant number.

Leakage feeds into competing concerns surrounding wastefulness, ecology, and the responsible use of bill payers' money and for these reasons customers were pleased to see this issue addressed in the plan. However, many wanted to see a larger improvement than the 24% target and a more substantial investment in new infrastructure - £150m was considered to be nowhere near enough.



“124 litres of water a day is a lot to lose... there must be leaks that they could fix quicker.”
Vulnerable, Greater Manchester

“It’s not acceptable but it’s alright...we want less leakage but if we can’t get that...”
FBP, Manchester

“I just think the crux of so many of the problems is the leakage and the money that seems to be allocated to it just doesn’t seem fit for purpose”
Household, Liverpool

“It’s just if it’s leaking all the time, and we know it’s economic. Then the problems are just going to be exacerbated the more water losing and the more damage it’s creating, ultimately.”
Household, Liverpool

Vulnerable customers:
Vulnerable customers saw this as an important area of focus and were surprised at the amount of water lost through leakage. Many mentioned a lack of investment to date so were complimentary of the fact that U UW is updating and modernising the piping infrastructure. However, whilst they saw it as a step in the right direction, this group wanted to see more ambitious targets.

Future customers:
Future customers were also shocked by the amount of water being leaked and felt that the proposed improvement whilst sensible and achievable is not going far enough.

Water leakage target: customer feedback

How did household customers react to the target?

Consistently chosen as one of the most important issues addressed by the plan, this target dovetails with strong motivators for this audience around wastage, bills, and the environment. However, household customers wanted to see more ambitious targets set by United Utilities and felt that by addressing leakage United Utilities is also addressing interruptions and water quality.

What do they like about the target?



- It's addressing a high importance topic that triggers customers' aversion to waste, environmental damage and high bills
- Customers were surprised to see how much water is currently lost to leakage and were keen to see this fixed
- Upgrading pipes is expected to solve a number of problems i.e. interruptions and quality issues.

How would they like to see the target improved?

- A more ambitious plan in terms of the amount of money invested and length of pipes upgraded
- They'd like to see more information on where the improvements are planned and where they have been made as they happen over the five year period.

What concerns do they have about the target?



- Customers want to see more ambitious targets, some as ambitious as eliminating waste through a full and systematic update of the pipe network
- Both the £150m investment and the 695km of new pipes were thought to be dwarfed by the scale of the issue and the amount being invested in other areas.

"But I feel if that was one area that they went above and beyond the requirements, that would be so beneficial, because it would reduce the amount of carbon emissions, they would reduce the bill and would make it affordable, they wouldn't have to charge as much as they wouldn't be charging for water that we've been wasting."

Household, Liverpool

"120 litres per property does seem very high, considering we're saying that we want to get down to 110 per person. That seems like a hell of a lot of water."

Household, Lancaster

Water leakage: non-household customer feedback

How did NHH customers react to the target?

- Businesses struggled to comprehend the amount of water being lost, and felt that it should be a key priority for improvement. Although the headline of 24% reduction sounded impressive at face value, when viewed against current leakage figures, many felt that targets should be more stretching, and that United Utilities should be investing more.
- Micro businesses in particular were deeply unimpressed by United Utilities' current performance, and wanted to see considerable improvements. A number had also seen/experienced significant leaks in the local area over a number of years, and would judge progress by the speed with which they see leaks fixed in the future.
- Larger businesses were also surprised by the scale of the leakage issue, but were more likely to consider the reduction plans realistic and feasible – preferring a slow(er) and steady approach, ensuring that fixes were for the long-term and not just patchwork jobs to provide short-term 'wins'.

“£150 million over 5 years is just nowhere near enough, is it? That’s going to get swallowed up really quickly”

Micro, Trafford

“£150 million here against £3 billion investment for the sewage... Why don’t they take a chunk of that – and keep the affordability support at its current level – and really invest in this to get it fixed?”

Micro, Trafford

“124 litres of water lost per day? It’s incredible, it’s our most precious resource and they’re losing almost as much as we’re using. 94 litres is still a lot, but it’s a start... they should be aiming for zero though”

Medium business

“We’ve always had good supply, and not had any interruptions, so that has to be the main thing to continue. You’ll never get leakage to zero, they could maybe go a bit further, but they’ll have crunched the numbers I suppose.”

Large business

Business plan targets: supply interruptions

Water supply reliability is a basic expectation of water service providers and, on the whole, severe and unplanned water interruptions are rare. As such, while a performance improvement was welcomed, it was not typically seen as a priority for many.

For many, the metric used to measure improvement was hard to understand and as such, the target was deemed achievable.

“I thought their current performance was quite impressive but to bring it down to that, that’s even more impressive.”

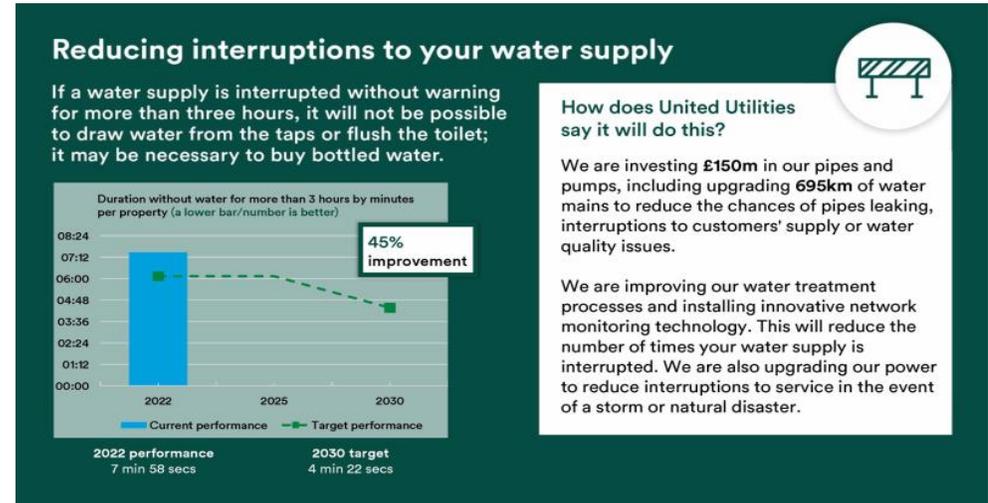
Vulnerable, Lancashire

“That figure is ridiculous. If it's three hours and seven minutes down to three hours and four minutes. No difference!”

Household, Lancaster

“Other companies have achieved that, I’m sure, so it shows it’s achievable”

FBP, Manchester



Vulnerable customers:

Vulnerable customers were generally accepting of the proposed target, especially when considering their own past experiences (or lack thereof) of issues with supply, which meant they were happy with the current performance in this area.

Future customers:

For about a third of future customers, this was the most important of the 10 service areas. They felt that the planned improvement is stretching enough and achievable and suggested that UU learn from other companies ranked higher.

Supply interruption target: customer feedback

How did household customers react to the target?

Supply reliability is a core customer expectation of United Utilities. However, supply interruptions are not thought to be common, especially unplanned interruptions of more than 3 hours. The measure itself was unintuitive to many, who believed that the figures underplayed the benefits that a 45% reduction would bring to those who may potentially experience a supply interruption.

What do they like about the target?



- Reliability of supply is a core expectation of United Utilities and a key aspect of customer satisfaction with service
- Customers recognised the importance of a reliable supply for vulnerable customers and businesses in particular

How would they like to see the target improved?

- They were happy with the proposed target.

What concerns do they have about the target?



- None, it was deemed to be achievable.
- It was difficult for many to picture what improvement an average decrease over 3 hours from 7 minutes 58 seconds to 4 minutes 22 seconds per household would bring to them

“It’s not a big deal maybe, if we’ve got the water off at home for three hours. However, if you’re a hospital that has no water for three hours, then you’re kind of in trouble. If you’re a business, a restaurant, and you have no water three hours you shut. If you’re a public building, and you can’t flush the toilets or provide drinking water, then I’m pretty sure the business has to shut. And actually schools have to shut and that’s having a significant impact on the whole community”

Household, Lancaster

Supply interruptions: non-household customer feedback

How did NHH customers react to the target?

- Although supply interruptions were seen as a significant risk factor for businesses – particularly those in service based and manufacturing sectors – current performance and proposed targets weren't seen as the top priority by many.
- The majority felt that improvements would be welcome, but should not come at the expense of other priorities.
- There were questions from some about whether the risk of supply interruptions was likely to be more localised, and whether some would be more at risk of longer or more frequent interruptions (for example, those in rural areas).
- On balance the majority felt that the target was reasonable, and a good basis for improvement.

“We’ve never had an issue with interruptions (fingers crossed)... If it happens to you, you want it fixed as quickly as possible, so it’s good they’re putting work into it.”

Small business

“It seems about right... They need to show improvement, and it doesn’t sound outrageous.”

Small business

“Are businesses prioritised? I know that you would prioritise vulnerable people. Because about home you can probably manage..”

Micro, Trafford

Business plan targets: water quality

As with water supply reliability, providing safe, drinkable water is a core expectation of water service providers.

Whilst the majority were happy with their water quality, some (especially in Liverpool) experienced issues with metallic or chlorine tasting water.

The target of 55% improvement was recognised as one of the more ambitious included in the plan.

“One negative surprise for me was the position of United Utilities regarding water quality, which for me is the most important aspect and I do notice occasionally that there's something you can see on the surface of the water”

Household, Liverpool

“It's fine. I just have never had an issue with that anyway, so I don't think it needs to improve that much, to be honest”

Vulnerable, Lancashire

“If you're planning on halving it then that's a good target.”

Household, Liverpool

“I think it'd be better if you had a properly objective measure rather than subjective measure of how many people bother to ring up and complain about the taste of the water.”

Household, Lancaster

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.



How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Vulnerable customers:

Vulnerable customers were reflective of their own positive experiences with water quality in the region and were largely surprised that there are currently so many complaints. As a result, they felt that 55% is a fairly high target and believed that time and money would perhaps be better focused elsewhere.

Future customers:

Nearly all FBPs felt that this target was too ambitious, especially given that increased bills could raise service expectations further and given that the decision to complain is quite subjective and hence difficult to predict.

Water quality target: Customer feedback

How did household customers react to the target?

More customers had experienced issues with their water quality than in AAT1 and it was seen as a bigger priority than in AAT1 too. The main complaints were issues with the taste of the water – chlorine/metallic tasting. For the majority, however, the standard of their water was good and they couldn't understand how United Utilities was ranked 16th/17. Given U UW's ranking, most could see the need for 55% improvement.

What do they like about the target?



- As with supply reliability, customers expect United Utilities to provide clean, drinkable water and were pleased to see targets addressing this
- In particular, those who stated recent quality issues with their water supply were likely to support this
- The target of 55% reduction in contacts felt like a reasonable improvement to many

How would they like to see the target improved?

- Some came up with suggestions for reducing complaints, including always notifying customers about water quality issues.
- No specific suggestions around improving the target were made

What concerns do they have about the target?



- Some future customers had concerns about it being met

“If the bills are going up and the quality is not improved, then more people are likely to complain, so it could go the other way”

FBP, Manchester

What other thoughts did customers have?

- Some said that their teenagers refuse to drink tap water and feel more should be done to reassure young people that tap water is safe to drink.
- Customers would prefer a measure of quality that doesn't rely on customer complaints, which some felt was too subjective.

Water quality: non-household customer feedback

How did NHH customers react to the target?

- In the main, NHH views mirror those of household customers.
- There was an element of surprise that United Utilities is performing below target in this area, with most considering the quality of their water to be superior to other areas.
- A few questioned whether there were other measures on actual water quality, rather than perceived issues – suggesting a degree of uncertainty in the relevance of the measurement.
- Many also felt that improved water quality would be a by-product of other improvements (e.g. in leakage), and that the target should be achievable.

“I was really surprised about how low down on that ranking there were in terms of calls about water quality. I think we almost pride ourselves, particularly in the North West that we've got really good water. So I was really surprised by that. And that kind of made me think that perhaps it isn't consistent, and not everybody's getting the service that they should be doing.”

Micro, Trafford

“Just shocked by that because I thought the water was really good so the fact that they are 16 or 17. And they're not meeting the target..”

Micro, Trafford

“It doesn't sound great, but if I'm reading it right this is people contacting United Utilities about it? I don't know how much you can do about it... people love to moan.”

Medium business

Business plan targets: reducing the number of pollution incidents

This was overwhelmingly the most important issue across both householder sessions.

Widespread media coverage of sewage discharges into waterways has heightened the importance of preventing pollution incidents in customers' minds.

"I saw all over Facebook what people were saying about Morecambe beach and how they were literally swimming in the sea with the faeces in the water"

Household, Lancaster

"I grew up in Blackpool in the 80s and 90s and you couldn't swim in the sea because it wasn't a Blue Flag beach...this is like 40 years later in an advanced and wealthy European country and it's going backwards."

Household, Liverpool

"It was on the news the other day that the English Decathlon team can't train because there's so much sewerage. And that's going to put them at a disadvantage in comparison to their European counterparts."

Household, Liverpool

"Pollution...it's always on the news. And it's getting bad press about it. There's a guy who's taking 8 of them to court...They've just been putting it into the rivers. And United Utilities is one of them as well."

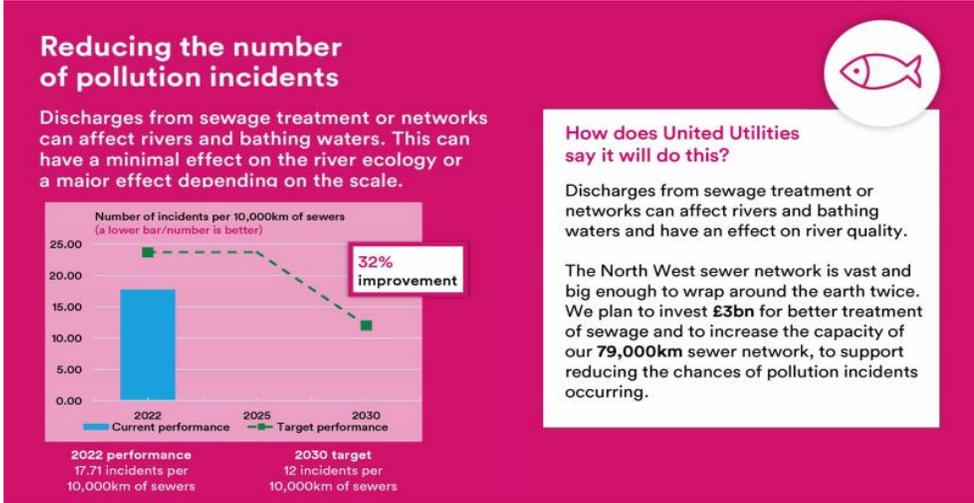
Household, Liverpool

"Like watching the news, basically, we're all fed by that and ultimately read the papers and the sewerage thing is on there. But then that feeds into other things because like the pollution is not just people can't swim, you know, there's animals in there and stuff"

Household, Liverpool

Business plan targets: reducing the number of pollution incidents

Pollution was singled out with leakage as the top issues for United Utilities to tackle and whilst United Utilities are ranked the top WaSC in this area and their planned investment is deemed impressive, many customers still felt they weren't going far enough.



“This is a really important target, and I think £3billion should cover it. 32% is acceptable for now as long as they then carry on reducing it.”

Vulnerable, Cumbria

“I think you can safely say this is not ambitious enough. By far.”

Household, Lancaster

“I think it’s an achievable target for them because they’re already below the original target quite a bit...although they were saying that with climate change there will be more flooding incidents and if there’s more rainfall, then that’s why they discharge sewage...”

FBP, Manchester

Vulnerable customers:

This was an issue of high importance amongst those in the vulnerable category as many make use of public bodies of water for recreational purposes. They were impressed with the level of investment set out in the plan, as well as current performance but would like to see this momentum and improvement continue in the longer-term.

Future customers:

Future customers were confident that UU can meet this target given they are the top performing WaSC and given the £3bn investment. However, some questioned whether UU are going far enough.

Pollution target: customer feedback

How did household customers react to the target?

The issue of waterway pollution by water companies has been regularly in the news over the last few months and was high profile at the time of the research. As such, the perceived importance of this issue was high and customers greatly valued United Utilities' inclusion of the target in the plan. Customers view the £3bn investment as a positive sign of intent, but a target of 32% improvement was lower than they expected given the importance of the issue and the proposed spend by United Utilities.

What do they like about the target?



- A very important issue that is high in the public consciousness right now
- Investment is needed and worthwhile
- The scale of the investment (£3bn) indicates that United Utilities is prioritising resources to this area

How would they like to see the target improved?

- A large enough target that communicates that United Utilities is serious about *eliminating* this issue rather than simply chipping away at it

What concerns do they have about the target?



- The overall scale of the target (32%), in contrast to the size of the investment, was thought to be low, given how pressing this issue is felt to be

"It's not a good measure anyway. Are they tackling the tiny incidents or the big ones?"

Household, Lancaster

What other thoughts did customers have?

- Several customers questioned whether the sea was included as it was not mentioned in the description.
- Although UU is ranked first, many felt it was still not good enough
- Enhance the measure to address the scale of the damage caused by incident of difference severities
- The target treats all incidents as equally damaging, which may encourage water service providers to neglect more significant or incidents.

Pollution incidents: non-household customer feedback

How did NHH customers react to the target?

- Non-household customer views tended to mirror those of household customers; with many considering it a matter of top priority (alongside leakage)
- However, the prioritisation largely came from a personal perspective, rather than business. Day-to-day pollution incidents weren't considered to be a significant factor in business operations, but when placed in the context of environmental benefits, many felt that United Utilities (and all other water companies) should be focusing their efforts into improving performance
- Despite the importance attached, there was some surprise at the level of investment attached to this area of the business plan, especially when factoring in United Utilities' current performance in this area.

"I know I'm not very good at maths but they seem to be targeting the money that's not needed. Because they're performing well in this... so why are they putting the 3 billion to it? Why didn't they put the 3 billion in the pipes?"

Micro, Trafford

"It's a good level of improvement, but they should be looking to eliminate it however they can."

Medium business

"I do like the idea for that one... obviously, it does affect animals and it's a bigger effect on the North West than just drinking water and I can see the sustainability side comes into that more..."

Micro, Trafford

"You can't get away from it as an issue, I know we're not talking about Thames Water here, but when you see that it makes your heart sink, so United Utilities have to get on top of it as well."

Medium business

Business plan targets: reducing the number of properties affected by sewer flooding

Seen as an acute but rare situation, customers were happy to see action taken to combat sewer flooding, but often attributed the problem to a lack of public education and/or geographic factors outside of United Utilities' control.

However, some questioned whether with United Utilities' current performance, a growing population and climate change, these targets would be achievable:

"I think it [internal target] needs to be a bigger improvement just because of the amount of grief it causes. I think it should be at least 50% if the others are."

FBP, Manchester

"[Internal] For the timescale, I think 31% is good enough. I think the approach is alright. They are trying to bring it down quite a lot."

Vulnerable, Merseyside

"Climate change and flooding, especially in coastal regions is now happening more regularly, you know. A whole village is going to be flooded, you know, everywhere. So, this will be a big issue more and more."

Household, Liverpool

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.



How does United Utilities say it will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.



Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.



How does United Utilities say it will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.



Sewer flooding targets (inside and outside): customer feedback

How did household customers react to the target?

Customers recognised this issue as one that causes deep inconvenience to those affected, and the perception of how important these (inside and outside flooding) were as a target was, to a large extent, driven by this perception. However, contrary to other areas of the plan, customers were much more likely to see sewer flooding as beholden to the weather and geography of the region, and down to the behaviour of customers rather than United Utilities' own actions.

What do they like about the target?



- Strong empathy for those affected by sewer flooding and how unpleasant and upsetting it must be for them – making this a welcome part of the business plan

How would they like to see the target improved?

- Customers would like to see additional targets relating to education about what not to flush included in the plan
- Some questioned the need for internal and external targets

What concerns do they have about the target?



- Some concerns around achievability given climate change and a growing population and United Utilities' current ranking for internal sewer flooding.

"I'm kind of surprised that they have separated inside and out. I mean, in reality, if it happened to me, yeah, it's gonna make a big difference. But in terms of what causes it, surely it's the same thing."

Household, Lancaster

What other thoughts did customers have?

- An acknowledgement that pipe upgrades alone cannot solve the issue, with personal responsibility and education about what can and cannot be flushed down toilets/drains an equally important step
- Often a result of weather/geography, outside of United Utilities' control

Sewer flooding (inside/outside): non-household customer feedback

How did NHH customers react to the target?

- While there was an understanding of the importance of the issue for those experiencing such an issue (particularly internally), the majority didn't consider it a top priority;
- Most understood that the numbers affected were (relatively) low, and there wasn't seen to be significant difference in performance between the best and worst performing companies.
- The majority felt that improvements in this area would come as a natural result of other investments, and some felt that the onus should be as much on customers as United Utilities.

"It's not much difference is 2.97 to 2.06. It's still just two people in 10,000 households."

Micro, Trafford

"They've got a target, and as far as I'm concerned they should be hitting it. They've got the investment in this area so go and do it."

Micro, Trafford

"If people are throwing god knows what down their drains, how much can United Utilities do about that?"

Small business

"You just hope it never happens to you, and so far it hasn't! I'd take my chances between 2.97 and 2.06, but if or when it happens to you, you're in trouble!"

Medium business

Business plan targets: smart metering

Whilst some customers could see the benefits of smart meters (generally those metered), the target of 900,000 was felt to be too high amongst metered and unmetered customers, with many assuming that if it was reduced, the saving could be allocated elsewhere.

Some (both metered and unmetered) had concerns that smart metering would negatively impact vulnerable customers, making them reduce their usage too much and those opposed to metering per se were concerned this would be forced upon them.

“If you cut back like 900,000 smart meters and put it into your affordability support, you could then put that bracket up”. **FBP, Manchester**

“I think it’s a good idea. It makes a difference when you can see how much you’re using.”

Vulnerable, Greater Manchester

“Don’t introduce them or don’t order 900,000 because that’ll cost a lot to roll out. That money could be invested in other areas”

Household, Liverpool

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property’s water usage. This means you can see how much water you’ve been using, which can help customers to reduce their usage and lower bills. Currently, no customer properties have smart water meters.



900,000

new smart meters
in homes and
businesses

Target for 2030

Please note: Switching to a measured bill is completely optional for households.



How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.

Vulnerable customers:

Smart meters divided opinion amongst the group. Some thought that this is a great idea as it allows you to be more aware of your consumption, whereas others thought that, in practice, it would make very little difference to behaviours and usage. That is to say, after seeing the bill impact, it was agreed by most that this should not be an area of focus.

Future customers:

Future bill payers were not enthused by smart meters. They felt that the planned investment in this area could be better invested elsewhere.

Smart metering target: customer feedback

How did household customers react to the target?

The target of offering optional free installation of 900,000 smart meters before 2030 was deemed too high by around half of customers (a mix of metered and unmetered) with the prevailing thought being that smart meter installation was generally a lower priority than other key areas (particularly leakage and pollution). Although some connected installation of smart meters with the potential for lower leakage, the target number was still thought to be too high by many.

What do they like about the target?



- It is providing a free tool that can help save money
- Especially popular with those who are looking to save on water usage, those who use less water, and those already on a meter
- Some found it interesting/positive that it could help identify leaks in the water network

How would they like to see the target improved?

- Around half would prefer to see the target reduced.

What concerns do they have about the target?



- Question about the cost of the delivery of 900,000 meters, and the rationale for the target number (why does it need to be so high?)
- A number questioned how it may impact older and financially vulnerable people i.e. they may become too scared to use water
- Some questioned the cost of keeping them plugged in
- A minority were concerned that they could go wrong and end up costing them more.

What other thoughts did customers have?

- A few were uneasy about the prospect of smart meters (both for water and in more general terms), and felt that United Utilities might be imposing an untested system on customers without being sure if it would have any benefit for them

Smart metering: non-household customer feedback

How did NHH customers react to the target?

- A majority were in favour of smart metering and the associated target, but some concerns – especially among micro businesses - were raised.
- Of those in support of smart metering, a key benefit was enhanced leak detection, alongside a better toolkit for businesses and households to monitor their water usage.
- Medium and large businesses were in favour of smart metering from a business perspective, and could see the benefits for themselves (better monitoring of usage) and United Utilities (enhanced leak detection); but some did raise concerns about potential issues for household customers around self-imposed or company-imposed restrictions on usage
- Micro businesses tended to have similar concerns to household customers, in particular in relation to the target number and how the target number had been arrived at. However, some also felt smart meters for water were overdue.

“I’m just not a massive fan of smart metering from the energy side, so I wouldn’t be racing to get one, but I accept that’s the way things are going.”

Small business

“Metering works for us on the energy side, so it’d be good to have that for water as well.”

Medium business

“Why haven’t they done this before? It’s not new technology, they need to catch up.”

Micro, Trafford

“I can’t see how that’s going to benefit everybody in the community - businesses and people.”

Micro, Trafford

“It does help, you can see what you’re using... After a while you don’t really notice it, but when you first get one it really helps change your behaviour.”

Micro, Trafford

Business plan targets: halving the chance of a hosepipe ban

Alongside smart meters, this was felt to be the least important of the ten service targets.

Customers had not experienced a hosepipe ban recently and, where they perceived they had, they felt that it had not affected them greatly.

“Hosepipe bans are not the end of the world. Is that just me?”

Household, Liverpool

“I’m not too bothered about this, to be honest. I haven’t got a garden so it doesn’t bother me, but people don’t listen to them anyway.”

Vulnerable, Merseyside

“My dad would be gutted for the flowers, but personally, I wouldn’t be devastated”

FBP, Manchester

“I feel like I don’t really have an opinion on it, because I don’t own one so it doesn’t make a difference”

FBP, Manchester

Halving the chance of experiencing a hosepipe ban between 2025-2030

Hosepipe bans are introduced when United Utilities’ water reserves in reservoirs start to run low.



Halving the chance

Target for 2030

How do United Utilities say they will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future.

Vulnerable customers:

Vulnerable customers commented that they place very little importance on this area of concern. Many have not experienced hosepipe bans themselves, and those that had said that it had very little impact on them.

Future customers:

Most future customers were not bothered about this target. A minority made the link with making the NW drought resilient but most referred to a lack of personal relevance i.e. they don’t own/use a hosepipe. A couple said their parents may think differently and 1-2 animal owners talked about how a ban could impact their pets.

Hosepipe ban target: customer feedback

How did household customers react to the target?

Consistently chosen as one of the least important aspects of the plan, many had not experienced a ban in the past and were not anxious about doing so in the future.

What do they like about the U UW target?



- There do not seem to be many inherent downsides to the target
- While not explicitly related by customers to the issue of hosepipe bans, the wider issue of water resilience was viewed as an important aspect of United Utilities' longer-term plan

How would they like to see the U UW target improved?

- None

What concerns do they have about the U UW target?



- While few customers raised few concerns, this was felt to be much less important than the other targets

What other thoughts did customers have?

- Some questioned whether excess water usage could be tackled in another way e.g. tariffs which charge more when customers hit a certain level of usage.

Hosepipe bans: non-household customer feedback

How did NHH customers react to the target?

- This was a low priority for non-household customers, who couldn't see the benefit to them or their business.
- Some felt that it was a target that United Utilities were planning on setting to ensure good performance.

“There’s not been a hosepipe ban in 13 years anyway!
It just feels like they’re saying it because they know
they can do it and they’ll get a pat on the back.”

Micro, Trafford

“It just doesn’t impact us as a
business. Given where we are in the
country we shouldn’t be having
hosepipe bans anyway... If they sort
the leakage there’s no need for a
hosepipe ban ever again, and we
could start selling what we have to
the south east and give us lower
bills!”

Medium business

“It wouldn’t affect us anyway, so no it’s
not a priority really.”

Large business

Business plan targets: carbon reduction

Customers generally valued commitments to reduce greenhouse gas emissions, although some felt that other service areas were more pressing.

Despite a level of unclarity about U UW's baseline position, customers viewed a 42% reduction as an acceptable movement in the right direction and a fair return on the investment.

“At face value, I think if you can get that kind of a reduction for that kind of price...I think that's pretty good. But I don't know what the reality of it would be. But looking at it for me, what was that eight years...42% reduction for £200 million.”

Household, Liverpool

“I'd love to know what percentage is to date, from the 2019-2020 reduction, like what we've got to within this, so have we got quite a big hill to climb or are we kind of in the middle ground.”

Household, Lancaster

I think it's a nice to have, and reduce where you can. Other issues to sort out first, because almost like the whole global warming thing if we sort out our water supply it will have less impact on the whole thing.

Household, Liverpool

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42%
reduction

Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2019/20 baseline figure.



How do United Utilities say they will do this?

A £195m programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.

Vulnerable customers:

Those who are health or financially vulnerable were largely impressed by the targets U UW has set itself for carbon reduction. Some would like to see a higher reduction, but, on the whole, they viewed this as a great step in the right direction.

Future customers:

There was more enthusiasm for this PC amongst future customers than current customers. They felt that the target was more achievable than the 2050 target of net zero, but still questioned how it was going to be achieved.

Carbon reduction target: customer feedback

How did household customers react to the target?

Customers recognise the danger climate change presents to them and the North West. They expect action from large organisations to reduce carbon emissions and see this target as a core part of United Utilities' sustainability responsibilities. However, they would like to see more detail about how bad a polluter United Utilities currently is and the impact of the 42% target.

What do they like about the U UW target?



- Climate change is a pressing issue and customers want to see United Utilities making bold changes
- A commitment to reduce emissions by 42% is felt to be fitting for an organisation the size of United Utilities
- Some noted that the newly planted trees may have a positive impact on flooding

How would they like to see the U UW target improved?

- None

What concerns do they have about the U UW target?



- Some scepticism about whether this figure is achievable

What other thoughts did customers have?

- Many are uncertain about how and when United Utilities produces carbon emissions
- Very little detail in the target, especially about how much greenhouse gas United Utilities currently produces and how that compares to other organisations
- This makes it hard to judge how ambitious it is

Carbon reduction: non-household customer feedback

How did NHH customers react to the target?

- The majority considered the carbon reduction target as both important and stretching.
- There were questions about how the target would be achieved (and the level of offsetting required), and what progress had already been made against the 2019/20 benchmark
- Larger businesses in particular were able to understand the need for United Utilities to take action in this area, and felt it was a familiar aspect of business planning

“What level of improvement have they got to so far? It sounds great, but if they’re already half way there or better, it’s not quite the same thing is it?”

Micro, Trafford

“I would expect them to be doing it... Aren’t all businesses having to do this?”

Micro, Trafford

“There’s a real balance to be struck, there’s things that they can and should do now, but it’s also likely that costs for these things will come down substantially over the next 10-15 years. We should all be trying to do things now, but it’s maybe not such a big benefit to try and do it all now.”

Large business

“Best of luck to them! We’re all having to do it and think about it... It takes a lot of time, investment and monitoring, but they’re big enough that they should be able to incorporate it into what they do.”

Medium business

Business plan targets: affordability support

Typically, customers welcomed the increased affordability support package for vulnerable customers.

The target of £500m was thought adequate by most, although some felt that in an economy of high inflation this still may not be sufficient come 2030.

Some questioned why it should be other bill-payers funding this support.

“You've been taxed twice on this because you pay your taxes for people to have benefits, which I'm not against, but like if companies start doing that, do you think it's quite dangerous precedent. You know, we're all paying tax”

FBP, Manchester

“If their profits are doubling, then it makes sense that what they're giving back to support people should almost double as well.”

FBP, Manchester

“I think it's good. You just kind of wonder where the money's coming from, don't you?”

Vulnerable, Cumbria

“I mean, affordability support, I think that whilst we might have said we can afford our bills, there's a lot of people that aren't in that situation.”

Household, Liverpool

Affordability support

Under the proposed plan, United Utilities would assign £500m towards a fund for struggling bill payers.



How do United Utilities say they will do this?

We are investing to ensure there is a support package of £500m to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package of any water company.

| | |
|---|---|
|  £250 million |  £500 million |
| Performance in 2021/22 | Target for 2030 |

Vulnerable customers:

Vulnerable customers were often very positive about the affordability support offered, commending United Utilities' commitment to helping those in need. There was, however, concern about how this will be funded, with many looking for more context and clarity.

Future customers:

Whilst future customers weren't against people receiving support, around half felt that either the government should be responsible or United Utilities should pay more towards this out of its profits.

Affordability support target: customer feedback

How did household customers react to the target?

Overall, a positive move that will benefit the most vulnerable at a time of increasing financial insecurity. Doubling the pot available for support was seen as both acceptable and notable for most, although some feared that even this increase would not be enough to tackle households' financial pressures.

What do they like about the U UW target?



- Seen as a positive move to help the most vulnerable
- For those struggling with bills, this would make them more affordable
- The doubling of support was, typically, taken to be both an acceptable and notable increase in United Utilities' ability to support its most vulnerable customers

How would they like to see the U UW target improved?

- Clarity around who would qualify for support
- Less burden placed on bill-payers as a result of the increases
- A higher contribution from U UW and/or its shareholders

What concerns do they have about the U UW target?



- With high inflation increasing the cost of bills and the number of people requiring support, a minority worried that the target figure would not be enough

What other thoughts did customers have?

- Several future customers felt that this should be the government's responsibility and the onus should definitely not be on customers to subsidise financial support

Affordability support: non-household customer feedback

How did NHH customers react to the target?

- Although businesses were largely supportive, there were some concerns and questions around the support (if any) available to businesses, and whether there had been any consideration of increasing other budgets to help a greater number of people in respect of improved supply, fewer pollution incidents etc.

“There should absolutely be support for people who are struggling, it’s nice to see them doing the right thing.”

Medium business

“That £500 million affects a minority and it's voluntary. Why on earth? To me it’s paying lip service, ‘oh look what we're doing’. Why isn't that £500 million being added to that figure [£150m] and then we'd all be sat there thinking oh, yeah, that's really brilliant start and it’s helping everyone.”

Micro, Trafford

“£500 million? How much of that is for businesses?”

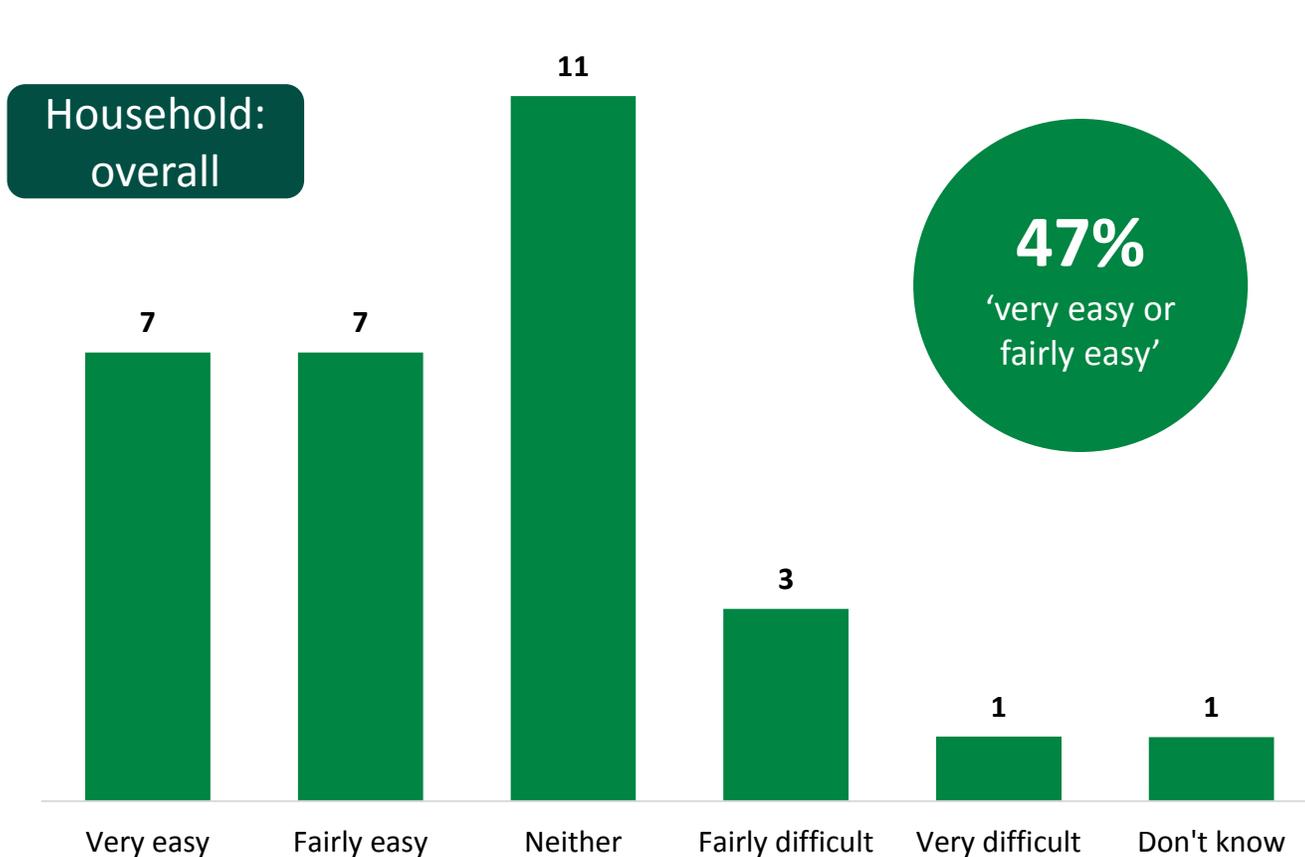
Micro, Trafford

Affordability

Affordability of the proposed plan: household customers

How affordable do household customers think the proposed plan is?

When looking at household customers independently, whilst a proportion of customers (**14**) considered the proposed plan to be very or fairly easy to afford, a similar number of customers (**16**) were either unsure or said they would find the plan fairly or very difficult to afford. This is in-line with AAT1 where 50% found the plan easy to afford.



"I don't think that it's acceptable for our bills to rise by maybe £270 a year by 2030. For a single person household when profits like that had been handed out historically, and they were handed out as recently as well, four months ago, by somebody...just because everything is going up does not make this acceptable."

Household, Liverpool

"Why is it being passed on to us? If it was the optional stuff, like yeah, that's fair enough. But it's literally mandated."

FBP, Manchester

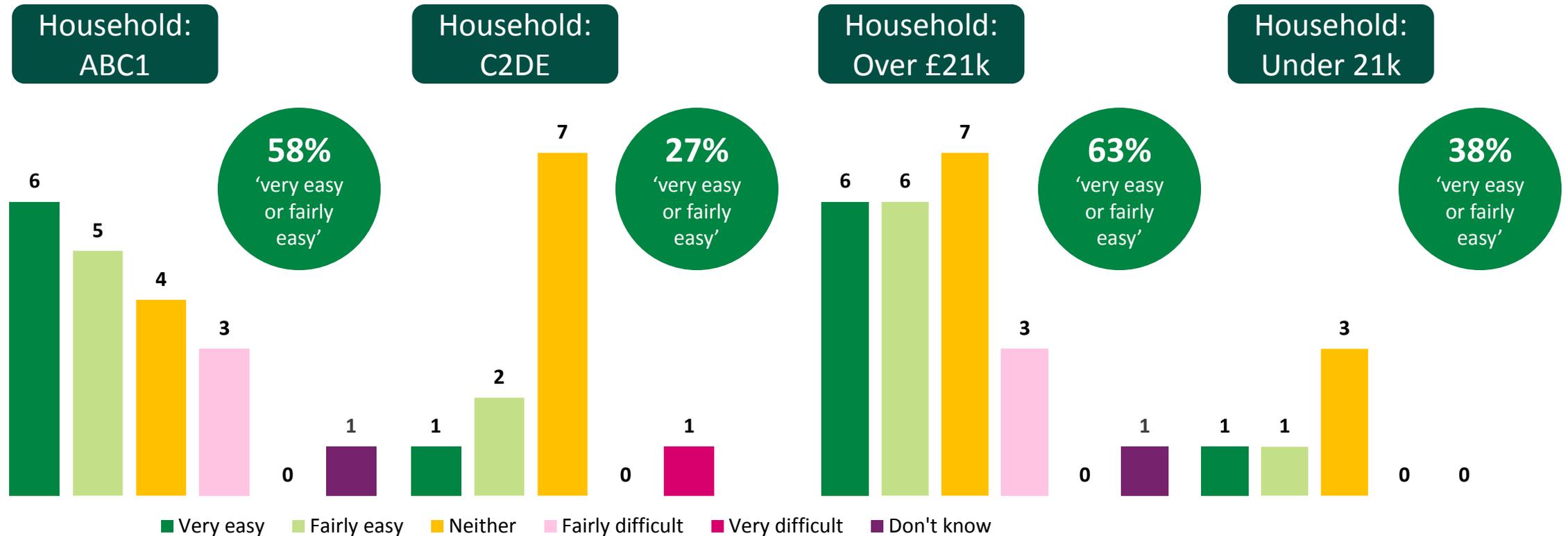
Note: where available, household customers were presented with a bill predictions based on a personalised water bill (provided by United Utilities).

Q01. Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? **Base:** All HH respondents from the qualitative phase (30)

Affordability of the proposed plan: household customers

How do household views of affordability differ by socio-economic group (SEG)?

When customers are split by socio-economic group, key differences in terms of the affordability of the proposed plan emerge. Customers from socio-economic groups C2DE were less likely than ABC1 to say that they would find the proposed plan 'very easy' or 'fairly easy to afford' (**C2DE 27% cf. ABC1 58%**).



Base: All HH respondents (30) ABC1 (19) C2DE (11) Post-task Q1 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

Positive views of affordability: household customers

What makes the plan feel affordable?

For most, water bills currently much lower than other household bills (gas & electric)

Accepting that improvements need to be paid for (if delivered and burden shared)

Phased increase and ability to budget

Overall, most customers felt that while the increase in their water bill (including projected inflation) would be noticeable, it would not be unaffordable to them. This was often due to the fact that water bills themselves are seen as a much smaller part of household bills than other essential utilities such as gas and electricity.

Customers reluctantly accepted that bills have to rise to cover service improvements, although many would like to see United Utilities and its shareholders picking up a larger portion of the cost (see next slide).

Having access to the planned roll-out of bill increases was thought to help customers plan a little better.

Crucially, perceptions of affordability were often tied to the condition that the promised work was fully delivered and that they were able to see tangible results across that time for their investment.

“We just accept it, as you say, and next minute, you're paying it and you get used to paying. It does become a way of life. And you can't challenge it because there's only one supplier, you can't go anywhere else. So you've just got to accept it.”

Household, Liverpool

“Depends on the circumstances, because somebody like me might be fine, but if you've got a big family and the implications.”

Household, Liverpool

“Crazy high, especially when a lot of the targets that they are doing, they are having to do. So brilliant, that they're able to make some more changes. But essentially, you'll be getting the same thing but paying £300 more a year, which just seems crazy.”

FBP, Manchester

Negative views of affordability: household customers

What makes the plan feel unaffordable?

The increase is a notable jump

Unpredictability of inflation

Other rising bills

Moral concerns about investment and profitmaking

Scepticism over delivery

While for most customers the proposed bill increases were technically affordable in isolation, for many, these increases formed part of an ecosystem of rising household bills that concerned them greatly, especially when uncertainty around future inflation was factored in and some blamed the government rather than United Utilities for the rise.

Future customers, in particular, were concerned about the bill projections and whether they'd be able to afford them in years to come.

There was also a view amongst mainly household customers that they, as bill payers, were being asked to foot a bill to cover necessary investment that protects United Utilities' profitability and shareholder dividends. Where people held this concern, they also expected most or all of the cost of implementing the plan's improvements to be covered from shareholders and/or profits.

"Political decisions, these are decisions that have had terrible consequences on the economy & doesn't seem to be coming to an end...Inflation, the cost of living are out of our control"

Household, Liverpool

"The figures creep up. I know if I can show my wife she'd go, bloody hell, that's gone up. But it's not like she wouldn't really get annoyed about things, you just take it for granted, everything goes up"

Household, Liverpool

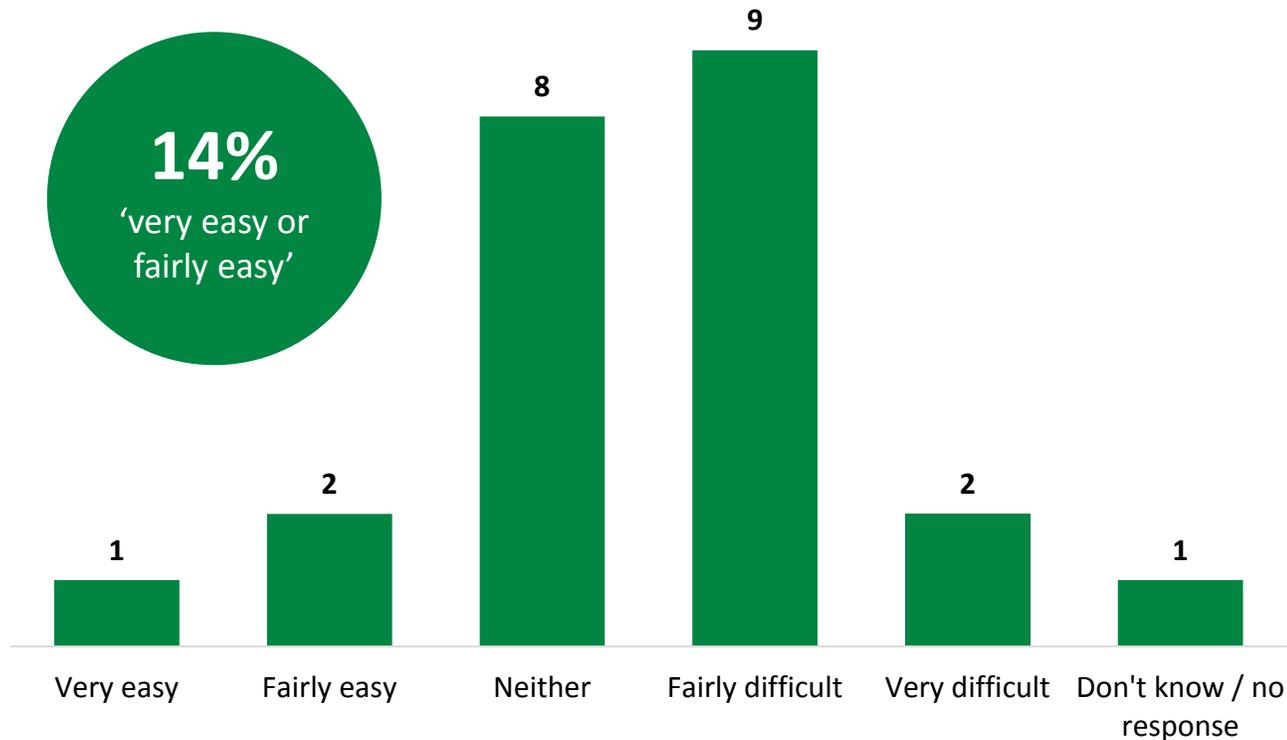
"Why is it being passed on to us? If it was the optional stuff, like yeah, that's fair enough. But it's literally mandated."

FBP, Manchester

Affordability: non-household customers

How affordable do non-household customers think the proposed plan is?

Just 14% of NHH customers found the plan affordable, markedly lower than AAT1 (61% easy to afford). Just under half (48%) of NHH customers found the plan difficult to afford, compared to 13% in AAT1. Those rating the plan as neither easy or difficult to afford has increased from 26% in AAT1 to 35% in AAT2. While medium and large businesses typically felt they could absorb increased costs, micro businesses – and particularly those in service industries – were feeling pressure from a number of sources, including wider inflation, rising interest rates, slow recovery from Covid, and reduced consumer spending power.



“Of course it’s not a surprise to me, the cost of everything is going up, and I understand that the cost of an activity to United Utilities now is likely to be significantly higher than it was a year or two ago... it doesn’t mean it’s not a lot for us to absorb though.”

Medium business

“I fully expect that we’ll close the business in the next couple of years. It’s not just this, it’s everything, but we can’t keep making a loss, and I’ll know when to call it a day!”

Micro, Trafford

Note: non-household customers were presented with a projected bill prediction based upon an estimate of their current bill provided by the respondent.

Q01. Thinking about how your organisations income and how it may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills? **Base:** All NHH respondents from the qualitative phase (23)

Views on Affordability: non-household customers

- Most businesses felt some anxiety and concern about the proposed bill impacts, and how it would affect them.
- When factored in alongside other rising costs, a number – especially micro businesses - had concerns about whether their business would remain viable in the future.
- Despite concerns about affordability, the majority were in favour of the proposed plan, as they wanted to see improvements in the shorter-term, and felt uneasy about delaying investment. But, there are associated questions about how much United Utilities would invest themselves

“I mean, it’s not a surprise, but when you see it in black and white, you do have to stop and think for a minute. We’re paying around £6k at the moment, that’s a big increase over six or seven years.”

Medium business

“Everything is going up, so you come to expect it... I don’t necessarily mind paying it, but what are United Utilities doing? Are the shareholders still taking dividends?”

Micro, Trafford

“Leakage, pollution, metering, carbon reductions all good things to focus on, and should be priorities, and that costs money!”

Medium business

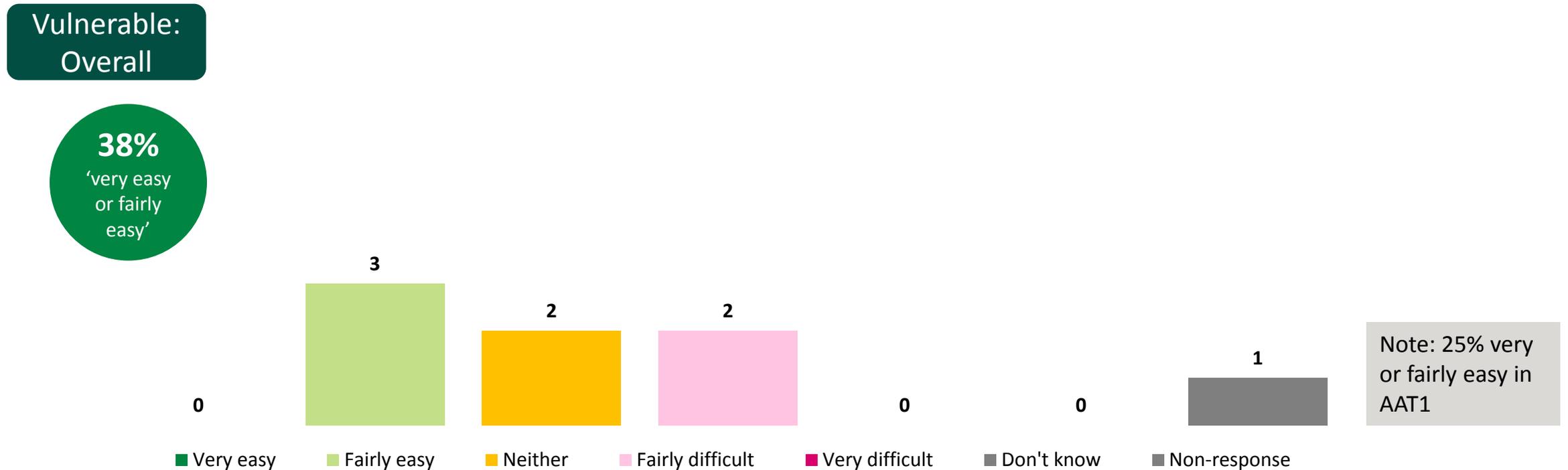
“I don’t see how that’s affordable for us. If it was just water, maybe, but it’s everything from food to gas and electric – there’s a tipping point somewhere.”

Small business

Affordability of the proposed plan: vulnerable customers

How did household views of affordability differ by vulnerability?

Overall, around a third of vulnerable customers (3) said they would be able to afford the proposed plan either very or fairly easily.



Base: All Vulnerable respondents (8) Health vulnerable (4) Financial vulnerable (4) Post-task Q1 Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford these water and sewerage bills?

* **Caution** very low base size for comparison between health vulnerable and financially vulnerable customers.

Views on affordability: vulnerable and future customers

Vulnerable customers perceived their water bill as a more manageable household bill in comparison to gas and electric bills, but they had concerns as to whether United Utilities are going to increase prices at the rate of the energy companies. Future customers also initially perceived water bills as reasonably priced (based on their parent's views), but this changed when they saw the projected bill amounts, with many feeling it would be unaffordable for them when they eventually leave home.

Vulnerable Customers



Vulnerable customers, like household customers felt that their water bill is one of the most reasonable bills they pay. Comparisons to gas and electric prices were commonly made with customers feeling as though their water bills tend to be more affordable.

However, there was concern among some vulnerable customers that United Utilities are going to hike prices up in a similar way that energy companies have. This was frequently mentioned by health vulnerable customers when they saw the affordability support package and before they saw the bill projection. Financially vulnerable customers appeared less concerned, perhaps as they may currently receive support with their bills.



“Compared to the price of gas and electricity I’d say the water bill is pretty good and it’s something you can’t go without”

Financially vulnerable, Manchester

“The money they’re putting aside to support people concerns me... are they increasing support because bills will be unaffordable?”

Health vulnerable, Merseyside

Future Customers



Future customers’ earlier perceptions were that water bills aren’t too much (based on parents). However, when they saw a projected bill increase based on the average household amount, it was a lot higher than expected.

Many future bill payers said that the projected figure made them anxious about how they were going to manage when they moved out from living with their parents who currently pay the bills. On balance, a larger proportion of future customer appeared to be concerned with regards to affordability than households.



“Essentially, you’ll be getting the same thing but paying £300 more a year, which just seems crazy.”

FBP, Manchester

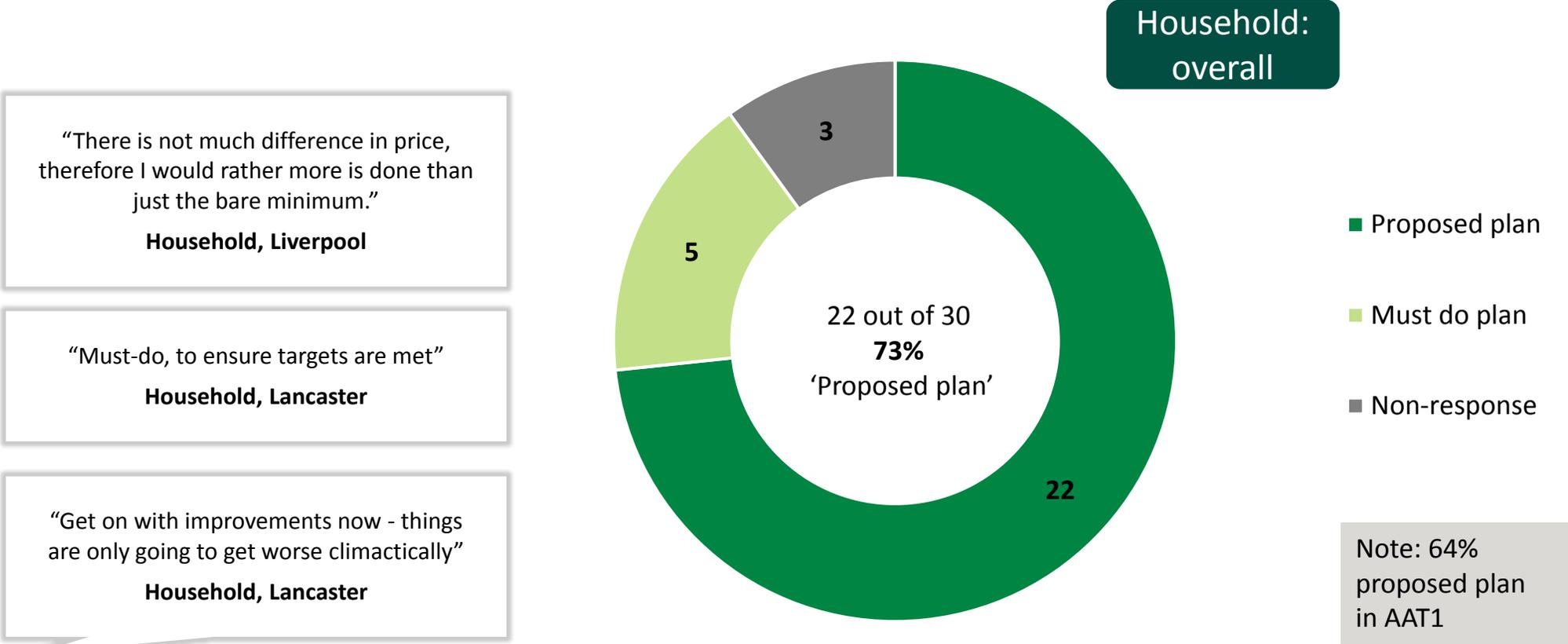
“We’ve got a 1% cost of living increase this year. And I think on average, the costs of everything has gone up by like, 20%. It’s ridiculous.”

FBP, Manchester

Plan preference: household customers

Overall, did household customers prefer the proposed or the 'must do' plan?

Two thirds (22 of 30) of household customers chose the proposed plan as their preferred option, with 5 preferring the reduced-cost 'must do' plan, and three providing a non-response. Reasons for preferring the proposed plan were most often tied to the small size of the difference in projected bill impact (only £10 a year difference for most, by 2030).



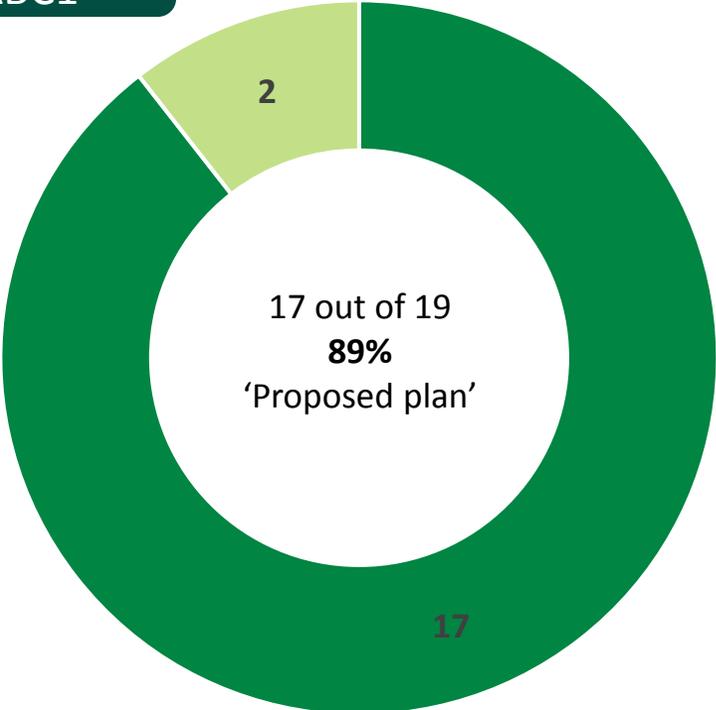
Base: All HH respondents (30) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: household customers

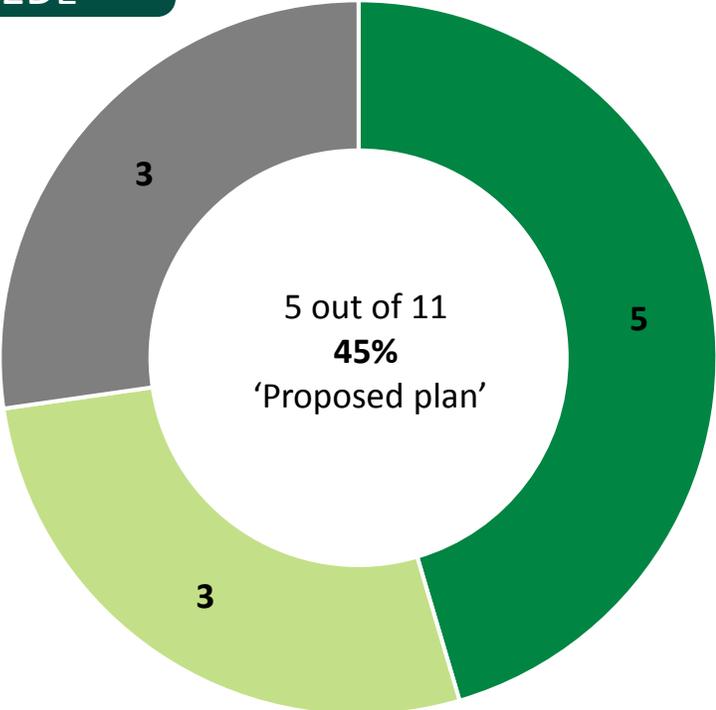
How did householder plan preference differ by socio-economic group (SEG)?

Both ABC1 (17/19) and C2DE (5/11) households preferred the proposed plan to the 'must do'. However, a number of C2DE participants provided an alternative or invalid response to this question, meaning that just half selected the proposed plan as their preferred option, compared to around three-quarters of ABC1 participants.

Household:
ABC1



Household:
C2DE



- Proposed plan
- Must do plan
- Non-response

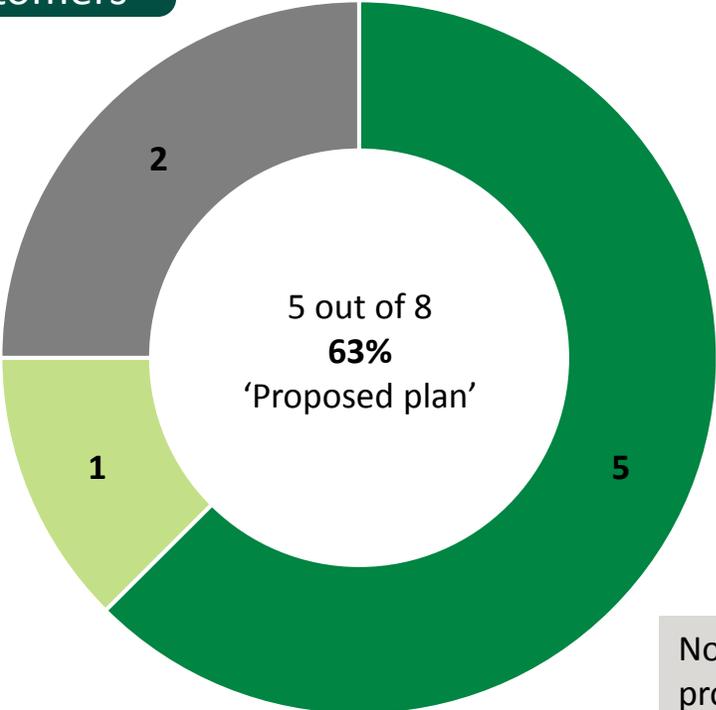
Base: All HH respondents (30) ABC1 (19) C2DE (11) Post-task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: vulnerable customers and future customers

Overall, did vulnerable and future customers prefer the proposed or the 'must do' plan?

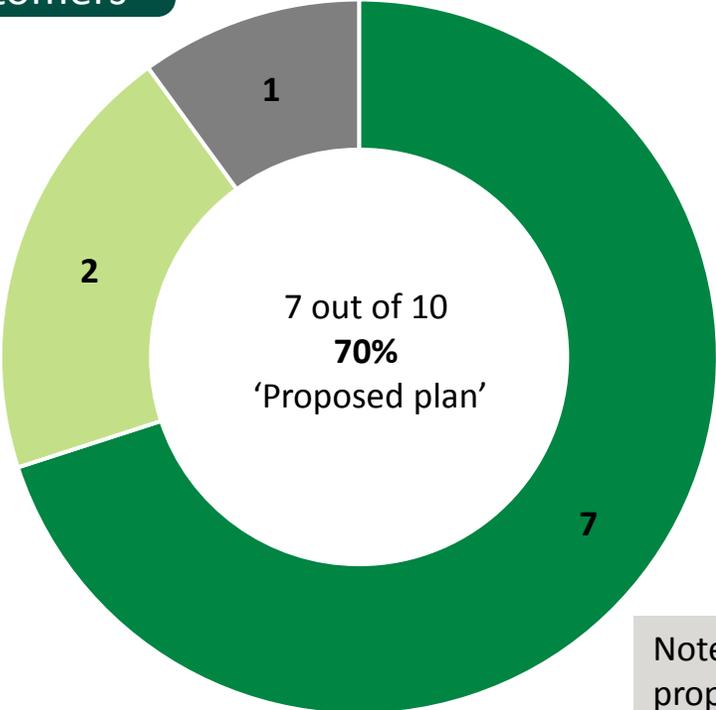
The majority of vulnerable and future customers preferred the proposed plan over the must do plan. Of those who said they preferred the must do plan, their main reason behind this was financial and saving money as and where they can...

Vulnerable customers



Note: 75% proposed plan in AAT1

Future customers



Note: 88% proposed plan in AAT1

Base: All vulnerable (8) and future bill payers (10) Post-task Q5/Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: vulnerable and future customers

On the whole, vulnerable and future customers preferred the proposed plan. The main reason for their preference, was due to the service improvements that will come from the proposed plan at a relatively small price increase in comparison to the 'must do' plan.

Vulnerable Customers



Overall, vulnerable customers would prefer United Utilities to move forward with the proposed plan. There are areas of the plan that they would look to remove, such as targets on hosepipe bans or smart meters, to save money, however, they see carbon reduction to be too important a target to warrant choosing the 'must do' plan.



Like household and vulnerable customers, future customers perceive the proposed plan as being the best value for money in terms of service improvements. However, environmental impacts are also an important factor in their decision-making process with some expressing how greater efficiency will benefit the environment.

Largely, their preference for the proposed plan is due to the fact that there is minimal difference between the cost of the 'must do' plan and the proposed plan. Once again, they break down the difference monthly, and deem it as an inconsequential saving.



Ultimately, future customers feel as though the cost of the 'must do' plan is almost equivalent to the cost of the proposed plan and therefore feel as though the proposed plan gives customers more service improvements for a minor bill difference.



“It’s not that much of a discount. You’re not going to miss it over a year so I’d rather keep all of those areas of service.”
Financially vulnerable, Merseyside

“£10 is 70-odd pence per month, I don’t think anyone in their right mind would choose that. I wouldn’t be prepared to lose any of those targets to save a little bit of money.”
Health vulnerable, Lancashire

“It has more focus on helping the climate, which is important to me.”
FBP, Manchester

“The 'must do' reduces cost by £10 per year. This amount is not low enough for the plan to change from the 'proposed.’”
FBP, Manchester

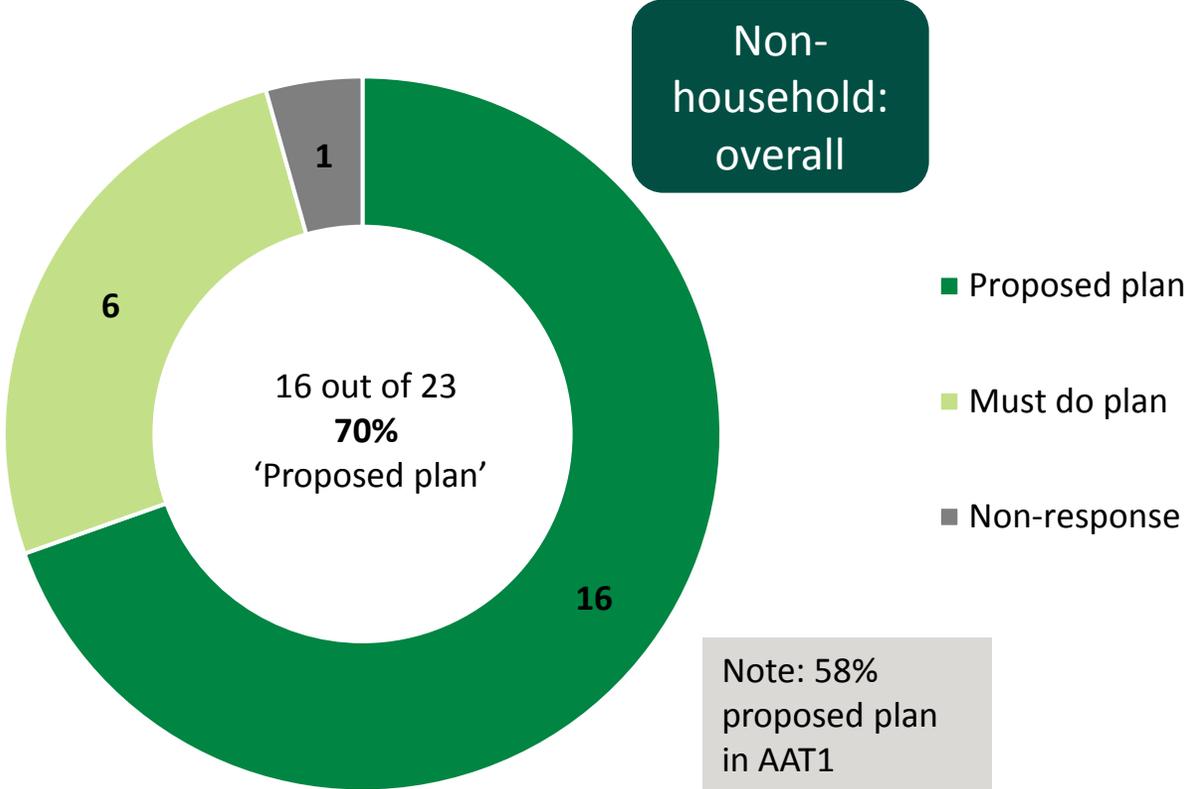
Plan preference: non-household customers

Overall, did non-household customers prefer the proposed or the 'must do' plan?

There was no difference in preference for the proposed plan between household and non-household customers. The majority of businesses preferred the proposed plan, mainly on the basis that the proposed plan offers improvements in key areas of leakage and the environment for a (projected) amount that is not thought to be significantly over and above the 'must do' projected increases.

“The % to cost increase benefit, it’s worth the extra 3-4% in price increase.”
Micro, Trafford

“It’s offering a lot more than must do and there’s not much more of a saving.”
Medium business



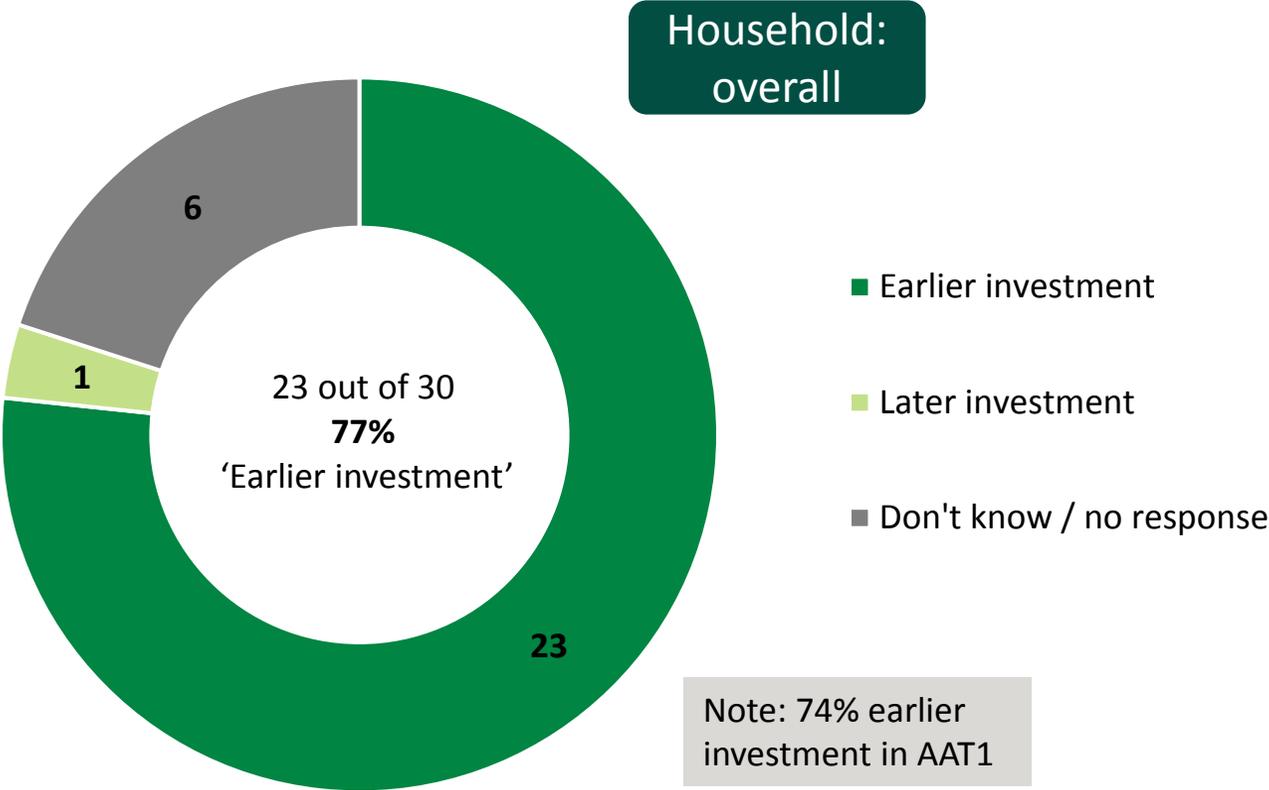
Base: All NHH respondents (23) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

Phasing and intergenerational fairness

Phasing preference: household customers

Overall, did household customers prefer earlier or later investment?

In terms of phasing, the majority (23 of 30) of household customers felt that earlier investment was preferable to later (1).



Base: All HH respondents (30) Post task Q6 When would you like investment to start?

Note for understanding:

Following the stipulated research guidance for the qualitative post-task questionnaire, quantitative data was gathered on participants' preference between two investment approaches, 'an increase in bills starting sooner, spreading increases across different generations of bill payers' (earlier investment) and 'an increase in bills starting later, putting more of the increases onto younger and future bill payers' (later investment).

However, included within each qualitative discussion was consideration of a third option under consideration by United Utilities, in which investment and improvements were both spread out gradually (see below).

Phasing over time

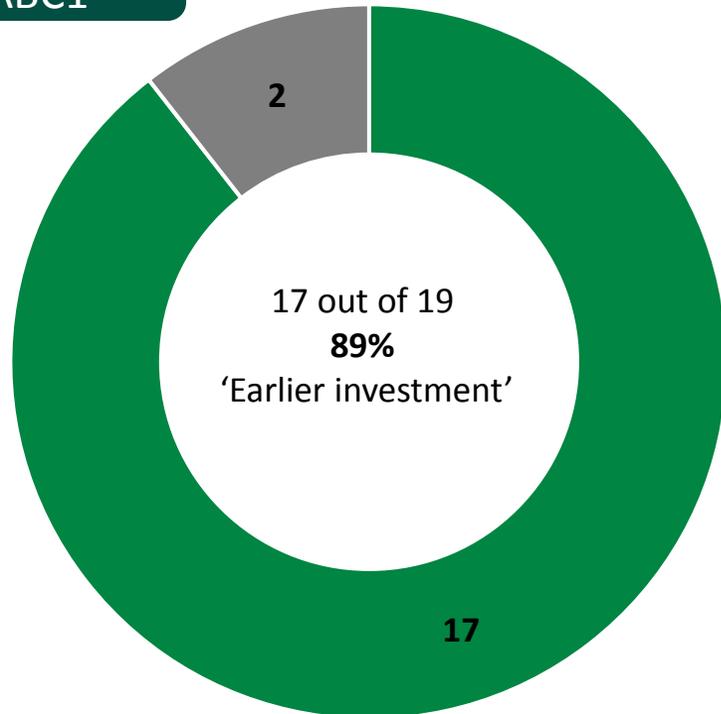
| | Option 1 | Option 2 | Option 3 |
|------------------------------------|---|--|---|
| Description | Investment is spread out across 2030 to 2050 to improve services, gradually improving levels of service | Investment is sooner to allow for improvements to services earlier | Investment is delayed, so service improvements happen later |
| What this means for bills | Bills will increase gradually from 2030 to 2050 | Bill increases happen earlier, with a steep increase sooner and then hold steady | Bill increases happen much later with a steeper increase later on |
| What this means for service | Steady and gradual improvement to services from 2030 to 2050 | Rapid improvement to services earlier, and then improvements hold steady | Little to no improvements to services until later on when investment is undertaken. Rapid improvement to services after this. |

Phasing preference: household customers

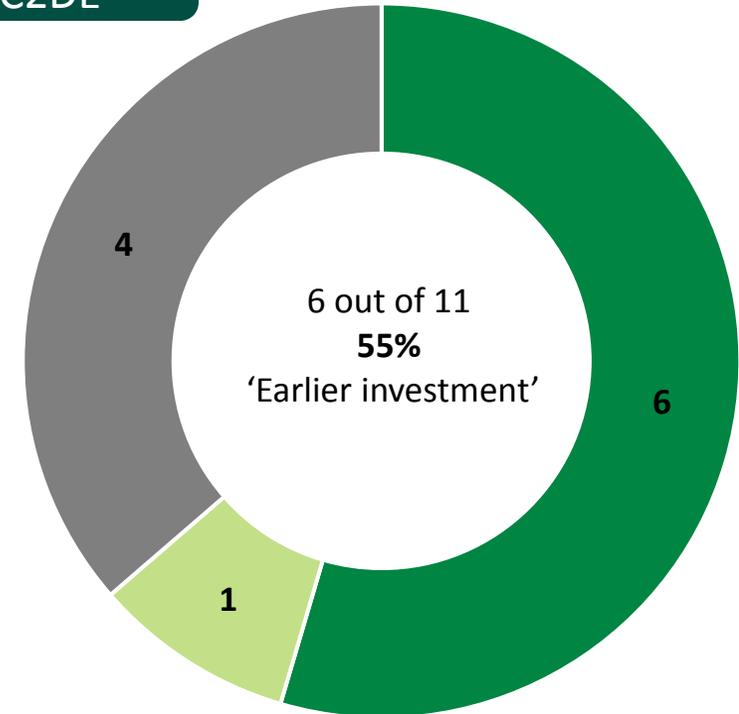
How did phasing preference differ by socio-economic group (SEG)?

Both ABC1 (17 vs 1) and C2DE (18 vs 3) households preferred earlier investment to later investment.

Household:
ABC1



Household:
C2DE



- Earlier investment
- Later investment
- Don't know / no response

Base: All HH respondents (30) ABC1 (19) C2DE (11) Post-task Q6 When would you like investment to start?

Positive views of early investment: household customers

Benefits of earlier investment

These improvements need to be done anyway

Improvements overdue

Expectation that bills will be reduced again when investment complete

Intergenerational fairness

Customers were generally of the opinion that investment in key areas of infrastructure were already lacking and potentially overdue, and in this context investment in the shorter-term was seen as preferable to avoid bigger and potentially costlier issues further down the line.

However, there was an expectation among some that once improvements had been made – especially in relation to leakage – that bills would begin to fall as the infrastructure became more robust.

A key consideration for many was around intergenerational fairness and not wanting to store (more) problems for their children and grandchildren. While economic concerns were raised, it was generally considered that beginning to invest now was the fairer approach to take.

“You can’t just keep putting these things off... it’s still a Victorian system, it’s going to need replacing”

Household, Lancaster

“Simply delaying it and kicking the can further down the road is probably going to make it more expensive, and more problematic.”

Household, Liverpool

“We can’t just leave everything for our kids and their kids, there’s a responsibility to do it now.”

Household, Lancaster

Negative views of early investment: household customers

Drawbacks of early investment

Coinciding with high bills just now

Don't trust that bills will drop or will keep on rising

While earlier investment was the more popular than delayed investment, some were put off by this option.

Preference for a later investment approach was driven by concerns about already high bills, and the wider cost of living – feeling that many are already stretched to the limit and have no room for manoeuvre.

And, for a few, there was a concern that bills would continue to rise, even after infrastructure improvements had been implemented.

“There’s just not enough money to go around at the moment, it’s as simple as that.”

Household, Lancaster

“It's hard to say because if it were only about me, I would take option two, because I'm comfortable paying soon. But if I think on a wider level, we have a big energy crisis happening right now. And that backs up business in general. So if I were to think about the population, I can't think of how housing energy wise is going to play out .”

Household, Liverpool

Phasing preference: vulnerable customers

The overall consensus of vulnerable customers is that delaying investment would only make the problem worse and is ultimately delaying the inevitable, but they are also cautious to suggest that investment should start sooner... They feel gradual changes will be more manageable for customers like themselves who are potentially more likely to struggle with keeping up with their bills, often mentioning the current economic uncertainty that they face and how a steep increase in water bills will only add to this uncertainty.



Vulnerable customers are largely in favour of making changes gradually. Delaying investment is rarely seen as acceptable as it is just delaying the inevitable. The only comment to the contrary is that it may be better for those struggling to wait until the economic climate is more stable.

“When things are done gradually it’s not as much of a shock, is it? Go slow and steady.”

Vulnerable, Cumbria

“That’s more positive than delaying the inevitable. We’re never going to get anywhere if we keep putting things off and delaying it”

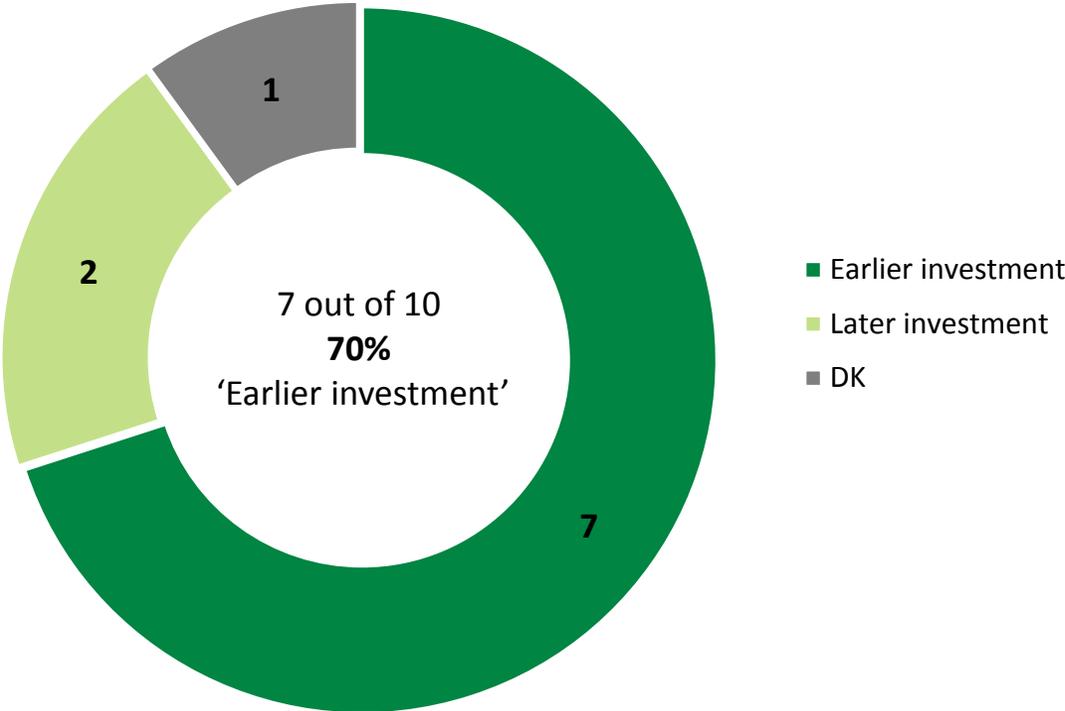
Vulnerable, Lancashire

As vulnerable customers look to budget their finances over coming years, they saw a gradual increase in prices to be more manageable, as opposed to sharp rises caused by quicker investment.



Phasing preference: future customers

The overall consensus of future customers is that investment should start sooner, and this conclusion is reached for a variety of reasons including benefits to future generations and the environment. However, future bill payers do express concerns with regards to the economy but are largely optimistic that things may get better...



The majority of future bill payers are in favour for Option 1, an increase in bills starting sooner but they are mindful of the current economic climate.

“I think our generation has not got great salaries, pretty rubbish opportunities to buy houses or do anything; so if it’s spread kind of across everyone it’s fairer.”

FBP, Manchester

“And considering the state of the economy now, it’s in a poor state but could get better in the future.”

FBP, Manchester

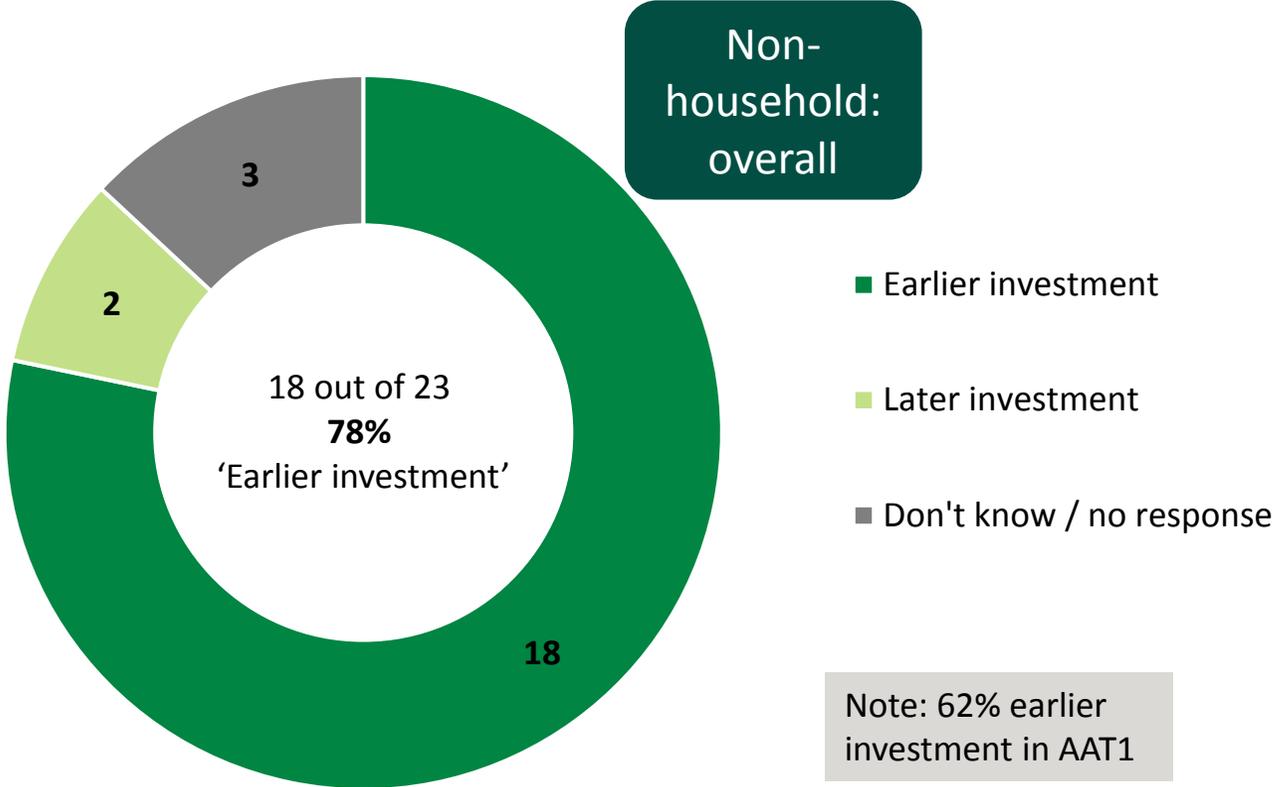
Phasing preference: non-household customers

Overall, do non-household customers prefer earlier or later investment?

In terms of phasing, the majority preferred earlier investment than later – mainly to ensure future generations (and associated environmental concerns) would benefit from decisions made now.

“Create impact on wider environmental issues which will deliver a positive impact for generations to come.”
Micro, Trafford

“You can’t just do everything now, but you can’t leave it either, so it needs to be gradual.”
Large Business



Base: All NHH respondents (23) Post task Q6 When would you like investment to start?

Summary and conclusions

Summary and conclusions

To summarise...

Acceptability:

- A broadly acceptable (63% acceptability across all audiences) plan that covers the issues important to customers.
 - However, some are unhappy at being asked to 'pick up the tab' for improvements, given United Utilities' perceived continued profitability and payment of shareholder dividends.
- Customers want to see the most urgent and immediate action taken on leakage and pollution, and they feel that United Utilities could set more stretching targets here.
- Other mandatory areas of the business plan are considered important, but not to the same extent as leakage and pollution.
- The scale of the plan for smart meters comes as a surprise, and while there is broad support, a number would prefer a lower target, and for efforts (and money) to be focused elsewhere.
- Most in favour of the affordability support package, but there are some concerns among a minority that the level/amount of support goes too far
- Plans for carbon reduction are welcomed, and seen as progressive and reasonable

Affordability:

- The projected bill impacts are broadly affordable for household customers, but non-household customers and future bill-payers in particular are concerned about the prospect of such significant bill increases.
- However, customers (across all audiences) continue to be concerned about the wider economy, and how long the current cost of living crisis will continue to impact finances. Generally, customers are trying to not look too far ahead, and are focusing on the 'here and now'.
- There is a strong preference for the proposed plan, due to the fact that the cost saving with the 'must do' plan is negligible. However, this should not be considered as an unreserved acceptance, with many feeling ill-equipped to absorb any price increases at all in the current climate.
- In terms of phasing, it's clear that there is no appetite for delaying investment, however, there is a general preference for a gradual approach overall, while having a focus on key areas (particularly leakage and pollution)

Summary and conclusions

Wider conclusions, acceptability and affordability...

While it should be noted that the number of customers consulted across this research doesn't allow for robust statistical analysis or conclusions, the qualitative data available provides a rich resource to understand customer reactions to the proposed (and 'must do') plans, and the extent to which they find them acceptable and affordable.

Overall, while the majority of customers (across all audiences) were prepared to rate the plans they were presented with as 'acceptable', in almost all cases, the associated rating came with strong caveats around wanting assurances of future targets being met, greater accountability and transparency of bills – including how much of a customer's bill goes to service improvements compared to how much of a customer's bill goes towards shareholder dividends and wider company profits.

The majority of customers have had to (significantly) scale back their discretionary spending over the last 18 months, and for some – especially micro businesses – there is little optimism of finances improving in the short to medium term. Set against this, the majority of customers are increasingly cost (and value) sensitive. Although most see their water bills as affordable and (relatively) good value for money at the moment, the projected bill impacts would put pressure on a number of customers – particularly micro and small NHH customers, and future bill payers. The bill projections also impacted on customers' acceptability of the plan with some changing their minds on this having reviewed their projected bill increase.

When this wider context is set against current negative news coverage for the water sector, particularly around sewage, customers are beginning to be more observant and discerning about their water company and the service it provides.

While the plans were (mostly) seen as acceptable, the key priority areas of leakage and pollution are where United Utilities were most likely to be judged. Customers saw these aspects of the plan as non-negotiable, and in some instances would like to see more stretching targets imposed and increased investment for leakage. To facilitate improvements in these areas, customers were grudgingly accepting of bill increases – but also wanted to see United Utilities shoulder some of the burden to ensure bills remain as low (and therefore as affordable) as possible.

Recommendations

The broad acceptance of United Utilities' business proposed plan provides United Utilities with the 'go ahead' to pursue the aims and targets set out to customers, however, United Utilities needs to be mindful of the affordability of its plan to all audiences and these results should be triangulated with other research pieces in this area including the AAT2 quantitative stage.

Within the plan, it is clear that there are key priority areas for improvement that should be placed at the front and centre of investment and business. Leakage and pollution are the key areas customers expect to see addressed and improved upon. Targets should be set to be as stretching as possible in these areas, and United Utilities should be prepared to communicate with customers on its plans and progress in a more detailed and concerted way than it has previously. The £150m investment in the pipe network is deemed not enough by all audiences, with customers wanting to reallocate funds from elsewhere to boost this.

Other areas of the prescribed business plan are all considered important and worthwhile in differing ways, and to differing extents – but by and large they are considered by-products of the other key priority areas outlined; for example, if leakage is reduced, it is assumed that supply interruptions and water quality will also benefit. To that end, United Utilities should acknowledge that these areas of the business plan are of more importance (and relevance) to the business and Ofwat than customers – assuming performance doesn't significantly worsen – and prioritise the key areas for improvement accordingly.

Recommendations

The carbon reduction target, whilst important, is seen as a given. A 42% reduction is considered to be fair, but there is confusion around what the baseline is and how United Utilities will reduce emissions. The £195m investment to 2030 is considered to be acceptable. However, a number of customers are sceptical of how achievable the wider 2050 net-zero plan for the UK is, and by extension are not certain that United Utilities will be able to meet its target. As such, it will be necessary to take customers on a step-by-step communications journey – starting with progress against the 2019/20 baseline (and broad details of measures taken to date), followed by outlines of how reductions are planned for the period 2025-30

Increasing the affordability support package is seen as a positive step overall, however, communication around the plan will be necessary to secure wider customer support and buy-in. In particular, customers who are just about managing but not (currently) eligible for support, and non-household customers are likely to be interested in the detail of where and how support is targeted. In most cases customers trust United Utilities to distribute affordability support in the fairest way possible, but there is a degree of scepticism that it reaches the right people, so ensuring transparency and openness in communications will be vital.

Conversely, the smart meter roll-out has been met with less enthusiasm. In particular, the 900,000 target is seen as a particularly high figure that some struggle to reconcile. Therefore, combining smart-metering targets with wider leakage detection and reduction targets should be a priority to ensure customers understand the *why* behind the target.

Recommendations

Halving the chance of a hosepipe ban is largely considered a 'nice to have' by household customers, and of little importance to non-household customers. There is little opposition to it being included in the plan, but some (especially non-household customers) are sceptical of its inclusion – feeling that it might be an 'easy win' for United Utilities to boost its overall performance. When communicated as part of a wider long-term supply security strategy customers are more likely to be in favour, but as a standalone measure it should not be considered a priority.

Generally, customers support the proposed plan over the must-do plan and whilst their preference is for earlier investment, they are mindful of the current economic climate and thus would prefer a programme which can be rolled out gradually unless more United Utilities funding can enhance the speed of asset investment.

Appendix 1

Stimulus

Session and interview stimulus

Session and depth interview discussion guides:

[United Utilities AAT2 Non-household session discussion guide.pdf](#)

[United Utilities AAT2 Non-household depth interview discussion guide.pdf](#)

[United Utilities AAT2 Household session discussion guide.pdf](#)

[United Utilities AAT2 FBP session discussion guide.pdf](#)

[United Utilities AAT2 Vulnerable depth interview discussion guide.pdf](#)

Session and depth interview slides:

[United Utilities – Session Stim Non-household AAT2.pdf](#)

[United Utilities - Session Stim Household AAT2.pdf](#)

[United Utilities – Session Stim FBP AAT2.pdf](#)

[United Utilities - Session Stim Vulnerable depths AAT2.pdf](#)

Appendix 2

Pre and post task questions

Pre task questions: Non-household

| | How easy or difficult is it for your organisation to afford to pay your current water and sewerage bill? | Which of the following aspects of service is most important for the day-to-day operation of your business? | What are your business's expectations for future water and sewerage services – what would you most like to see improved? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|----------|--|--|--|---|
| NHH (23) | Very easy 17% | A reliable water supply service 43% | A reliable water supply service 56% | <p>"I didn't realise the size of the task of United Utilities, so huge and diverse. I was impressed with the social payments to struggling customers."</p> <p>"That there is a 5 year plan monitored by Ofwat, and that financial rewards are given for good performance"</p> <p>"A lot of The background work – you don't realise everything that is done with the processes etc"</p> <p>"The breakdown per £1 was news to me"</p> <p>"How low UU rate for some key factors e.g. the leak amounts & quality of water"</p> <p>"All very interesting and a lot to have learned for myself and my business. Obviously we need more info on what they can be doing and how they can help our business"</p> |
| | Fairly easy 30% | Consistent water pressure 0% | Consistent water pressure 31% | |
| | Neither 26% | Reliable and consistent water supply quality 43% | Reliable and consistent water supply quality 44% | |
| | Fairly difficult 17% | Responsive customer service 0% | Responsive customer service 44% | |
| | Very difficult 0% | Accurate bills 14% | Accurate bills 25% | |
| | Non-response 9% | Reliable removal and treatment of water 0% | Reliable removal and treatment of water 19% | |
| | | Reliable removal of rainwater from the site 0% | Reliable removal of rainwater from the site 25% | |

Post task questions: Non-household (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|----------|--|--|---|---|---|--|---|---|
| NHH (23) | Very easy 4% | Completely acceptable 0% | Too expensive 50% | It's not too expensive 0% | Proposed 70% | Starting sooner 78% | Trust United Utilities to deliver it all 17% | United Utilities give me a good service 45% |
| | Fairly easy 9% | Acceptable 57% | United Utilities profits too high 13% | The plan is good value for money 0% | Must do 26% | Starting later 2% | Trust United Utilities to deliver some of it 52% | United Utilities services are good value for money 15% |
| | Neither 35% | Unacceptable 30% | The plan won't improve things enough 25% | United Utilities plan focuses on the right things 38% | Non-response 4% | Non-response 13% | Trust United Utilities to deliver a little of it 17% | United Utilities keep their service promises 30% |
| | Fairly difficult 39% | Completely unacceptable 4% | United Utilities should pay using profits 38% | I trust United Utilities to do what's best for their customers 38% | | | Don't trust United Utilities to deliver it 9% | United Utilities don't update their customers 20% |
| | Very difficult 9% | Non-response 9% | The plan is poor value for money 13% | The plan will make big / good improvements to things 50% | | | Non-response 4% | United Utilities don't give me a good service 5% |
| | | | The plan doesn't focus on the right things 13% | I trust United Utilities to make these service improvements 38% | | | | United Utilities services are poor value for money 5% |
| | | | I won't be able to afford this 25% | Plan is environmentally friendly 75% | | | | Shareholders are more important to United Utilities 35% |
| | | | I don't trust United Utilities to make these service improvements 25% | I will be able to afford this 0% | | | | United Utilities will want to put bills up by more than this 15% |
| | | | Plan isn't good enough for future generations 0% | Plan is good for future generations 50% | | | | United Utilities customers are their top priority 5% |
| | | | I don't trust United Utilities to do what's best for their customers 0% | | | | | |
| | | Plan is not environmentally friendly 0% | | | | | | |

*Q5 is an open text response

Post task questions: Non-household (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my organisation | My responses were based on how much the business plan would cost my organisation | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|----------|--|---|---|--|---|--|
| NHH (23) | Very easy 35% | Strongly agree 43% | Strongly agree 39% | Strongly agree 43% | Strongly agree 52% | Strongly agree 61% |
| | Fairly easy 39% | Agree 26% | Agree 22% | Agree 17% | Agree 22% | Agree 17% |
| | Neither 17% | Neutral 13% | Neutral 26% | Neutral 22% | Neutral 9% | Neutral 9% |
| | Fairly difficult 4% | Disagree 13% | Disagree 9% | Disagree 9% | Disagree 13% | Disagree 9% |
| | Very difficult 0% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 4% | Strongly disagree 0% | Strongly disagree 0% |
| | Non-response 4% | Non-response 4% | Non-response 4% | Non-response 4% | Non-response 4% | Non-response 4% |

Pre task questions: Household

| | How easy or difficult is it for you to afford to pay your water and sewerage bill? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|---------|--|--|
| HH (30) | Very easy 33% | "I was surprised to see that we were quite low in the league tables overall - that we lost almost double the volume of water due to leaks compared to the top performer in this area. I was pleased to see that we were top in the league table for number of incidents of pollution." |
| | Fairly easy 27% | "How each £1 received by company is used, how water companies are officially assessed, the fact there are annual targets and the fact that United Utilities has missed many of them." |
| | Neither 33% | "How varied sizes of areas covered by different water companies were." |
| | Fairly difficult 3% | "Planting of 1 million trees and work with environment. Number of jobs 5700 in water service. Number of customers who contacted UU about the water colour and taste." |
| | Very difficult 0% | "The amount of water lost to leakage. I did not expect such average performance." |
| | Very difficult 0% | "Hadn't realised there were so many water companies. Didn't realise how many people were employed. Had not realised help was available for people on low incomes." |
| | Non-response 3% | "That UU received so many complaints regarding water quality, that UU had almost the highest leakage, and that UU was amongst the lowest polluters (still too high)." |

Post task questions: Household (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|---------|--|--|---|---|---|--|---|---|
| HH (30) | Very easy 23% | Completely acceptable 3% | Too expensive 0% | It's not too expensive 10% | Proposed 73% | Starting sooner 77% | Trust United Utilities to deliver it all 7% | United Utilities give me a good service 57% |
| | Fairly easy 23% | Acceptable 63% | United Utilities profits too high 50% | The plan is good value for money 5% | Must do 17% | Starting later 3% | Trust United Utilities to deliver some of it 77% | United Utilities services are good value for money 43% |
| | Neither 37% | Unacceptable 30% | The plan won't improve things enough 20% | United Utilities plan focuses on the right things 30% | Non-response 10% | Non-response 20% | Trust United Utilities to deliver a little of it 7% | United Utilities keep their service promises 20% |
| | Fairly difficult 10% | Completely unacceptable 3% | United Utilities should pay using profits 60% | I trust United Utilities to do what's best for their customers 10% | | | Don't trust United Utilities to deliver it 10% | United Utilities don't update their customers 3% |
| | Very difficult 3% | | The plan is poor value for money 10% | The plan will make big / good improvements to things 20% | | | | United Utilities don't give me a good service 0% |
| | Non-response 3% | | The plan doesn't focus on the right things 20% | I trust United Utilities to make these service improvements 20% | | | | United Utilities services are poor value for money 10% |
| | | | I won't be able to afford this 10% | Plan is environmentally friendly 30% | | | | Shareholders are more important to United Utilities 40% |
| | | | I don't trust United Utilities to make these service improvements 10% | I will be able to afford this 15% | | | | United Utilities will want to put bills up by more than this 10% |
| | | | Plan isn't good enough for future generations 20% | Plan is good for future generations 50% | | | | United Utilities customers are their top priority 3% |
| | | | I don't trust United Utilities to do what's best for their customers 0% | | | | | |
| | | Plan is not environmentally friendly 0% | | | | | | |

*Q5 is an open text response

Post task questions: Household (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|---------|--|---|--|---|---|--|
| HH (30) | Very easy 13% | Strongly agree 40% | Strongly agree 17% | Strongly agree 20% | Strongly agree 40% | Strongly agree 53% |
| | Fairly easy 60% | Agree 40% | Agree 30% | Agree 37% | Agree 47% | Agree 20% |
| | Neither 13% | Neutral 3% | Neutral 30% | Neutral 13% | Neutral 17% | Neutral 13% |
| | Fairly difficult 10% | Disagree 13% | Disagree 20% | Disagree 20% | Disagree 10% | Disagree 3% |
| | Very difficult 3% | Strongly disagree 3% | Strongly disagree 3% | Strongly disagree 10% | Strongly disagree 7% | Strongly disagree 10% |

Pre task questions: FBP

| If 10 is 'very impressed' and 0 is 'very unimpressed', how are you feeling about your water company?* | | Please write a sentence or two in the box below explaining your view | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|---|----------|--|--|
| FBP (10) | 0 0% | | |
| | 1 0% | | |
| | 2 0% | 5 - "I am fairly indecisive, half positive and half on the other side." | "They're helping with affordability support. They're investing so much into green research and development. That UU is the best in the country for pollution of lakes and streams." |
| | 3 0% | 7 - "The company is doing well regarding the waste management - not discharging the waterways and the quality of water is usually very good but they could do better in being more eco-friendly.." | "How far £1 per day per household goes. The cycle of water.." |
| | 4 0% | 7 - "Impressed with water quality etc but surprised that they scored below aim on most of their targets." | "Water quality. Sewer flooding. How many areas were supplied.." |
| | 5 16% | 7 - "This score is because some days the pressure is quite low." | "How the companies all have a new plan every 5 years. The way in which water companies aim to have an effect on the entire region and not just the water. How the water companies' performances are all measured against each other.." |
| | 6 0% | 8 - "The water company likes to make sure the customer is satisfied and is trying to improve on areas which require it." | "Help with payments. Water taste good. Good goals." |
| | 7 50% | 9 - "Never really had any issues or complaints." | "Higher rain fall and how it is affected. Water leakage and how it's different/changed. £1 of average household.." |
| | 8 16% | | |
| | 9 16% | | |
| 10 0% | | | |

*CAUTION – low base size (6; four no responses)

Post task questions: FBP (I)

| | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | Which one of the following options would you prefer? |
|----------|--|---|---|---|--|
| FBP (10) | Completely acceptable 0% | Too expensive 50% | It's not too expensive 0% | Proposed 70% | Starting sooner 70% |
| | Acceptable 60% | United Utilities profits too high 0% | The plan is good value for money 0% | Must do 20% | Starting later 10% |
| | Unacceptable 30% | The plan won't improve things enough 0% | United Utilities plan focuses on the right things 50% | Non-response 10% | Non-response 20% |
| | Completely unacceptable 10% | United Utilities should pay using profits 75% | I trust United Utilities to do what's best for their customers 33% | | |
| | Non-response 0% | The plan is poor value for money 0% | The plan will make big / good improvements to things 50% | | |
| | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 0% | | |
| | | I won't be able to afford this 25% | Plan is environmentally friendly 33% | | |
| | | I don't trust United Utilities to make these service improvements 25% | I will be able to afford this 0% | | |
| | | Plan isn't good enough for future generations 0% | Plan is good for future generations 17% | | |
| | | I don't trust United Utilities to do what's best for their customers 0% | | | |
| | Plan is not environmentally friendly 0% | | | | |

*Q4 is an open text response. **CAUTION – low base size (10)

Post task questions: FBP (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|----------|--|---|--|---|---|--|
| FBP (10) | Very easy 10% | Strongly agree 10% | Strongly agree 20% | Strongly agree 0% | Strongly agree 20% | Strongly agree 10% |
| | Fairly easy 50% | Agree 50% | Agree 60% | Agree 30% | Agree 20% | Agree 60% |
| | Neither 10% | Neutral 30% | Neutral 10% | Neutral 40% | Neutral 40% | Neutral 10% |
| | Fairly difficult 30% | Disagree 10% | Disagree 0% | Disagree 30% | Disagree 20% | Disagree 20% |
| | Very difficult 0% | Strongly disagree 0% | Strongly disagree 10% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% |

*CAUTION – low base size (8)

Pre task questions: Vulnerable

| | How easy or difficult is it for you to afford to pay your water and sewerage bill? | which of the following do you receive from your water company? | Having read through the information sent to you, please list the 3 or 4 things that are new / interesting / surprising to you? Some customers said: |
|----------------|--|---|---|
| Vulnerable (8) | Very easy 25% | A bill in you preferred format 0% | <p>"I recognised Louise Beardmore from the video and had quite negative reactions. I was surprised by a lot of the information but tried not to get dragged in as there are still things that they didn't mention and weren't doing. I think these things they should already being doing. I would also have liked to have seen the share of my pound spent that would go towards shareholder profits and benefits. I was surprised that they were coming top of the leaderboard for Pollution incidents."</p> <p>"The number of water and wastewater treatment works was a surprise. I was also surprised by proportion of the area that was National Park."</p> <p>"The information was quite deep and detailed but adequately understood."</p> <p>"The financial support was interesting. It was interesting to see the info about priority services and health vulnerabilities."</p> <p>"Surprised by the amount of activities they cover, the population of the region and the number of people that they employ, or who have jobs connected to UU."</p> |
| | Fairly easy 63% | A password used by meter readers and other water company staff who might visit your home 0% | |
| | Neither 13% | Delivery of bottled water to your home if your water supply is disrupted for more than a few hours 13% | |
| | Fairly difficult 0% | No none of these 88% | |
| | Very difficult 0% | | |
| | Non-response 0% | | |

Post task questions: Vulnerable (I)

| | How easy or difficult do you think it would be for you to afford these water and sewerage bills? | How acceptable or unacceptable is the proposed additional support to you? | How acceptable or unacceptable is the proposed business plan to you? | You said that the proposed business plan is unacceptable...Why do you say that? | You said that the proposed business plan is acceptable...Why do you say that? | Of the business plans you have seen today, which one do you prefer overall? | To what extent, do you trust United Utilities to deliver their proposed plan by 2030? | Why do you say that? |
|----------------|--|---|--|---|---|---|---|--|
| Vulnerable (8) | Very easy 0% | Completely acceptable 25% | Completely acceptable 13% | Too expensive 0% | It's not too expensive 0% | Proposed 63% | Trust United Utilities to deliver it all 50% | United Utilities give me a good service 75% |
| | Fairly easy 38% | Acceptable 63% | Acceptable 75% | United Utilities profits too high 0% | The plan is good value for money 43% | Must do 13% | Trust United Utilities to deliver some of it 38% | United Utilities services are good value for money 13% |
| | Neither 25% | Unacceptable 0% | Unacceptable 0% | The plan won't improve things enough 0% | United Utilities plan focuses on the right things 14% | Non-response 25% | Trust United Utilities to deliver a little of it 0% | United Utilities keep their service promises 38% |
| | Fairly difficult 25% | Completely unacceptable 0% | Completely unacceptable 0% | United Utilities should pay using profits 0% | I trust United Utilities to do what's best for their customers 57% | | Don't trust United Utilities to deliver it 0% | United Utilities don't update their customers 13% |
| | Very difficult 0% | Non-response 13% | Non-response 1% | The plan is poor value for money 0% | The plan will make big / good improvements to things 14% | | Non-response 13% | United Utilities don't give me a good service 0% |
| | Non-response 13% | | | The plan doesn't focus on the right things 0% | I trust United Utilities to make these service improvements 14% | | | United Utilities services are poor value for money 0% |
| | | | | I won't be able to afford this 0% | Plan is environmentally friendly 29% | | | Shareholders are more important to United Utilities 0% |
| | | | | I don't trust United Utilities to make these service improvements 0% | I will be able to afford this 0% | | | United Utilities will want to put bills up by more than this 0% |
| | | | | Plan isn't good enough for future generations 0% | Plan is good for future generations 14% | | | United Utilities customers are their top priority 25% |
| | | | | I don't trust United Utilities to do what's best for their customers 0% | | | | |
| | | | Plan is not environmentally friendly 0% | | | | | |

*Q5 is an open text response
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Post task questions: Vulnerable (II)

| | How easy, or otherwise, was it for you to decide which plan you preferred? | I was able to understand the various parts of the business plan | My responses were based on how much difference each part of the business plan would make to my household | My responses were based on how much the business plan would cost my household | I found it easy to choose which of the business plan components were most important to me | I found the session engaging and enjoyed participating |
|----------------|--|---|--|---|---|--|
| Vulnerable (8) | Very easy 50% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% | Strongly disagree 0% |
| | Fairly easy 25% | Disagree 0% | Disagree 0% | Disagree 0% | Disagree 0% | Disagree 0% |
| | Neither 0% | Neutral 25% | Neutral 0% | Neutral 0% | Neutral 25% | Neutral 0% |
| | Fairly difficult 0% | Agree 25% | Agree 25% | Agree 38% | Agree 13% | Agree 25% |
| | Very difficult 0% | Strongly agree 38% | Strongly agree 63% | Strongly agree 50% | Strongly agree 50% | Strongly agree 63% |
| | Non-response 25% | Non-response 13% | Non-response 13% | Non-response 13% | Non-response 13% | Non-response 13% |

Appendix 3

Customer questions and answers

Customer questions and answers



Note: Grey filled box denotes question asked in AAT1 & AAT2

1. Why are we the wettest country in Europe, but yet, we pay the highest for our water bills?

Water bills are linked to a combination of population and population density and usage as well as rain. A large proportion of the bill goes towards the treatment and cleaning of water, which is very linked to how dense your population is and how many people you've got in any given area.

2. How do United Utilities report on their performance figures, and ensure accuracy. Do Ofwat check and challenge these figures?

Since 2015/16 we have published our Annual Performance report (APR) on our website. The APR describes our performance for the year against our targets and provides a year by year view of our performance for each commitment for the period. We also complete a series of data tables (provided to us by Ofwat) that all companies use to provide a wealth of information on financial and non-financial information as well as information that is deemed necessary to understand how we run the business and the costs of doing so. They use this to assess our progress against our expected performance. The APR also contains an assurance section which helps to give Ofwat confidence in our reporting. Sitting behind this is our Assurance Framework that sets out the overall assurance (internal and external) we have in place to provide reliable, accurate and complete data. After we submit the APR in July there is a lengthy process where Ofwat can ask us questions on any aspect of our submissions. If something isn't clear to them or they think a number is out of step or inconsistent with previous years they may ask us about it.

3. Why are we scoring low for Taste Smell and Appearance?

We have missed our performance commitment for year 2 – the target was 16 contacts per 10,000 population and we achieved 17.9 compared with performance in the previous year we have seen a slight increase in taste smell appearance contacts. There has been an improvement in contacts about taste and odour, but an increase in contacts about the appearance – specifically discolouration. Interruptions can cause discoloured water by disturbing the natural sediment in pipes, and sometimes water use by fire service or water misuse through standpipes can impact on water quality too. Changes in water sources can change the taste of water that a customer is familiar with. UU have developed a comprehensive plan to deal with these issues, including better consistency of chlorine dosing to make sure there's more consistency across the region.

Customer questions and answers



Note: Grey filled box denotes question asked in AAT1 & AAT2

4. Do fines get paid by customers?

Customers do not pay for any fines which a regulator may impose on a water company – any such penalty would ultimately be borne by shareholders or the company itself. Customer bills are protected from the impact of such action.

5. Why do overflows happen?

Storm overflows exist on combined sewers. A combined sewer collects wastewater from our homes (toilets, showers and washing machines etc.) and rainwater that falls on our roofs and roads. This wastewater then goes to a treatment facility to be cleaned before being returned to local watercourses. In periods of heavy or prolonged rainfall, rainwater can overwhelm a combined system causing overflows to spill. Where sewer systems are fully separated there is no need for storm overflows as the variation in flow in the sewer is significantly reduced and the risk of flooding can be adequately managed. In the North West we have the highest proportion of combined sewers in England, 54% of our sewer network is combined. This is likely to result in a greater number of spills from our storm overflows. Overflows can happen for a variety of reasons, and some of these are outside off UU including farming and other industry overflows

6. What are our current Carbon emission levels?

We are progressing towards our science based target to reduce emissions by 42 per cent from our baseline by 2030.
2021/22: 135,936 tCO₂e
2019/20: 138,961 tCO₂e (baseline year)

7. When was the last Hosepipe ban in the NW?

There was nearly a HPB in 2018, but this was cancelled last minute. Before that, the last one was in 2010

8. What is the percentage bill increase?

65%

Customer questions and answers



9. Why is the comparative performance from 21/22? Do you have any more recent data?

This is because the performance figures for 22/23 have not been widely published yet. We do know, however, that United Utilities achieved 83% of their overall performance commitments, which is in the top 2 of all water companies.

10. Leakage - Is the investment/improvement relationship linear, so would a £300m investment result in a 48% improvement?

It's not linear, as current understanding is that it becomes incrementally more costly to reduce leakage.

11. Smart Metering – how much does it cost to produce smart meters i.e. what is it costing to promise 900,000 smart meters?

The average cost for a smart meter is £55 to produce depending on the supplier. In addition to this we need to pay to physically install or exchange the meter. We will also be investing in our teams, supply partners and systems to support the smooth roll out and management of all the smart data. This will deliver benefits to customers through reducing consumption and helping identify leaks on your private pipework. It will also help us reduce leakage on our network. On average, those customers who do save with a smart meter will save as much as £170 per year and with our Lowest Bill Guarantee customers can have the confidence they will not be paying more for being on a meter.

12. What % of energy used by UU is renewable?

Since Oct 2021 we purchase 100% green electricity.

13. Leakage – how does this rate compare to the rest of Europe??

According to the Ofwat, making international comparisons on leakage is not easy as the methodology used to calculate leakage varies from country to country. This means that we cannot directly compare the performance of England and Wales to other countries as we do not use the same definition of non-revenue water as a measure of leakage. However, we do have data for non-revenue water for the UK as a whole (including Scotland and Northern Ireland), which means there are some broad comparisons that can be made. The most recent data shows the UK performed better than many other European countries in this area. The UK leaks less water than countries such as Ireland, Italy, Norway, or Portugal but performs worse than Belgium, Sweden, Switzerland, France, Finland, Denmark, or the Netherlands

Customer questions and answers



14. How much are United Utilities owed in outstanding customer bills?

United Utilities applies a bad debt policy to outstanding debt from bills raised but not yet paid. The bad debt provision is charged to operating costs to reflect the company's assessment of the risk of non-recoverability of that debt. The details of the bad debt provision is reported in the Annual Report, which can be found on our website.

15. How many people are on a meter in the North West?

49% of the United Utilities customer base are on a meter.

Appendix 4

Limitations of the prescribed approach

Limitations of the prescribed approach

Recruitment:

- **With scams so prevalent**, some customers were suspicious and contacted United Utilities/the venue to check that the research was legitimate.
- **The length of the sessions** (up to 3 hours) put some customers off, despite the incentive.

Session attendance

- **Drop out rates** were higher than we would typically expect, and a number of participants needed to be re-recruited following drop outs in the days leading up to a group / depth.

Research Content

- **The general consensus was that there was too much information to digest and that some of this information (the prescribed information) was too wordy:**
 - An explanation of the role of research with customers in PR24
 - An explanation of how water company performance is monitored
- **The comparative company performance** on key performance commitments presented a lot of technical information and was especially difficult for customers to understand, in particular the measure of water supply interruptions. While changes were made to the presentation of the figures following the cognitive tests, the underlying prescribed content was dense and difficult to digest.
- **What was missing?** Customers felt that, rather than seeing comparative data, they would have found it more useful to have seen how United Utilities had performed over time and whether it had met its own previous targets. They also wanted explanations as to *why* targets had not been met.

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Pre-task: Background to the water industry

16

water companies in total

Water and wastewater companies

ANH: Anglian Water
WSH: Dwr Cymru
HDD: Hafren Dyfrdwy
NES: Northumbrian Water
SVE: Severn Trent Water
SBB: South West Water
SRN: Southern Water
TMS: Thames Water
Uuw: United Utilities Water
WSX: Wessex Water
YKY: Yorkshire Water

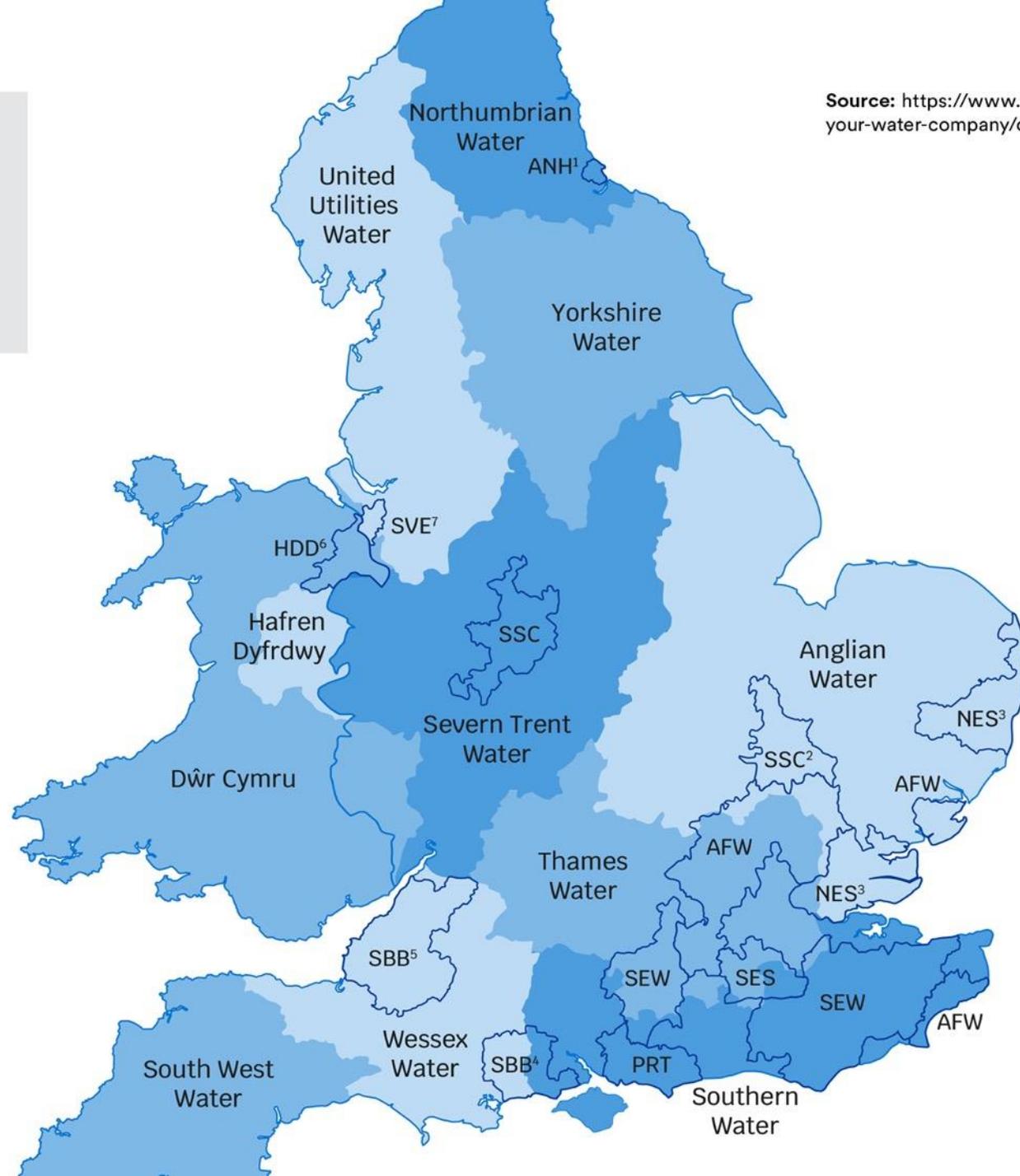
Water only companies

AFW: Affinity Water
PRT: Portsmouth Water
SEW: South East Water
SSC: South Staffs Water
SES: SES Water

Key

1. Water services provided under the Hartlepool Water name.
2. Water services provided under the Cambridge Water name.
3. Water services provided under the Essex & Suffolk Water name.
4. Water services provided under the Bournemouth Water name.
5. Water services provided under the Bristol Water name.
6. Hafren Dyfrdwy provides water services only in this area.
7. Severn Trent Water provides water services only in this area.

Source: <https://www.ofwat.gov.uk/households/your-water-company/contact-companies>



United Utilities: the North West region

3 million
household customers



200,000
businesses



830mm
rainfall each year, higher
than the UK average



34%
of the region is National
Park, Area of Outstanding
Natural Beauty or Sites
of Specific Natural Interest



7.4m
population, expected to grow
significantly in the next 25 years



5,000
people are directly
employed by United Utilities



88
water treatment works



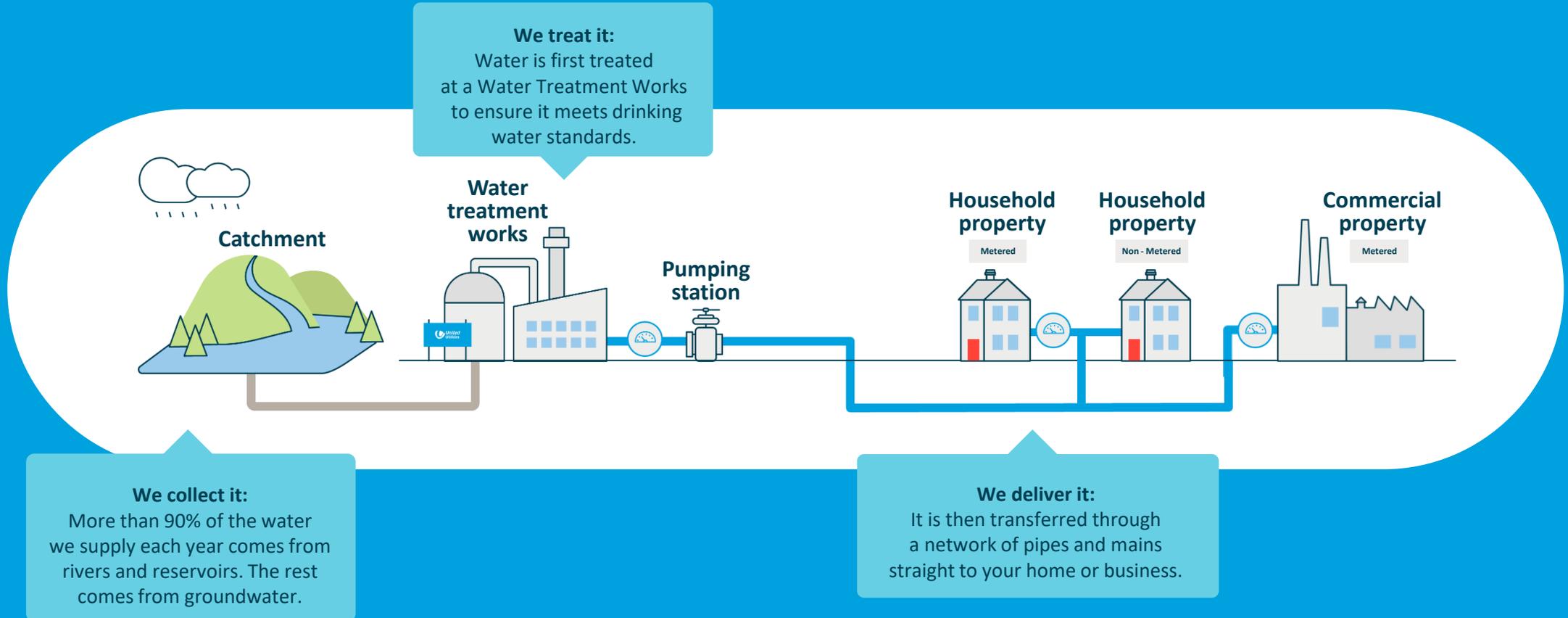
566
wastewater treatment works



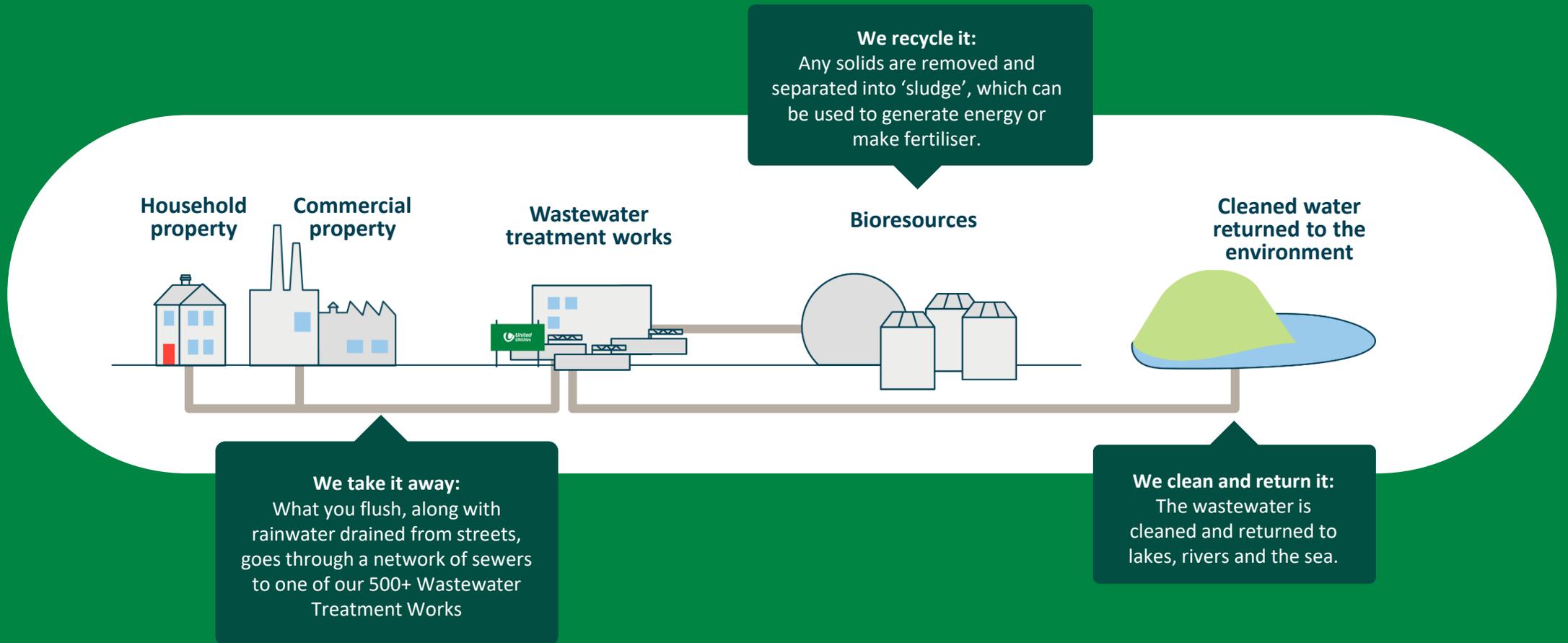
22,700
North West jobs connected
to United Utilities work



How does your water get to you?



How is your wastewater taken away?



Pre-task: Background to the consultation

“

Every five years, water companies develop a ‘business plan’ that sets out how they want to develop their services, and the proposed cost to customers. As customers are not able to choose their water company, water companies must give them a say about what they want from their services and the price they pay. Talking to customers also helps water companies prioritise what to do first or what to do most of – because they are not able to fund everything they would like to do or do all of the things that customers might want them to do.

The business plan and prices are then finalised by Ofwat in a process known as the Price Review.

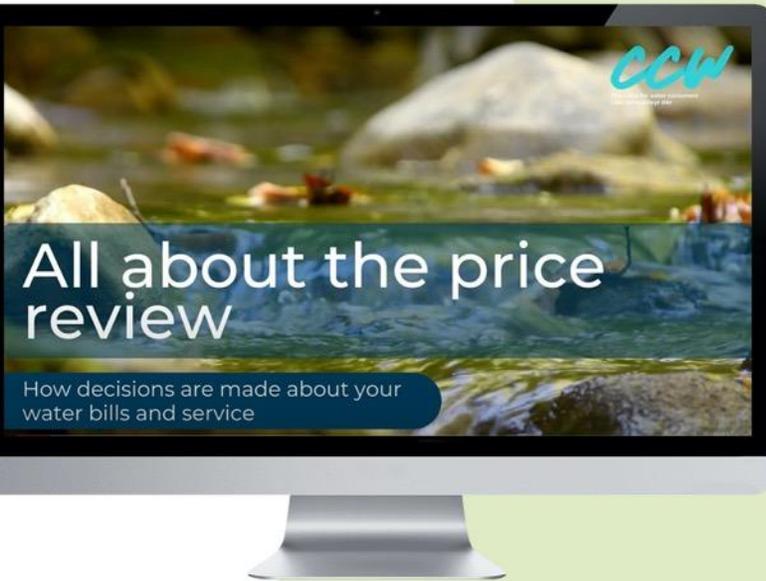
There is more information about this here: ‘All about the price review’.

Available at: www.youtube.com/watch?v=OWmivC93AF8

One of the ways that people have their say is through this research, which will explain what the plans are for where you live, and ask what you think – whether the plans are ‘acceptable’ to you and whether you can afford the proposed bills from 2025–2030.

Companies also have to show to Ofwat that their plans reflect what their customers want – that means refining the plans based on what customers tell them.

”



Ofwat

CCW
The voice for water consumers
Y corff sy'n rhoi llais i ddefnyddwyr dŵr

Water companies are currently part way through their five-year business plan for 2020 to 2025. They have service level targets, called ‘performance commitments’, in every five year business plan. These targets are based on what customers have previously told companies they would like them to do, and on Ofwat’s assessment of what companies should deliver. These targets cover a wide range of the different services that water companies provide.

Ofwat monitors water company performance against each performance commitment every year to see if they have met the service level in their business plan. We are now going to show you how well your water and/or sewerage company is doing on some of their performance commitments, compared to other water companies in England & Wales.

These performance commitments are a snapshot out of the wide range of services companies provide. We are showing these examples as customers have told us they are particularly important to them.

Water companies have to provide reliable services, and plan for their services to be resilient to changing weather patterns and demand from consumers. Companies can miss or exceed performance commitment targets for a number of reasons. For example, leaks from pipes happen more often after very cold weather, which can contribute to a company not meeting the target, and flooding from sewers is less likely in dry weather, which can lead to higher performance for sewer flooding service targets.



Pre-task: Comparative water company performance

Water company performance

As the regulator, Ofwat monitors the performance of water companies against their targets.

To encourage them to reach their targets, Ofwat instructs companies to develop performance incentives.

These can be penalties or rewards:

Penalties:



Financial penalties for the water company, applied when the company fails to meet the target set, or if the company delivers much worse levels of service than promised.

Rewards:



Financial reward where the water company has over-delivered against a set target (delivering a significantly improved service) or reduced its costs through innovation for example (without impacting on service).

Consequences of poor performance:

If water companies are failing to deliver, they will need to address how they are putting things right through a clear improvement plan which Ofwat will monitor.



How did United Utilities perform in the most recent assessment?

Overall, United Utilities' performance in 2021/22 was scored as 'average' for the sector by Consumer Council for Water.



The following slides show United Utilities' performance for six important service areas for the year 2021/22. These will be discussed in more detail as part of the research.

- Best in class
- Meeting or exceeding targets
- Below target

| | |
|--|---------------------------------|
| Pollution incidents | BEST IN CLASS |
| Customer satisfaction | MEETING/ EXCEEDING TARGET |
| Priority services for customers needing extra help | |
| Leakage | |
| Mains repairs | |
| Unplanned supply interruptions | |
| Sewer collapses | |
| Household water use | BELOW TARGET |
| Planned supply interruptions | |
| Water quality | |
| Internal sewer flooding | |
| Treatment works compliance | |

Water companies measured on the amount of water lost due to leaks from water mains and pipes.

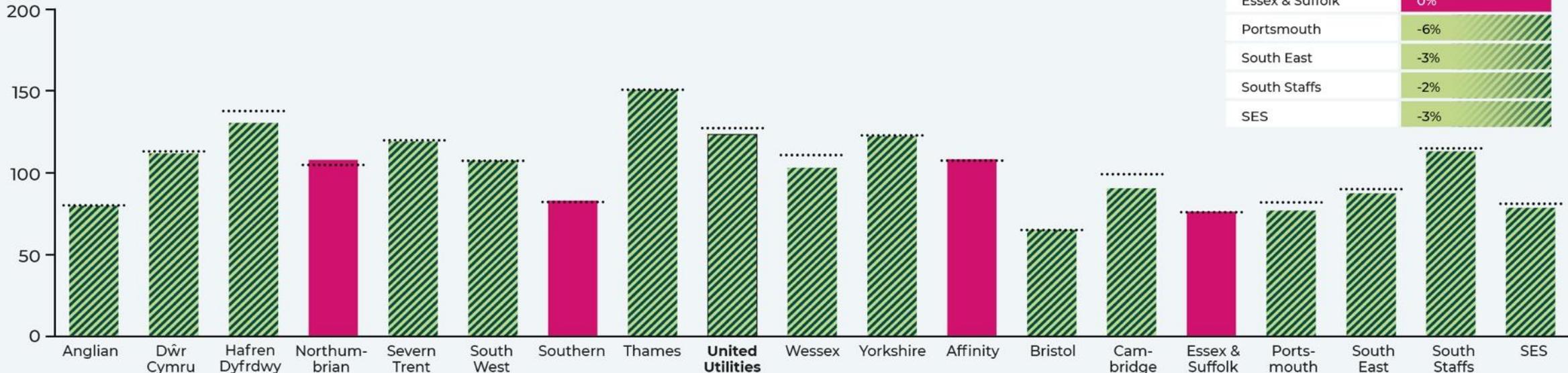
Number of litres lost per day per property served.
(A lower number is better.)

Company performance against targets.
(A lower percentage is better.)

- Target number for water lost due to leaks
-  Performing at or better than target
-  Performing poorer than target

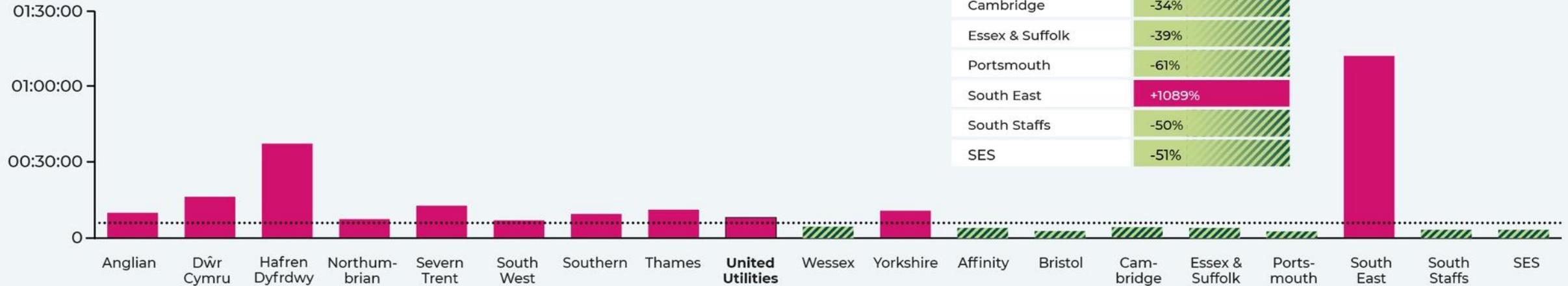
This bar chart and table include information from United Utilities.

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | -1% |
| Dŵr Cymru | -1% |
| Hafren Dyfrdwy | -5% |
| Northumbrian | +3% |
| Severn Trent | -1% |
| South West | 0% |
| Southern | +1% |
| Thames | 0% |
| United Utilities | -3% |
| Wessex | -7% |
| Yorkshire | -1% |
| Affinity | +1% |
| Bristol | 0% |
| Cambridge | -9% |
| Essex & Suffolk | 0% |
| Portsmouth | -6% |
| South East | -3% |
| South Staffs | -2% |
| SES | -3% |



Water companies measured on the length of time properties are without water.

Duration without water for more than 3 hours by minutes per property.
(A lower bar / number is better.)



Company performance against targets. **(A lower percentage is better.)**

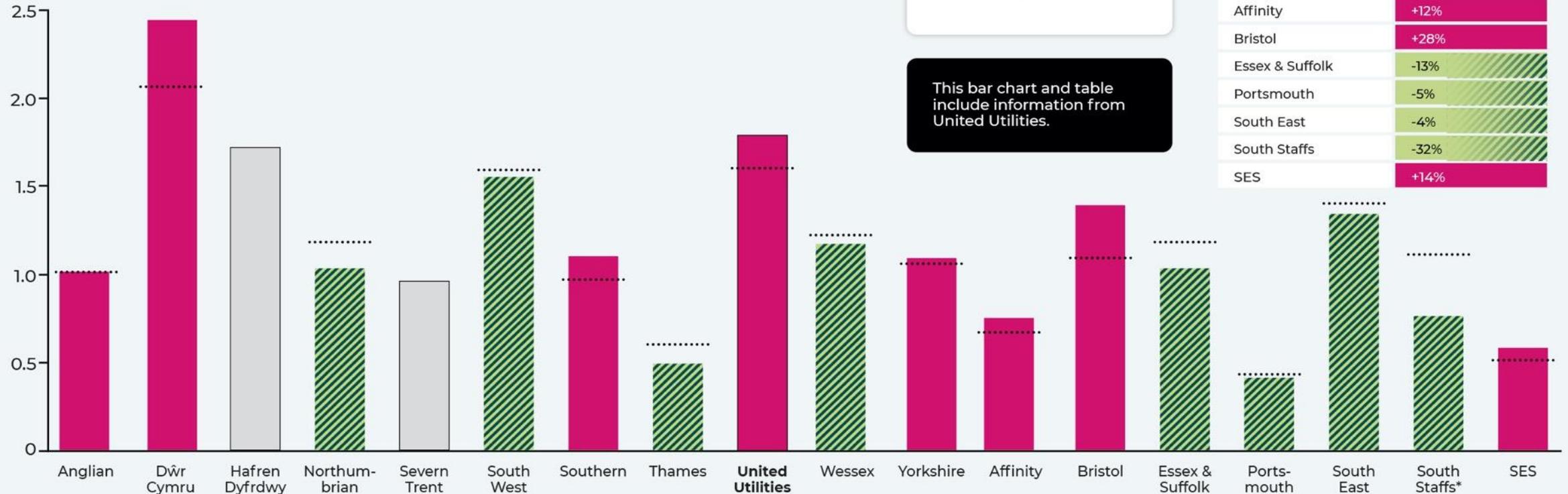
| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +61% |
| Dŵr Cymru | +166% |
| Hafren Dyfrdwy | +514% |
| Northumbrian | +19% |
| Severn Trent | +107% |
| South West | +11% |
| Southern | +54% |
| Thames | +81% |
| United Utilities | +31% |
| Wessex | -31% |
| Yorkshire | +74% |
| Affinity | -39% |
| Bristol | -59% |
| Cambridge | -34% |
| Essex & Suffolk | -39% |
| Portsmouth | -61% |
| South East | +1089% |
| South Staffs | -50% |
| SES | -51% |

- Target number for time properties are without water
- Performing at or better than target
- Performing poorer than target

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water.

Number of customer contacts received regarding incidents, per 1,000 customers. **(A lower number is better.)**

NB: Severn Trent and Hafren Dyfrdwy did not have comparable performance targets published.
* including Cambridge Water.



Company performance against targets. **(A lower percentage is better.)**

- Target number for customer contacts
- ▨ Performing at or better than target
- Performing poorer than target
- Do not have a target

This bar chart and table include information from United Utilities.

Water companies measured on the number of incidents of pollution of rivers and streams.

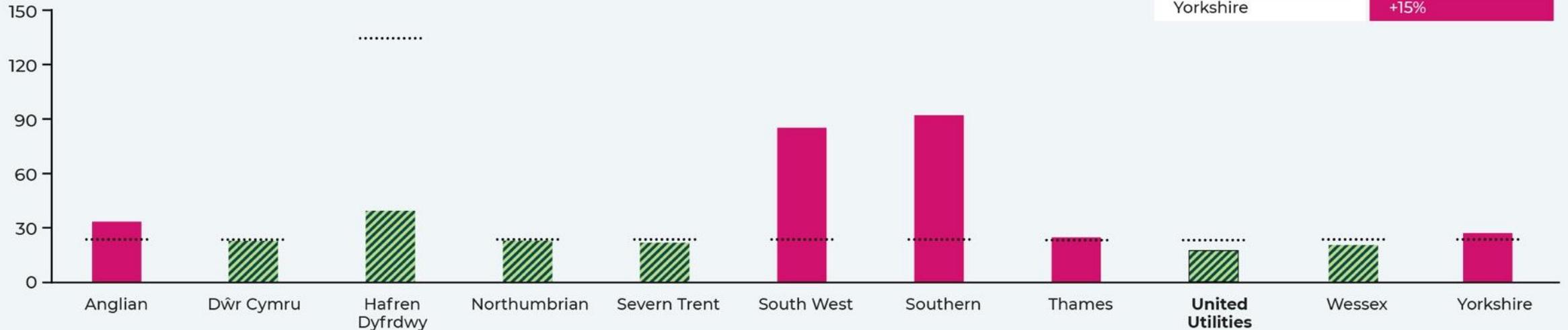
Number of incidents per 10,000km of sewer.
(A lower bar / number is better.)

..... Target number for pollution incidents

 Performing at or better than target

 Performing poorer than target

NB: Hafren Dyfrdwy does not have a common target in line with the other water companies due to the small size of its sewerage system.

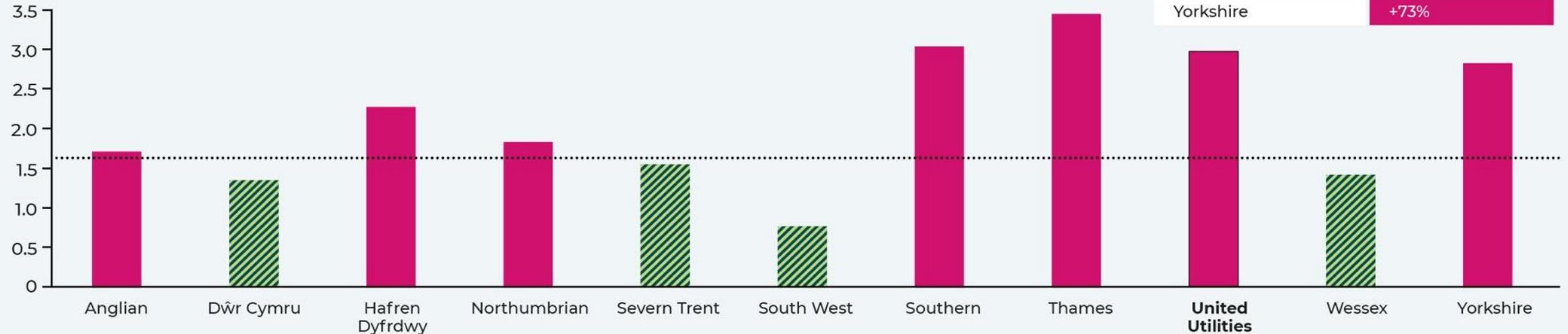


Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +42% |
| Dŵr Cymru | -4% |
| Hafren Dyfrdwy | -71% |
| Northumbrian | -3% |
| Severn Trent | -8% |
| South West | +265% |
| Southern | +294% |
| Thames | +5% |
| United Utilities | -25% |
| Wessex | -13% |
| Yorkshire | +15% |

Water companies measured on incidents of sewage flooding properties.

Number of properties affected, per 10,000 properties.
(A lower number is better.)



Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +5% |
| Dŵr Cymru | -17% |
| Hafren Dyfrdwy | +39% |
| Northumbrian | +12% |
| Severn Trent | -5% |
| South West | -53% |
| Southern | +86% |
| Thames | +111% |
| United Utilities | +82% |
| Wessex | -13% |
| Yorkshire | +73% |

Water companies measured on incidents of sewage flooding gardens or outbuildings.

Number of properties affected, per 10,000 properties.
(A lower number is better.)

..... Target number for incidents of sewage flooding gardens/outbuildings

 Performing at or better than target

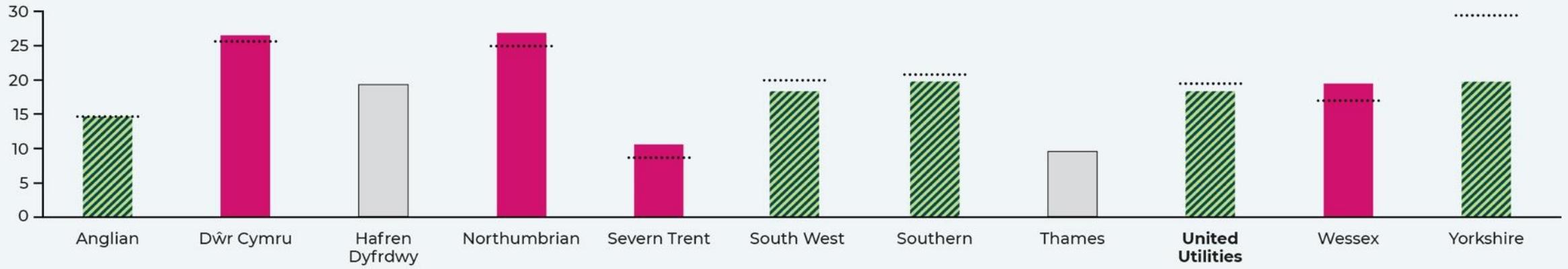
 Performing poorer than target

NB: external sewer flooding is not measured by all Water and Sewerage companies, Hafren Dyfrdwy and Thames do not include this as a performance measure.

This bar chart and table include information from United Utilities.

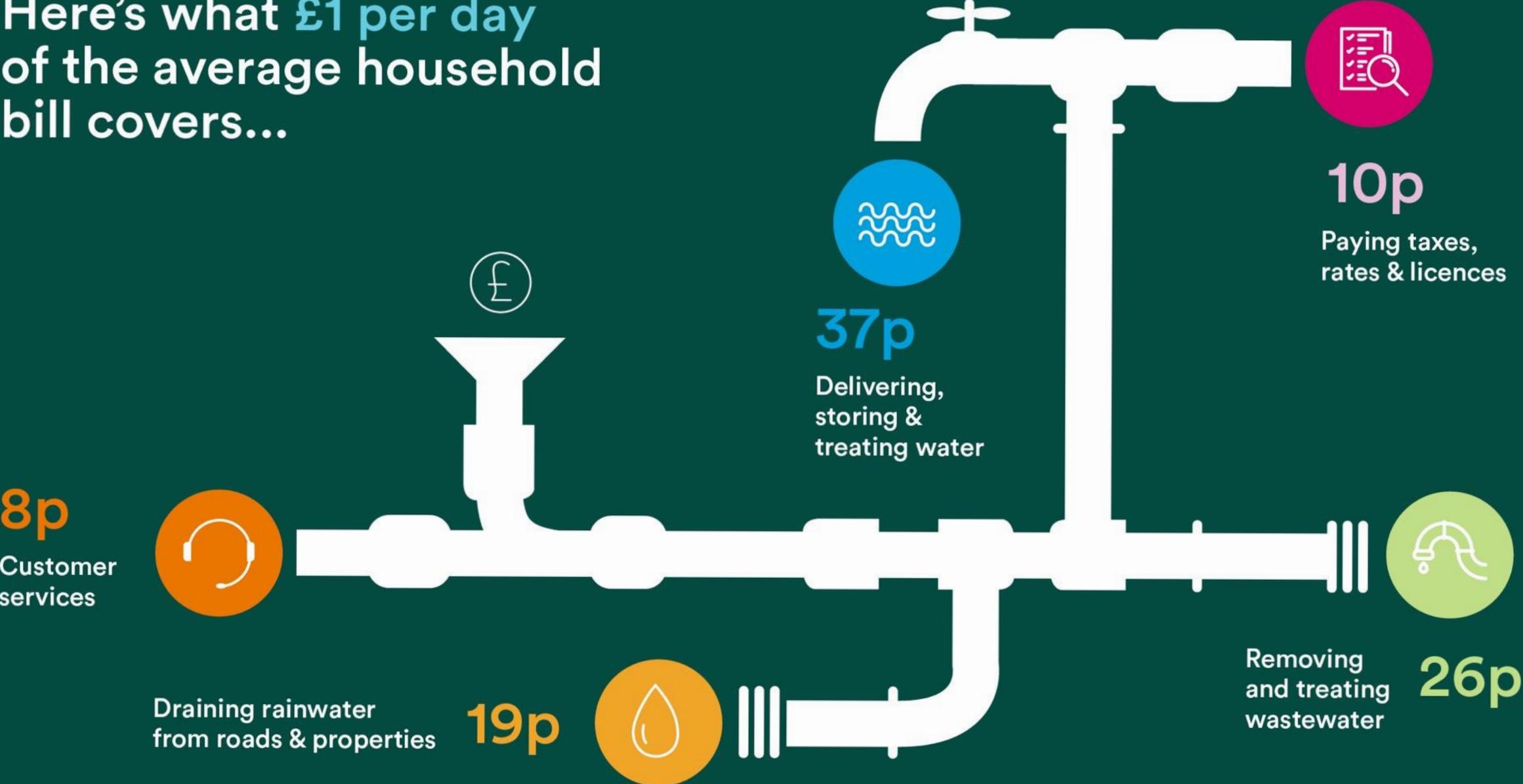
Company performance against targets.
(A lower percentage is better.)

| Company | Performance against target |
|-------------------------|----------------------------|
| Anglian | +0% |
| Dŵr Cymru | +3% |
| Hafren Dyfrdwy | N/A |
| Northumbrian | +8% |
| Severn Trent | +22% |
| South West | -8% |
| Southern | -5% |
| Thames | N/A |
| United Utilities | -6% |
| Wessex | +15% |
| Yorkshire | -33% |



Pre-task: What customers' bills pay for

Here's what £1 per day of the average household bill covers...



Overview of 'Our Plan' 2025–2030

United Utilities' business plan, 'Our Plan', for 2025 to 2030 is focussed on the company investing to improve the core services it provides to customers and to improve the region as a whole with more jobs and greater investment in the local environment and economy. 'Our Plan' is centred around three key ambitions for the North West, all of which have been identified by customers and communities in the region as important to them. By working together to address the challenges the region faces, United Utilities hopes to make the region **stronger**, **greener**, and **healthier**.

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| <p>A STRONGER NORTH WEST:</p> <p>Proactively protecting our service against future challenges like climate change</p>  | <p>A GREENER NORTH WEST:</p> <p>Reducing water wastage and protecting and enhancing the North West's nature and ecosystems</p>  | <p>A HEALTHIER NORTH WEST:</p> <p>Proving additional social benefits to North West communities</p>  |
| <ul style="list-style-type: none"> Investing £150m in pipes that are fit for the future Employing an inclusive and diverse workforce with 5,700 jobs Investing now to reduce the future impact of storms on the network Reducing the likelihood of future water restrictions Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment | <ul style="list-style-type: none"> Reducing water wastage by 24% on our network and reducing usage Significantly reducing sewage water spills into water courses by 39% Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term Protecting 475km of cleaner rivers to promote biodiversity and wildlife Planting a million trees Investing c.£195m to reduce carbon emissions by 42% through upgrading to processes with lower emissions and using renewable energy sources | <ul style="list-style-type: none"> Continuing to provide great quality drinking water across the North West Restoring 14 coastal water areas in the North West used for wild swimming and water sports Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches) Leading the utility sector on supporting vulnerable customers with services tailored to their health needs Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company |

Service improvements

All of these investments from 2025 to 2030 are expected to deliver significant improvements to many of the day-to-day services that United Utilities' customers rely on. In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives.

The first six of these ten are improvements that the water regulator, Ofwat, says water companies must include in their business plans. The last four, are voluntary targets that United Utilities wants to set itself, but these aren't required by Ofwat.

United Utilities targets for 2030

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|  <p>Reducing the amount of water leakage</p> <p>24% improvement</p> |  <p>Reducing interruptions to your water supply</p> <p>45% improvement</p> |  <p>Reducing the number of water quality issues customers experience</p> <p>55% improvement</p> |  <p>Reducing the number of pollution incidents</p> <p>32% improvement</p> |  <p>Reducing the number of properties affected by sewer flooding inside their property</p> <p>31% improvement</p> |  <p>Reducing the number of properties affected by sewer flooding outside their property</p> <p>25% improvement</p> |
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Voluntary improvements set by United Utilities: targets for 2030

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| <p>Smart meters to help reduce usage & lower bills</p>  <p>900,000 new smart meters</p> | <p>Reducing the chances of a hosepipe ban</p>  <p>Halving the chance of experiencing a hosepipe ban or other water restrictions in dry weather</p> | <p>Carbon reduction to improve the environment</p>  <p>42% reduction</p> | <p>Affordability support</p>  <p>£500 million for support with bills</p> <p>More than any other water company</p> |
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Wider statutory responsibilities

As part of its business plan for 2025 to 2030, United Utilities must adhere to the laws and regulations in place that affect how all water companies in England and Wales must act. These cover environmental legislation, as well regulations regarding their drainage, wastewater, and storm overflow infrastructure.

Environmental laws:

The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.

All water companies have a programme of work to meet these laws, including a Water Resources Management Plan (WRMP) and the Water Industry National Environment Programme (WINEP). These include:

- Reducing pollution of seas and rivers by sewage overflows.
- Not taking too much water from rivers and the ground.

- Making sure there is enough water available to protect the natural environment as well as providing a public water supply.

- Treating water and wastewater to a standard that does not harm the natural environment.

All water companies must produce a Water Resources Management Plan every 5 years which forecasts water supply and demand over a minimum period of 25 years.

Water companies must also meet legal requirements for the quality and safety of drinking water and protect reservoirs, treatment works and other sites to ensure they are safe and secure.

Storm overflow infrastructure:

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.

This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, of which 2,191 are in the United Utilities region.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

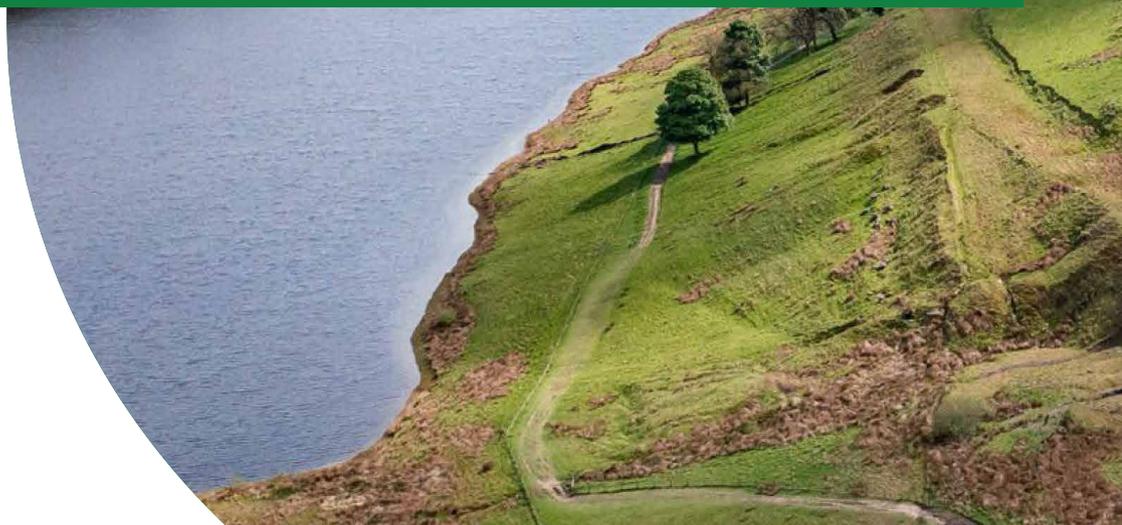
- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites.
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm.

Drainage & wastewater:

The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks. The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.



Water for the North West



9240/United Utilities
HH Deliberative Session Discussion Guide (v2)
3 hours

| (I) Introduction | 10 mins |
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| <p>Brief explanation of the purpose of the research</p> | <p><i>Moderator to explain the nature of the research.</i></p> <ul style="list-style-type: none"> • I work for a company called DJS Research, we are an independent market research company and today we are working on behalf of United Utilities • Our client is looking to speak to their customers about United Utilities’ business plan for the period leading up to 2030, the impact of this plan on the service customers will receive and their bills, and your views on whether the proposed plan is acceptable to you as a customer. United Utilities have already done a lot of consultation with customers, stakeholders and communities on their 2025-2030 business plan and actioned feedback. Today is another stage in this consultation. <p><i>Moderator to reassure respondents about confidentiality / GDPR compliance.</i></p> <ul style="list-style-type: none"> • Feedback will be summarised into a report along with other research, we won’t pass names/specific details of who we have spoken to back to our client. • There are no right and wrong answers; we are just interested in your views, opinions and ideas. • Brief explanation about audio/video recording information – we may use anonymised quotes &/or video clips in our report to illustrate the research findings for our client, but these will not be attributed to you personally. Audio recording will be shared with United Utilities. • Introduce any client observers. • I am not an industry expert and, so, there may well be questions that you have that I cannot answer. We have representatives from United Utilities present today, who may be able to answer some questions depending on the department they work in. We’ll take other questions away and can send out the answers to those interested. • [Moderator: throughout, note down any unanswered respondent questions, along with response given] |
| <p>Introductions</p> | <p><i>Moderator to invite respondent(s) to introduce themselves.</i></p> <ul style="list-style-type: none"> • Please tell me your name and share a bit about yourself: <ul style="list-style-type: none"> • Hobbies • Family/household • Are you in work? What do you do? |

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| (II) Reactions to the pre-task | 5 mins |
| Reactions to the pre-task | <p>FOR THIS FIRST PART OF THE SESSION, YOU'LL BE TALKING IN YOUR SEPARATE GROUPS.</p> <p>[MODERATOR TO SPLIT INTO TWO SUBGROUPS OF 8 PEOPLE]</p> <p>MODERATOR: a few days ago, we sent out information packs to everyone here. These included a link to a video, a short leaflet about United Utilities and today's session, and a one-page summary of United Utilities' business plan.</p> <ul style="list-style-type: none"> • Is there anyone who didn't receive an information pack? • Was there anything in the materials you saw that wasn't clear or you felt needed further explanation? • What, if anything, surprised you most out of the things you have read? <ul style="list-style-type: none"> • Why did it surprise you? |

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| (III) An introduction to United Utilities | 10mins |
| An introduction to United Utilities | <p>I'D NOW LIKE EVERYONE TO REJOIN THE MAIN GROUP FOR THIS SECTION.</p> <p>I'd like to move the discussion on now, and spend some time thinking about United Utilities and what they do:</p> <ul style="list-style-type: none"> • Had anyone not heard of United Utilities before we invited you to this session? • What do you know about United Utilities? What does it do? • What are your main expectations of United Utilities as your water and sewerage provider? <ul style="list-style-type: none"> ○ (P) IF NEEDED: e.g., Service, reliability, value for money, environment <p>SHOW SLIDES 1-5: THE AREA UNITED UTILITIES COVERS AND ITS RESPONSIBILITIES/ ACTIVITES</p> <p>On the screen now, is a quick overview of some of United Utilities' key responsibilities and activities.</p> <p>[Moderator read through list of activities displayed on screen]</p> <p>One thing to note, there are two kinds of water service provider in England and Wales. Some provide water services only (known as WoCs) whereas others provide water and wastewater services (known as WaSCs).</p> <p>This means that some households will have two separate suppliers (i.e. both a WoC and a WaSC). Your water services provider, United Utilities, is a WASC and provides both your water and wastewater services.</p> <p>Some of United Utilities' responsibilities are required by law, also known as statutory. However, there are areas not required by law that will provide more benefits to the service you receive, and to nature and society.</p> |

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| | <ul style="list-style-type: none"> • Are any of these surprising to you? <ul style="list-style-type: none"> ◦ Which/why? • Is any of this information new to you or something you've not considered before? <ul style="list-style-type: none"> • What experience do you have of them? • On a scale of 1-10, with 1 being the lowest and 10 the highest, how would you rate your own satisfaction with United Utilities? <ul style="list-style-type: none"> ◦ MODERATOR ASK A FEW PEOPLE FOR THEIR SCORES AND ASK: Why have you given them that score? • Is there anything about the service United Utilities provides that you would like to see them improve? |
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| (IV) Temperature check - household finances/cost of living. | | 5 mins |
| Household finances | <p>In this next section, we want you to briefly break up into your separate groups once again. In those groups, we're going to discuss the impact of the increased cost of living.</p> <ul style="list-style-type: none"> • Thinking about your own household finances, how positive or negative do you feel about them just now? <ul style="list-style-type: none"> ◦ Has the situation changed over the last 6 months? How? ◦ If you encountered an unexpected but necessary high-cost expense such as a new boiler, how easy would you find that to cover? • MODERATOR: Take notes from discussion | |

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| (V) Focus on explaining the long-term picture to 2050 | | 10 mins |
| Long-term plan | <p>Before we take a detailed look at its proposed business plan, I would first like to talk to you a little about United Utilities' vision for delivering its services over the longer term, all the way up until 2050.</p> <p>United Utilities is currently drafting its long-term plans for the upcoming years until 2050. This covers its ambitions for a variety of areas, such as water supply, customer experience, and carbon net zero. Within this strategy, it will also lay out its plans on how it will achieve these ambitions.</p> <p>United Utilities' long-term planning activity considers the future challenges which could impact on its ability to deliver its services to customers. Due to the scale of these challenges, United Utilities needs to start planning for future years as well as focusing on more short-term issues. Future challenges that it is planning for include: climate change; a growing population; and technology change.</p> <p>SHOW SLIDE 7 – FUTURE CHALLENGES</p> <p>Thinking about United Utilities four key objectives for the very long term, taking it to 2050, we would like your view of how appropriate and adequate you think they are.</p> | |

SHOW SLIDE 8: LONG-TERM PICTURE

So, these four goals are:

- Achieving net-zero greenhouse gas emissions
 - Substantially reducing sewer overflows
 - Managing increased water demand in the North West
 - Improving river water quality
-
- Taking these four long-term goals for 2050 as a whole, do you feel that United Utilities is going too far, not far enough, or striking a good balance, in terms of these longer-term goals?
 - Why do you say that?
 - What do you think is missing?
 - What might you like to see them drop?
 - Are there any specific goals on the screen now that you think are particularly important for United Utilities to aim for?

Next, I'm going to ask you to consider all of the longer-term goals discussed so far from three different perspectives. We're doing this to understand the full diversity of people's reactions.

These three perspectives are:

- As a **customer** of United Utilities: that is, someone who pays a water bill
 - As a **consumer** of United Utilities' services: that is, someone who uses one or more of the range of services United Utilities provides, such as drinking water from the tap and flushing the loo
 - As a **citizen** in the North West: that is, as a member of society who thinks about the wider needs of society and the environment over the longer term
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- Taking the first of these, the **customer** perspective... If you were to consider United Utilities' long-term plan purely from a bill-payer's perspective, how would that affect your view of it?
 - Secondly, the **consumer** perspective... If you were to consider United Utilities' long-term plan purely from the perspective of someone who uses the company's services, not as the bill-payer, how would that affect your view of it?
 - Finally, the **citizen's** perspective... Again, not as a bill-payer, if you were to consider United Utilities' long-term plan purely from the perspective of someone who is interested in the long-term needs of communities and of the environment in the North West, how would that affect your view of it?

NOTE ABOUT PHASING: United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments.

The planning of how this investment is rolled out is called 'phasing', and we will return to it at the end of our discussion in relation to United Utilities' business plan for 2025-2030.

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| (VI) Focus on the shorter-term picture (proposed business plan) PART 1 | | 15 mins |
| <p>In-depth review of the business plan</p> <p>Understanding of the wider business plan vision under the 'three pillars'</p> | <p>SHOW SLIDE 10: The proposed business plan (Three Pillars)</p> <p>We're now going to talk through the plan, step-by-step, to make sure that everyone understands what United Utilities is proposing and what that means for water customers in the North West.</p> <p>On the screen right now, is part of United Utilities' proposed business plan for 2025-2030. This is the plan outlined on the one-page summary and video you were sent before this session.</p> <p>Show Business plan video</p> <ul style="list-style-type: none"> • Does anyone have any questions about the plan? Anything you feel needs further explanation? <p>As you saw in the video, United Utilities has set out its plan under three 'pillars': stronger; greener; and healthier.</p> <ul style="list-style-type: none"> • Taking these three pillars as a whole, do you feel that United Utilities is going too far, not far enough, or striking a good balance, in terms of these longer-term goals? <ul style="list-style-type: none"> ○ Why do you say that? | |
| <p>Overview of the ten service areas and their targets</p> | <p>SLIDE 11: List of ten service areas mentioned in the business plan</p> <p>In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers' everyday lives. This isn't everything in United Utilities' plan for 2025 to 2030, however, it does cover some crucial aspects of the service customers receive.</p> <p>One important thing to bear in mind is that the first six of these ten improvements are on issues that the water regulator, Ofwat, says water service providers <i>must</i> include in their business plans. These six targets for improvement are set by Ofwat, however, water service providers can choose to go beyond the targets set by Ofwat, if they wish.</p> <p>The last four, points seven, eight, nine, and ten, are <i>voluntary</i> targets that United Utilities wants to set itself, but they aren't required by Ofwat.</p> <p>In a second, we're going to look at each of these in detail, and I will have some questions for you about each.</p> <p>Before we do that, would anyone like us to clarify or expand on any of the ten service improvement areas on the screen?</p> | |

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| (VII) Recap on the pre-task information | | 20 mins |
| <p>Pre-task overview</p> | <p>SLIDE 11: List of ten service areas mentioned in the business plan</p> <p>I now want you to return to your smaller groups to discuss your initial reactions to</p> | |

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| | <p>United Utilities’ business plan.</p> <p>As before, please nominate a new person to take notes and feedback at the end of your discussion.</p> <ul style="list-style-type: none"> • Looking at the ten areas of service noted on the screen just now, which of these matters most to you? <ul style="list-style-type: none"> ◦ Why those? • And thinking about how United Utilities invests its resources in the near future, which of these areas of service do you think are in most need of additional investment or improvement? <ul style="list-style-type: none"> ◦ Why those? <p>[Bringing group back as a whole] Who will be speaking for each group? What came from your discussion?]</p> <p>SLIDES 13-18: Comparative data by improvement measure.</p> <p>I’m going to talk you through six important areas in which water service providers in England and Wales are regularly monitored and compared by The Consumer Council for Water. The Consumer Council for Water and Ofwat set targets for water companies and monitor performance and the companies have to provide evidence that they are doing things properly and giving accurate data. The Consumer Council for Water and Ofwat have to be satisfied that any targets set by the water companies is achievable.</p> <p>The graph on the screen just now shows you how United Utilities compares to other water and sewerage service providers in England and Wales in regard to [measure X].</p> <ul style="list-style-type: none"> • Looking at the data on the screen, how do you feel about United Utilities’ performance for this area of service? • Do you feel they are doing enough? |
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| ANNOUNCE 10-MINUTE BREAK | 15 mins |
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| (VII) Focus on the shorter-term picture (proposed business plan) PART 2 | | 80 mins |
| Customer assessment of the ten service areas | <p>In this next section, we’re going to take a look at each of the service goals on United Utilities’ business plan. We’ll see:</p> <ul style="list-style-type: none"> • what service improvements it is proposing • its current performance and proposed improved performance levels • a description of how United Utilities expects to achieve this increase in proposed performance | |

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| | <p>For this discussion, I'd like you to split out once again into your separate groups.</p> <p>SHOW SLIDE 20-30 – Detailed overview of business plan service improvement areas 1-10</p> <p>[REPEAT FOR ALL TEN POINTS OF THE PLAN] On the screen now is a detailed overview of the [first/second/etc] point on United Utilities' business plan. [Title of service element].</p> <p>[Moderator to talk through the following:</p> <ul style="list-style-type: none"> • Service improvement name • Service improvement description • Current performance • Proposed plan performance • Description of how this will be achieved] <ul style="list-style-type: none"> • In terms of the proposed plan target [X target], do you feel that United Utilities is going too far, not far enough, or striking a good balance? <ul style="list-style-type: none"> ○ Why do you say that? ○ What would you like to see them aim for, instead? • Looking at United Utilities explanation of how they are actioning this service improvement, does that seem plausible to you? <ul style="list-style-type: none"> ○ Does it seem realistic? ○ Do you think this is an acceptable way of going about it? ○ Is there anything that stands out as particularly good or interesting in the way they intend to achieve this target? ○ Do you have any concerns about the way they intend to achieve this target? ○ If you were in charge of planning this improvement, how would you plan it differently? <p>[REPEAT TASK FOR ALL TEN POINTS ON THE PLAN]</p> |
| <p>Acceptability and affordability of the proposed plan</p> | <p>SLIDE 31: List of ten service areas mentioned in the business plan</p> <p>In this last part of the discussion, I want us to return to reviewing the plan as a whole.</p> <ul style="list-style-type: none"> • Knowing what you do about the proposed business plan set forward by United Utilities, to what extent do you believe that it represents an acceptable plan for water management that would be acceptable from the following perspectives: <ul style="list-style-type: none"> ○ Customers (bill-payers) ○ Consumers (service users) ○ Citizens (those with a social and environmental interest in the North West) ○ For each perspective: <ul style="list-style-type: none"> ▪ What benefits would it bring? ▪ What concerns would you have? <p>GIVE RESPONDENTS PERSONALISED BILL – PROPOSED PLAN BILL IMPACT</p> <p>Hand out price PERSONALISED increase reference sheets. MODERATOR: Make sure to hand out each participant's individual bill impact sheet, based on the billing information provided ahead of the group</p> |

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| | <ul style="list-style-type: none"> • On this slide, there is an estimated increase in customers’ bills that would cover the cost of putting all of the improvements in this plan into place. • You can use the reference sheet that you’ve been given to estimate how much this would increase your annual water bill. <ul style="list-style-type: none"> ○ Does this increase seem acceptable to you? <ul style="list-style-type: none"> ▪ Why/why not? ○ Would this increase affect how affordable your water bill is for you? <ul style="list-style-type: none"> ▪ Do you feel that this would be something that you would find easy to pay, frustrating to pay but not difficult, difficult to pay but not impossible, or impossible to pay, if it were introduced? ○ Under United Utilities’ proposed plan, certain bill payers who are struggling to pay their water bills may qualify for up to £200 support from a £500m fund. ○ Does this make the plan any more acceptable? So even if you don’t receive the support, if others do, does it make a difference? ○ If you were able to access a support package that provided £200 off your annual water bill, how would that affect the how affordable it would be for you? <ul style="list-style-type: none"> ▪ [Make specific note of responses from those who would find their bill difficult/impossible to pay] |
| <p>Review of ‘must-do’ plan</p> | <p>There are some things which United Utilities must do to comply with the new government laws and regulations which we have discussed with you.</p> <p>In the proposed plan, United Utilities plan to deliver more benefits beyond these requirements.</p> <p>Another option is that they just invest in the areas required to comply with these government laws and regulations. This would mean your annual bill would be reduced by around £10 a year by 2030 compared to the proposed plan.</p> <p>This is known as the ‘must-do’ plan.</p> <ul style="list-style-type: none"> • In this plan: <ul style="list-style-type: none"> ○ There would be a 21% reduction in leakage, rather than 24% as set out in the proposed plan we’ve discussed. ○ There would be 825,000 fewer smart meters installed in homes and businesses (75,000 compared to 900,000) ○ There would be a 0% reduction in carbon emissions, rather than 42% • These goals will cost customers less, but will also limit the scale of the improvements themselves. Overall, this would mean your annual bill would be reduced by around £10 a year by 2030. • However, this would mean United Utilities would achieve a lower service level and less benefits for leakage, smart metering and carbon reductions. <p>GIVE RESPONDENTS PERSONALISED BILL – MUST-DO BILL IMPACT</p> <ul style="list-style-type: none"> • Looking at the must-do plan, by implementing this plan, rather than the proposed plan, on average, customers would save approximately £10 on their annual bill each year. <ul style="list-style-type: none"> ○ Do you feel that the smaller improvement is acceptable in order to save money on your bill? ○ Why/why not? ○ [**Moderator: if participants have specific questions about why the must-do plan increases cost broadly in line with the proposed plan, use the three statutory requirement costs below to explain] |

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| | <ul style="list-style-type: none"> • Are there any areas of the plan that you <i>would</i> be prepared to lose or reduce, in order to reduce the overall impact on your water bill? • As part of its business plan for 2025 to 2030, United Utilities must adhere to the laws and regulations in place that affect how all water companies in England and Wales must act. These cover environmental legislation, as well regulations regarding their drainage, wastewater, and storm overflow infrastructure. • These requirements must be addressed in both the proposed and 'must-do' plans: <ul style="list-style-type: none"> ◦ United Utilities Water has a target in its least cost ('must do') business plan to comply with new environmental standards for 2025-2030, and this will add £47 in 2030 to the average household water bill. ◦ United Utilities Water has a target in its least cost 'must do' business plan to reduce the chances of sewers flooding into properties by 25% for 2025-2030. The least cost 'must do' business plan will also adapt to climate change challenges and reduce the chances of sewer water overflowing into rivers. This will add £3.50 in 2030 to the average household water bill. ◦ To work towards these longer-term targets, United Utilities Water has a target of an average of 20 spills per overflow in its least cost 'must do' business plan for 2025-2030. This will increase the average household bill in 2030 by £33. • Knowing that these areas of legislation affect the 'must-do' plan, as well as the proposed business plan, do you feel that this makes the cost of the 'must-do' plan any more or less acceptable to you? |
| <p>Review of phasing</p> | <p>As noted previously, United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments, as not investing now means no service improvements now which could mean a higher cost in the future as issues may get worse.</p> <p>There is an option to make additional investments to 'future proof' now so that the benefits can be experienced sooner and fewer problems arise in the future. An increase in bills would start sooner, spreading increases across different generations of bill payers.</p> <p>Alternatively, United Utilities could invest less in 'future proofing' now and tackle any future issues as and when they arise. The increase in bills and benefits experienced would start much later (i.e., years down the line) and would cost more to fix.</p> <p>SHOW SLIDE 32-PHASING OVERVIEW</p> <ul style="list-style-type: none"> • What are your thoughts on the three investment options you have been shown? <ul style="list-style-type: none"> ◦ Why? • For you, what do you feel are the benefits of each approach? • And what about the drawbacks? • Which would you be happiest to see United Utilities implement? • Thinking about the ten individual service improvement areas detailed in the plan, which would you like to see implemented soonest? <ul style="list-style-type: none"> ◦ Which would you be happy to see introduced later in the plan? <p>Which do you think is fairest to future generations of people living in the North West?</p> |

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|--|---|
| <p>(VIII) Wrap-up including the post-task</p> | <p>10 mins</p> |
| <p>Wrap-up (Guidance section 10)</p> | <ul style="list-style-type: none"> • Before we finish, do you have any other thoughts or remarks about the topics we've discussed? • Do you have any questions about what we've discussed or anything you're not quite clear about? <p>Before you go, there is a quick survey that we need you to complete. Please complete the survey then come to me or my colleague for your thank you payment.</p> |

Any final questions from the clients/observers

Thank & Close

Stimulus

Section III: Introduction to United Utilities

16

water companies in total

Water and wastewater companies

ANH: Anglian Water
WSH: Dwr Cymru
HDD: Hafren Dyfrdwy
NES: Northumbrian Water
SVE: Severn Trent Water
SBB: South West Water
SRN: Southern Water
TMS: Thames Water
UUV: United Utilities Water
WSX: Wessex Water
YKY: Yorkshire Water

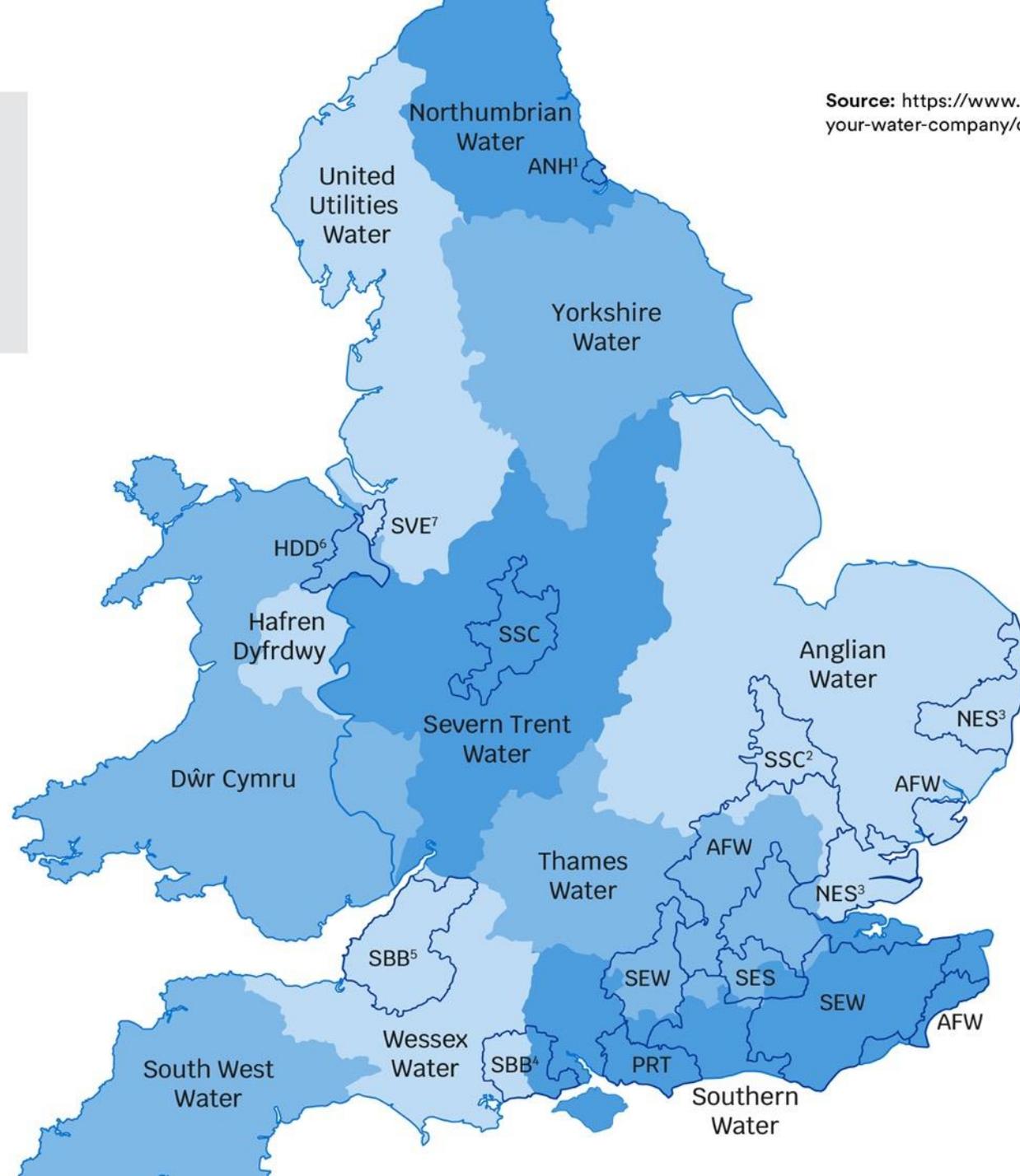
Water only companies

AFW: Affinity Water
PRT: Portsmouth Water
SEW: South East Water
SSC: South Staffs Water
SES: SES Water

Key

1. Water services provided under the Hartlepool Water name.
2. Water services provided under the Cambridge Water name.
3. Water services provided under the Essex & Suffolk Water name.
4. Water services provided under the Bournemouth Water name.
5. Water services provided under the Bristol Water name.
6. Hafren Dyfrdwy provides water services only in this area.
7. Severn Trent Water provides water services only in this area.

Source: <https://www.ofwat.gov.uk/households/your-water-company/contact-companies>



United Utilities: the North West region

3 million
household customers



200,000
businesses



830mm
rainfall each year, higher
than the UK average



34%
of the region is National
Park, Area of Outstanding
Natural Beauty or Sites
of Specific Natural Interest



7.4m
population, expected to grow
significantly in the next 25 years



5,000
people are directly
employed by United Utilities



88
water treatment works



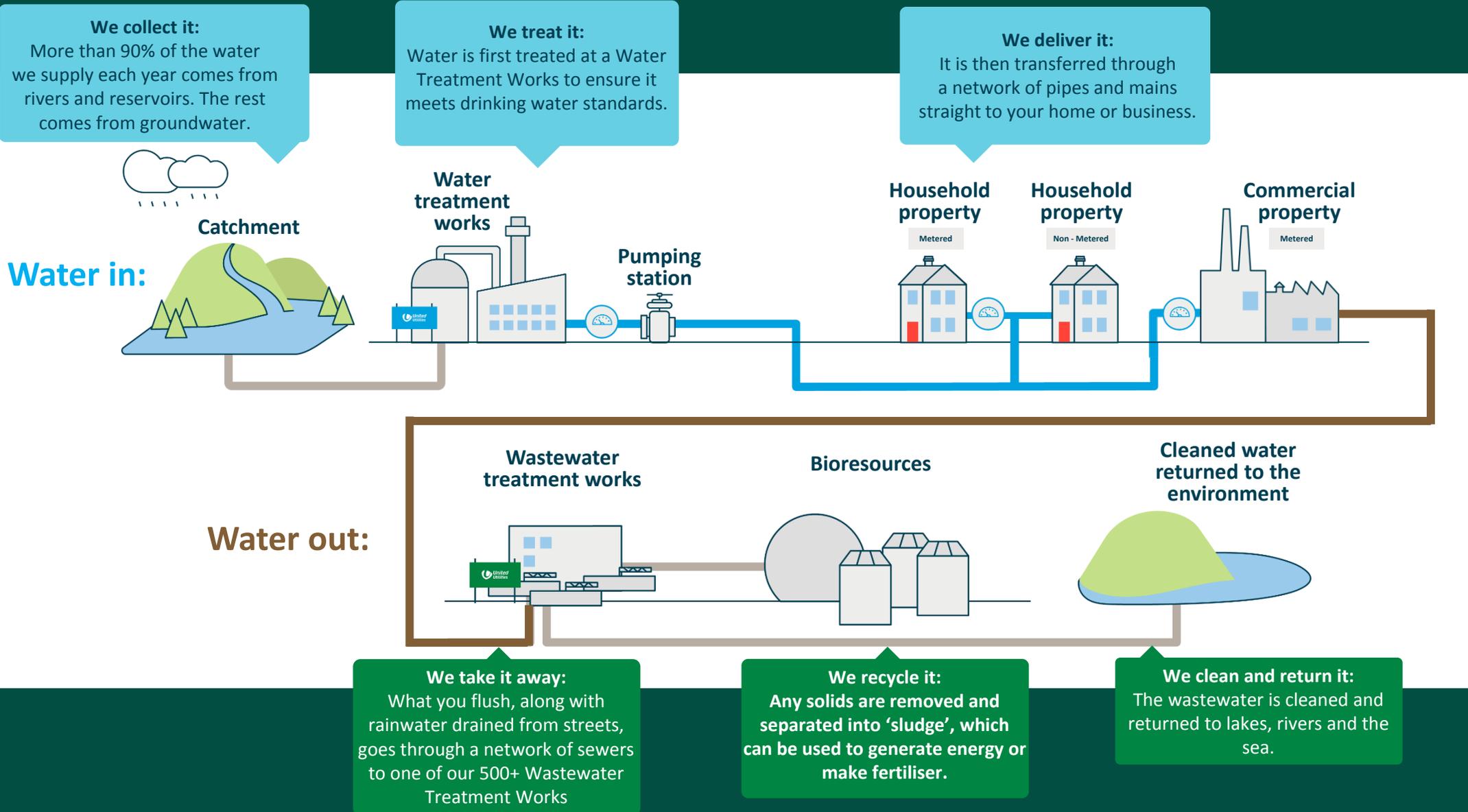
566
wastewater treatment works



22,700
North West jobs connected
to United Utilities work



The water cycle: getting water to you, and taking it away



Stimulus

Section V: Longer-term picture to 2050

So... what's the problem?

We need to ensure that customers have a reliable supply of clean drinking water and that wastewater leaves our treatment works clean, but there are pressures due to:



Population growth
in the North West



Climate change

Climate change is predicted to cause drier summers, which will affect our water supplies, but the frequency of heavy rainfall and storms has increased and is also predicted to increase further, which could cause sewers to flood onto land and in homes or could leave the system before it's been fully treated and enter lakes, rivers, and the sea.

United Utilities' longer-term plan for 2050

Managing increased water demand in the North West

Leakage reduction of 50% by 2050 from 2017-18 level

Reduce household consumption to 110 litres per person, per day by 2050

Substantially reducing sewer overflows

Reducing local harm to biodiversity from combined sewer overflows by 2050

Reducing spills from combined sewer overflows to no more than an average of 10 spills per overflow by 2050

Improving river water quality

Investing in better treatment of sewage to reduce harmful impacts on rivers by 80% by 2037

Achieving net zero greenhouse gas emissions

Net zero greenhouse gas emissions by 2050

Stimulus

Section VI: Recap on the pre-task information

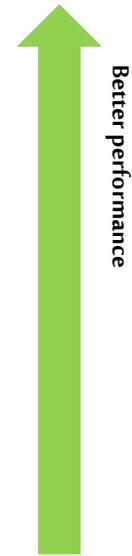
Water companies measured on the amount of water lost due to leaks from water mains and pipes

Number of litres lost per property per day.

Companies with the lowest numbers perform better.

United Utilities has not met its target for this metric last year

United Utilities are ranked 16th of 19 companies on this measure



Better performance



Poorer performance

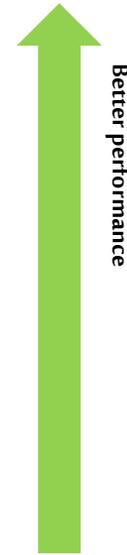
| Company | Performance |
|-------------------------|----------------------|
| Bristol | 65.04 |
| Northumbrian | 76.4 |
| Portsmouth | 77.02 |
| SES Water | 78.68 |
| Anglian | 80.18 |
| Southern | 83.17 |
| South East | 87.63 |
| Cambridge | 90.67 |
| Wessex | 103.29 |
| South West | 107.71 |
| Northumbrian | 108.3 |
| Affinity | 108.65 |
| Severn Trent | 110.35 |
| South Staffs | 113.45 |
| Yorkshire | 122.91 |
| United Utilities | <u>124.21</u> |
| Hafren Dyfrdwy | 146.09 |
| Thames | 151.51 |
| Welsh Water | 158.8 |

Water companies measured on the length of time properties are without water

Duration without water for more than 3 hours by minutes per property. **Companies with the lowest numbers perform better.**

United Utilities has not met its target for this metric last year

United Utilities are ranked 7th of 17 companies on this measure



Better performance



Poorer performance

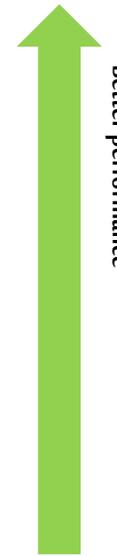
| Company | Performance |
|--------------------------------|------------------------|
| Portsmouth | 00:02:21 |
| Bristol | 00:02:31 |
| SES Water | 00:02:58 |
| South Staffs & Cambridge | 00:03:15 |
| Affinity | 00:03:43 |
| Wessex | 00:04:12 |
| <u>United Utilities</u> | <u>00:07:58</u> |
| Southern | 00:09:22 |
| Anglian | 00:09:48 |
| Yorkshire | 00:10:38 |
| Thames | 00:11:03 |
| Northumbrian | 00:11:45 |
| Severn Trent | 00:12:39 |
| South West | 00:13:40 |
| Welsh Water | 00:16:12 |
| Hafren Dyfrdwy | 00:37:28 |
| South East | 01:12:33 |

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water

Number of customer contacts received regarding incidents, per 1,000 customers. **Companies with the lowest numbers perform better.**

United Utilities has not met its target for this metric last year

United Utilities are ranked 16th of 17 companies on this measure



Better performance



Poorer performance

| Company | Performance |
|--------------------------|-------------|
| Portsmouth | 0.41 |
| Thames | 0.49 |
| SES Water | 0.58 |
| Affinity | 0.73 |
| South Staffs & Cambridge | 0.76 |
| Severn Trent | 0.93 |
| Northumbrian | 0.97 |
| Anglian | 1.03 |
| Yorkshire | 1.09 |
| Southern | 1.1 |
| Wessex | 1.17 |
| South East | 1.34 |
| Bristol | 1.38 |
| South West | 1.55 |
| Hafren Dyfrdwy | 1.71 |
| United Utilities | 1.79 |
| Welsh Water | 2.38 |

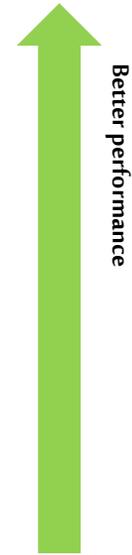
Water companies measured on the number of incidents of pollution of rivers and streams

Number of incidents per 10,000 km of sewer.

Companies with the lowest numbers perform better.

United Utilities has met its target for this metric last year

United Utilities are ranked 1th of 11 companies on this measure



Better performance



Poorer performance

| Company | Performance |
|--------------------------------|---------------------|
| <u>United Utilities</u> | <u>17.71</u> |
| Wessex | 20.60 |
| Severn Trent | 21.81 |
| Welsh Water | 22.90 |
| Northumbrian | 22.98 |
| Thames | 24.87 |
| Yorkshire | 27.36 |
| Anglian | 33.75 |
| Hafren Dyfrdwy | 39.84 |
| South West | 86.58 |
| Southern | 93.63 |

Water companies measured on the incidents of sewage flooding properties

Number of properties affected, per 10,000.

Companies with the lowest numbers perform better.

United Utilities has not met its target for this metric last year

United Utilities are ranked 9th of 11 companies on this measure



Better performance



Poorer performance

| Company | Performance |
|-------------------------|-------------|
| South West | 0.76 |
| Welsh Water | 1.36 |
| Wessex | 1.42 |
| Severn Trent | 1.61 |
| Anglian | 1.73 |
| Northumbrian | 1.84 |
| Hafren Dyfrdwy | 2.34 |
| Yorkshire | 2.83 |
| <u>United Utilities</u> | <u>2.97</u> |
| Southern | 3.04 |
| Thames | 3.46 |

Water companies measured on the incidents of sewage flooding gardens or outbuildings

Number of properties affected, per 10,000.

Companies with the lowest numbers perform better.

United Utilities has met
its target for this metric last year

United Utilities are ranked 4th
of 11 companies on this measure



Better performance



Poorer performance

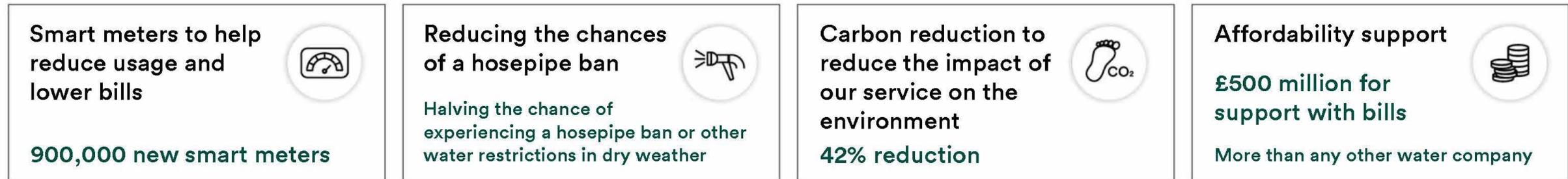
| Company | Performance |
|--------------------------------|---------------------|
| Thames | 9.4 |
| Severn Trent | 10.8 |
| Anglian | 14.55 |
| <u>United Utilities</u> | <u>18.12</u> |
| South West | 18.13 |
| Hafren Dyfrdwy | 19.05 |
| Wessex | 19.19 |
| Yorkshire | 19.52 |
| Southern | 19.53 |
| Welsh Water | 26.27 |
| Northumbrian | 26.64 |

Service improvements

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



Stimulus

Section VII: Focus on
the shorter-term
picture (business plan)

A STRONGER NORTH WEST:



Proactively protecting our service against future challenges like climate change

- Investing £150m in pipes that are fit for the future
- Employing an inclusive and diverse workforce with 5,700 jobs
- Investing now to reduce the future impact of storms on the network
- Reducing the likelihood of future water restrictions
- Providing optional smart meters to help customers reduce water usage and bills. Smart meters also help towards detecting leaks and reducing wastage to protect the environment

A GREENER NORTH WEST:



Reducing water wastage and protecting and enhancing the North West's nature and ecosystems

- Reducing water wastage by 24% on our network and reducing usage
- Significantly reducing sewage water spills into water courses by 39%
- Investing in green, sustainable infrastructure that improves the lives of our communities in the long-term
- Protecting 475km of cleaner rivers to promote biodiversity and wildlife
- Planting a million trees
- Investing c.£195m to reduce carbon emissions by 42% through upgrading to processes with lower emissions and using renewable energy sources

A HEALTHIER NORTH WEST:



Proving additional social benefits to North West communities

- Continuing to provide great quality drinking water across the North West
- Restoring 14 coastal water areas in the North West used for wild swimming and water sports
- Restoring peatland and ecosystems for 500 hectares of land (equivalent to 700 football pitches)
- Leading the utility sector on supporting vulnerable customers with services tailored to their health needs
- Providing £500m of support to households so those struggling to pay have a discounted water bill. This is the largest amount of support ever offered by any water company

Wider statutory responsibilities

Environmental laws:

The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.

All water companies have a programme of work to meet these laws, including a Water Resources Management Plan (WRMP) and the Water Industry National Environment Programme (WINEP). These include:

- Reducing pollution of seas and rivers by sewage overflows.
- Not taking too much water from rivers and the ground.
- Making sure there is enough water available to protect the natural environment as well as providing a public water supply.
- Treating water and wastewater to a standard that does not harm the natural environment.

All water companies must produce a Water Resources Management Plan every 5 years which forecasts water supply and demand over a minimum period of 25 years.

Water companies must also meet legal requirements for the quality and safety of drinking water and protect reservoirs, treatment works and other sites to ensure they are safe and secure.

Storm overflow infrastructure:

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.

This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, of which 2,191 are in the United Utilities region.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm

Drainage & wastewater:

The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks. The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.

Wider statutory responsibilities

Environmental laws:

The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.

All water companies have a programme of work to meet these laws, including a Water Resources Management Plan (WRMP) and the Water Industry National Environment Programme (WINEP). These include:

- Reducing pollution of seas and rivers by sewage overflows.
- Not taking too much water from rivers and the ground.
- Making sure there is enough water available to protect
- the natural environment as well as providing a public water supply.
- Treating water and wastewater to a standard that does not harm the natural environment.

All water companies must produce a Water Resources Management Plan every 5 years which forecasts water supply and demand over a minimum period of 25 years.

Water companies must also meet legal requirements for the quality and safety of drinking water and protect reservoirs, treatment works and other sites to ensure they are safe and secure.

This will add £47 in 2030 to the average household water bill.

Storm overflow infrastructure:

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.

This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, of which 2,191 are in the United Utilities region.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites.
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm.

This will add £33 in 2030 to the average household water bill.

Drainage & wastewater:

The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks. The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.

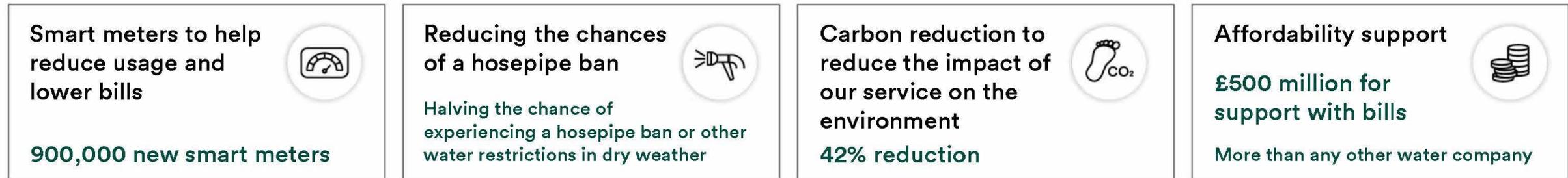
This will increase the average household bill in 2030 by £3.50.

Service improvements

United Utilities targets for 2030



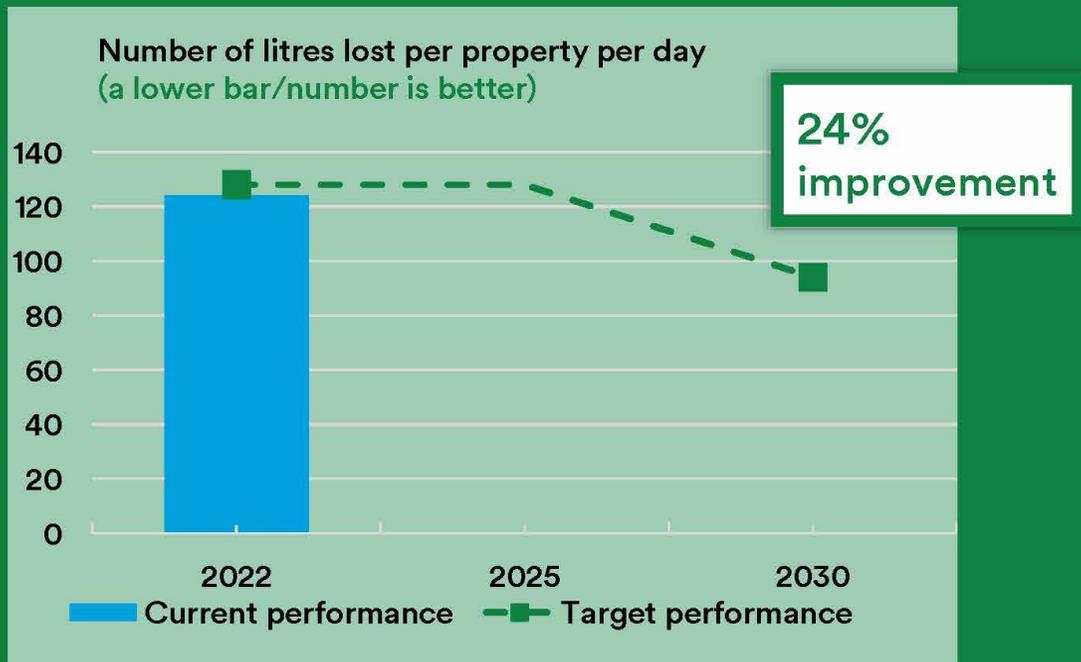
Voluntary improvements set by United Utilities: targets for 2030



Reducing the amount of water leakage



Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.



2022 performance
124.21 litres a day

2030 target
94 litres a day

How does United Utilities say it will do this?

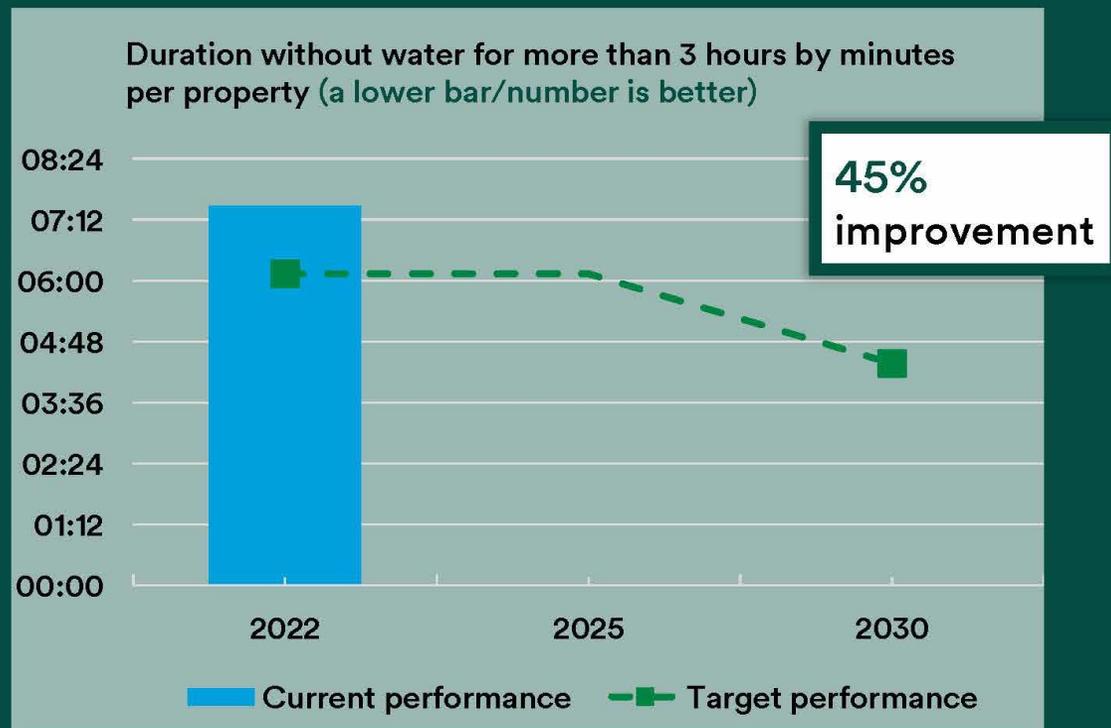
We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

Reducing interruptions to your water supply



If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.



2022 performance
7 min 58 secs

2030 target
4 min 22 secs

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.

Reducing the number of water quality issues customers experience



Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.



2022 performance
1.79 complaints per
1,000 properties

2030 target
0.8 complaints per
1,000 properties

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

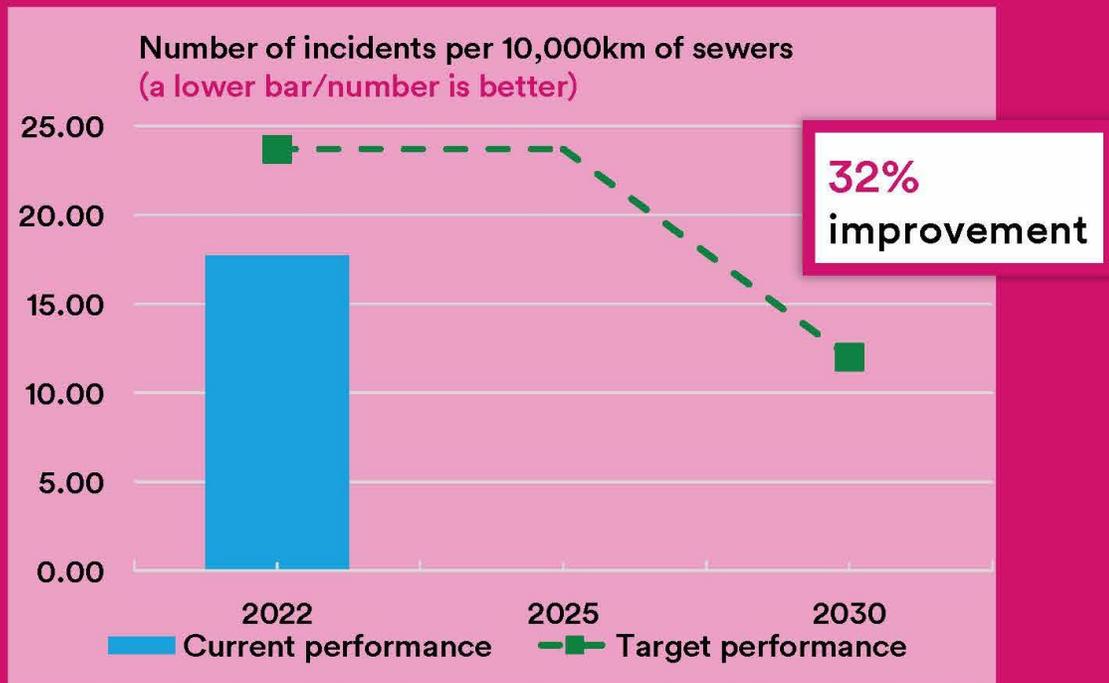
We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Reducing the number of pollution incidents



Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.



2022 performance
17.71 incidents per
10,000km of sewers

2030 target
12 incidents per
10,000km of sewers

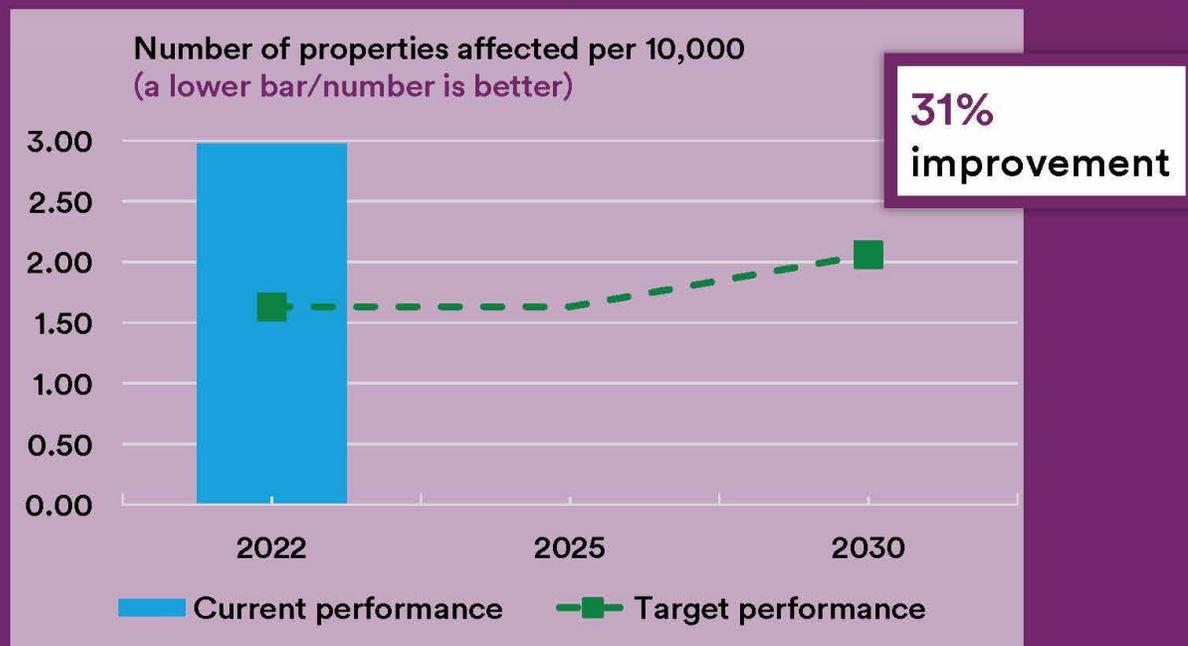
How does United Utilities say it will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

The North West sewer network is vast and big enough to wrap around the earth twice. We plan to invest **£3bn** for better treatment of sewage and to increase the capacity of our **79,000km** sewer network, to support reducing the chances of pollution incidents occurring.

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.



2022 performance
2.97 events per
10,000 properties

2030 target
2.06 events per
10,000 properties



How does United Utilities say it will do this?

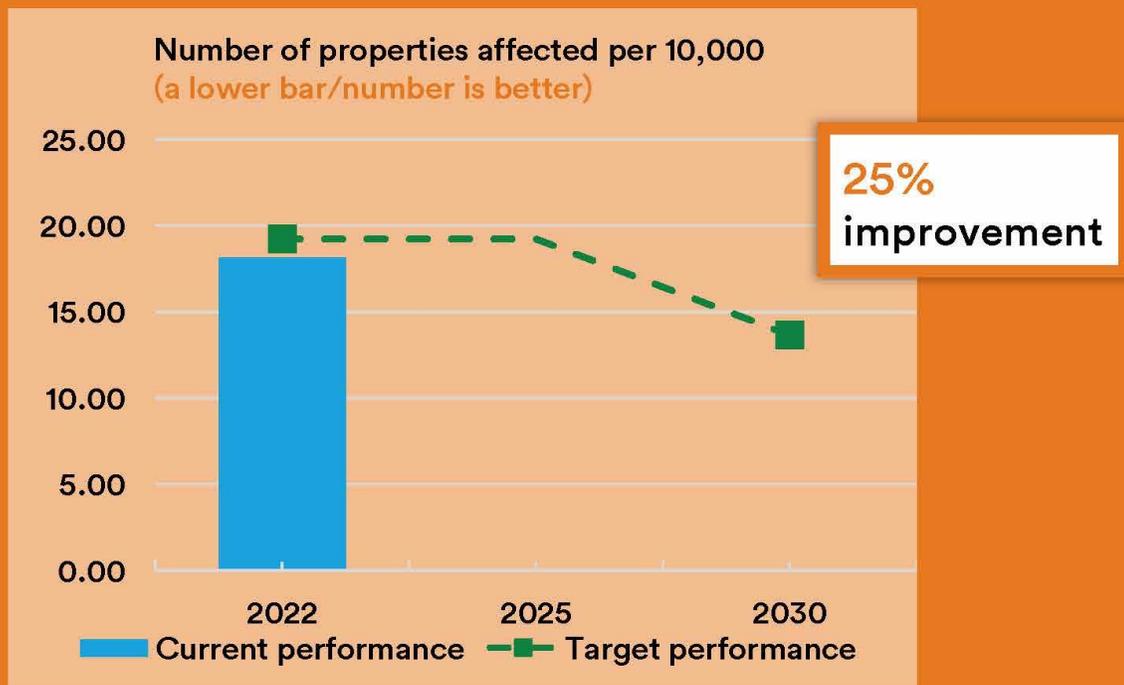
We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.



2022 performance

18.12 events per
10,000 properties

2030 target

13.65 events per
10,000 properties

How does United Utilities say it will do this?



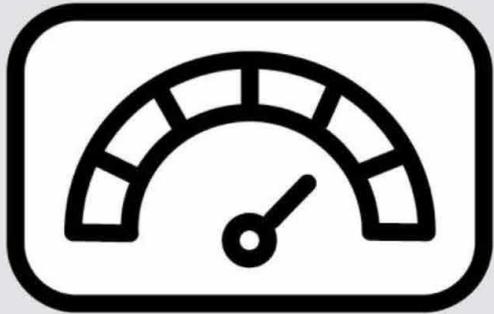
We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills. Currently, no customer properties have smart water meters.



900,000
new smart meters
in homes and
businesses

Target for 2030

Please note: Switching to a measured bill is completely optional for households.



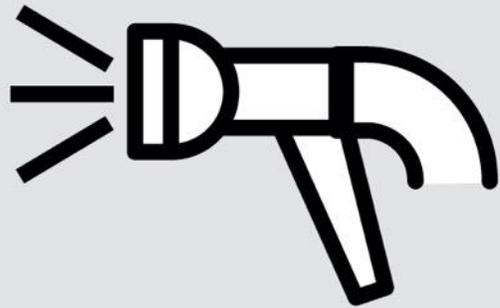
How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.

Halving the chance of experiencing a hosepipe ban between 2025-2030

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance

Target for 2030



How do United Utilities say they will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future.

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42%
reduction

Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2019/20 baseline figure.



How do United Utilities say they will do this?

A £195m programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.

Affordability support

Under the proposed plan, United Utilities would assign £500m towards a fund for struggling bill payers.



£280
million

Performance
in 2020–25



£500
million

Target
for 2030



How does United Utilities say it will do this?

We are investing to ensure there is a support package of £500m to provide discounted bills to customers who are struggling to pay for their water.

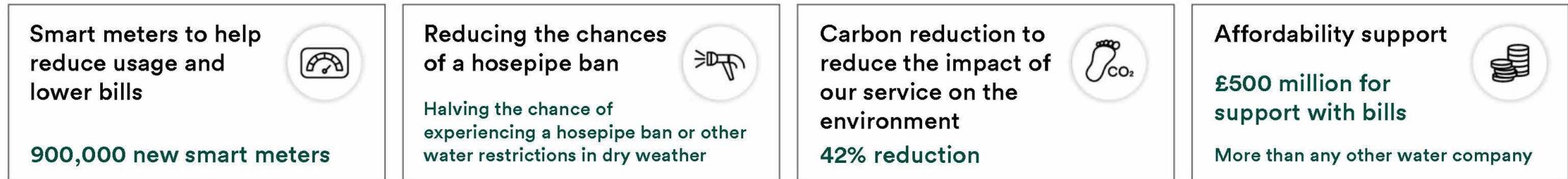
This is the largest support package United Utilities has ever offered.

Service improvements

United Utilities targets for 2030



Voluntary improvements set by United Utilities: targets for 2030



‘Must do’ vs. proposed plan

A ‘must do’ or least cost plan is United Utilities’ statutory plan (i.e. the plan they must deliver by law to meet their statutory requirements from 2025-2030). In United Utilities’ proposed plan, there would be some key differences:

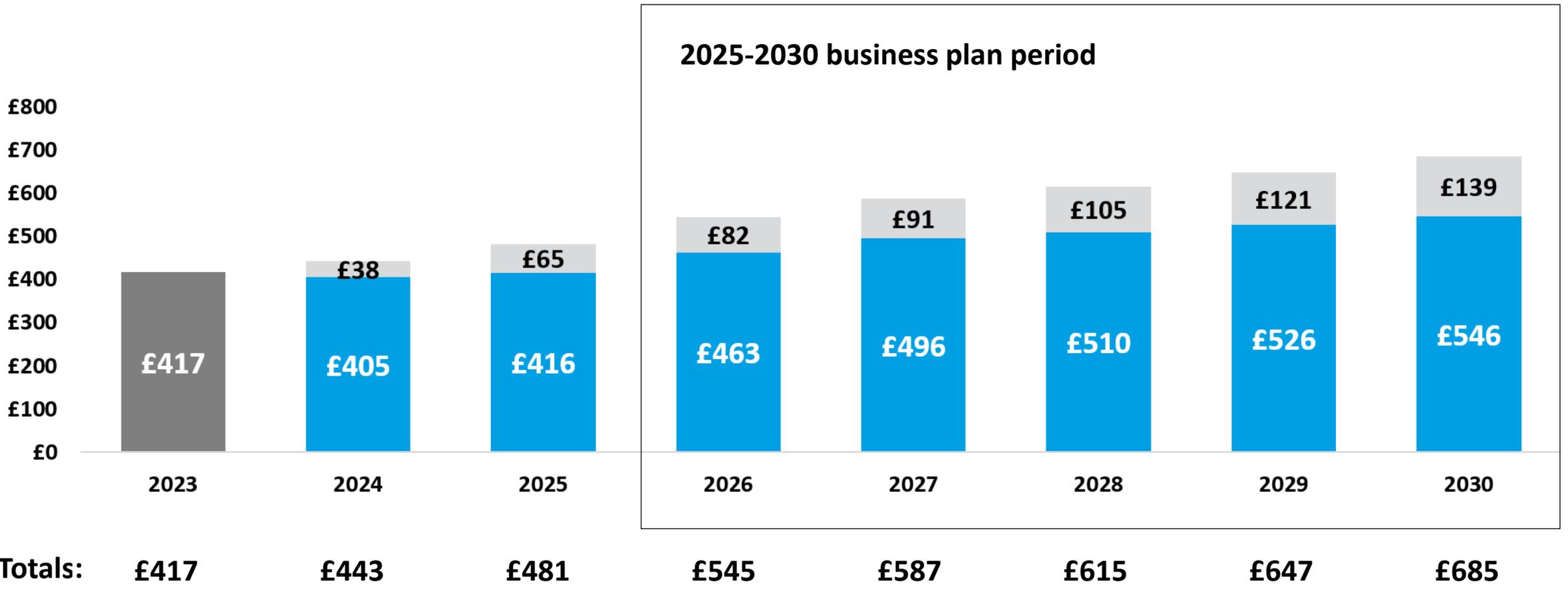
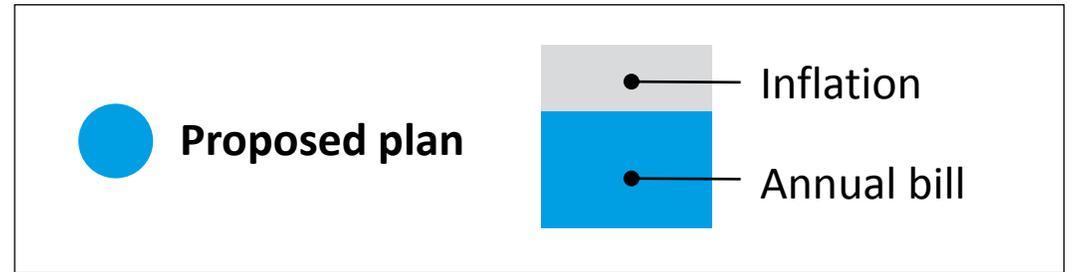
Under the ‘must do’ plan there would be a 21% reduction in leakage, rather than 24% as set out in the proposed plan.

There would be 825,000 fewer smart meters installed in homes and businesses (75,000 compared to 900,000).

There would be a 0% reduction in carbon emissions, rather than 42%.

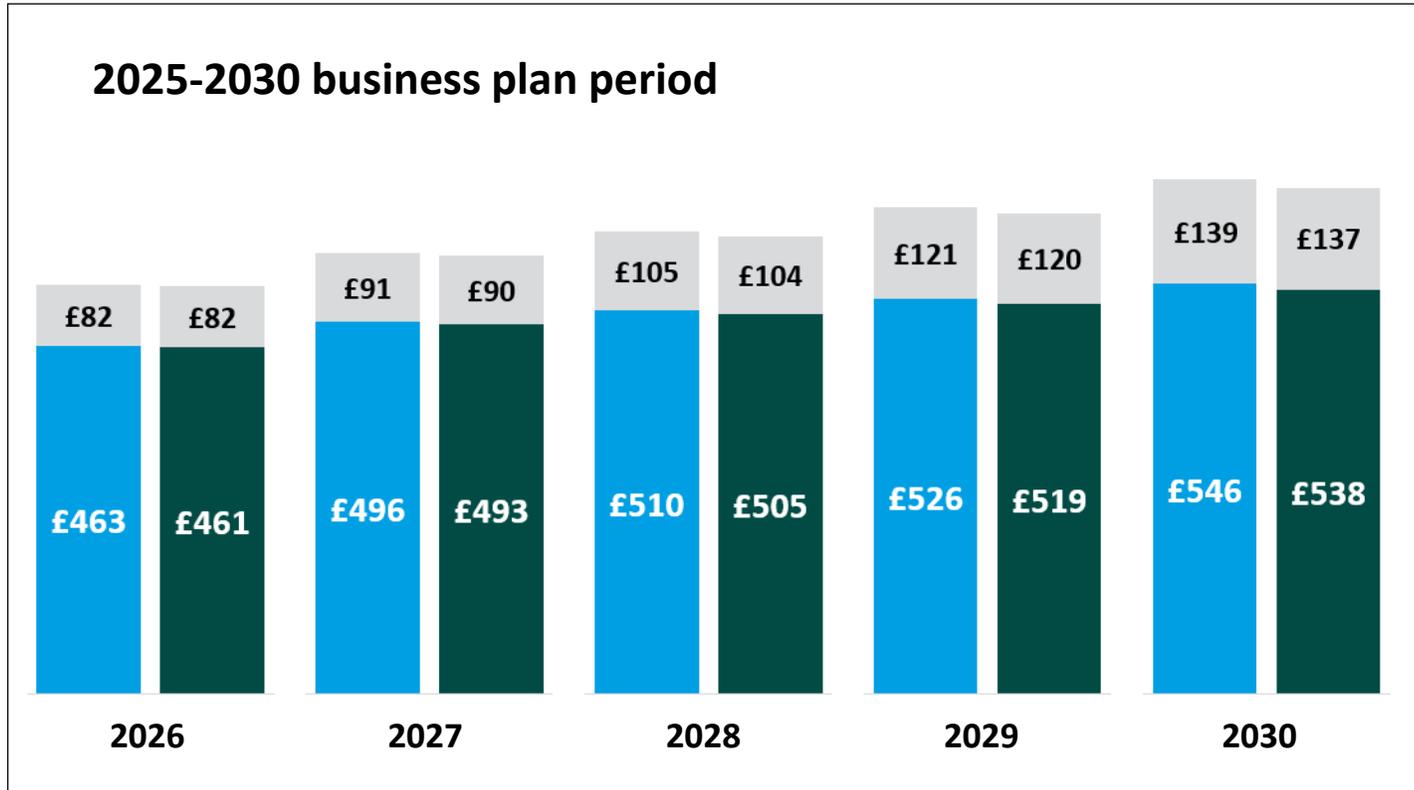
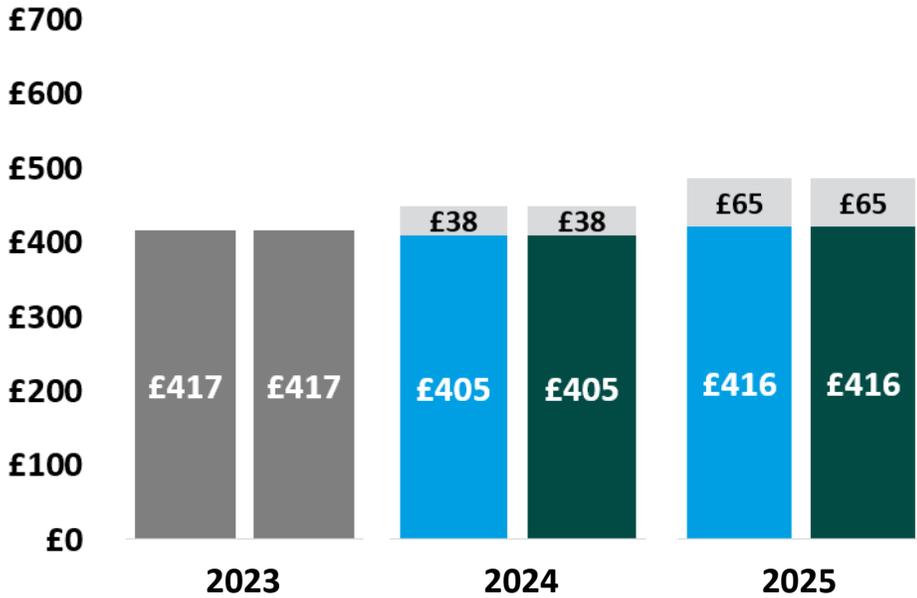
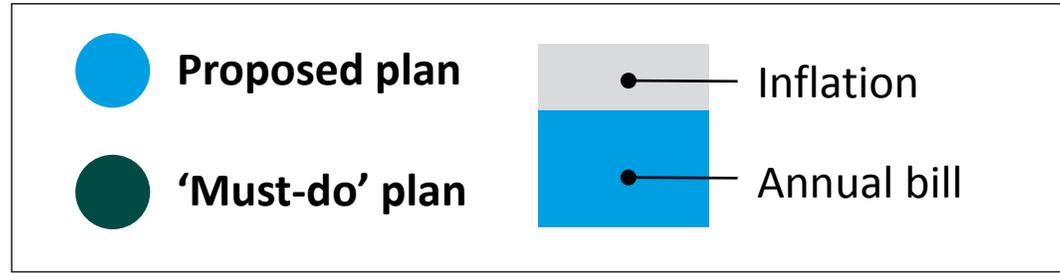
Proposed plan: annual bill impact

Average household retail dual bill, £/property



Bill impact comparison: proposed vs. 'must do' plans

Average household retail
dual bill, £/property



Totals: £417 £417 £443 £443 £481 £481 £545 £543 £587 £583 £615 £609 £647 £639 £685 £675

Phasing over time

| | Option 1 | Option 2 | Option 3 |
|-----------------------------|---|--|---|
| Description | Investment is spread out across 2030 to 2050 to improve services, gradually improving levels of service | Investment is sooner to allow for improvements to services earlier | Investment is delayed, so service improvements happen later |
| What this means for bills | Bills will increase gradually from 2030 to 2050 | Bill increases happen earlier, with a steep increase sooner and then hold steady | Bill increases happen much later with a steeper increase later on |
| What this means for service | Steady and gradual improvement to services from 2030 to 2050 | Rapid improvement to services earlier, and then improvements hold steady | Little to no improvements to services until later on when investment is undertaken. Rapid improvement to services after this. |

A.5 A&A Testing Quantitative Alternative Higher Bill Scenario Report and Materials

Accent



Water for the North West

Affordability and Acceptability Testing Quantitative Fieldwork

Final Report

11th September, 2023

Prepared by: Accent, 3 Orchard Place, London SW1H 0BF

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Telephone: 020 8742 2211

Prepared by: Accent, 3 Orchard Place, London SW1H 0BF



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1 Executive Summary

1.1 Assurance Statement

This fieldwork was conducted in accordance with the requirements of the “Guidance for water companies: testing customers’ views of the acceptability and affordability of PR24 business plans” document issued by Ofwat and CCW (“the guidance”).

1.2 Methodology and Fieldwork

1,053 Household (HH) interviews were conducted, mainly via a “push to web” approach (i.e. invitation to complete online). 743 interviews were generated by an email approach, 310 by post. The Ofwat mandated minimum sample size was 500.

229 Non-Household (NHH) interviews were conducted. They were split 143 by NHH panel, 20 by CATI, and 66 by email contact with customers of NHH retailers operating in the United Utilities area. The Ofwat mandated minimum sample size was 200.

1.3 Summary of Results

Economic Outlook

The economic situation for households in particular was found to be tough – with 40% of households reporting having had at difficulty with paying household bills. 49% of households stated that it was difficult to manage financially or are just about getting by. 42% expect their financial situation to worsen in the next few years.

The economic situation for businesses seemed almost as pressured – with 30% of NHH participants reporting at least some difficulty paying bills and 42% finding it difficult to manage financially now or just about getting by. The outlook was better though, with 47% of businesses expecting the situation to improve and just 26% expecting it to worsen.

Affordability

Affordability of the plan was low – with just 19% of participants saying the bill increases would be very or fairly easy to afford.

Household affordability was 14%. Lower income households found the bills particularly unaffordable, with 68% of households with an income of under £10,399 finding the increases very or fairly difficult to afford. Affordability was higher amongst metered users (18%) than unmetered users (10%).

The overall affordability figure rises to 33% for NHH participants. Non-metered businesses found the plan slightly more affordable than metered businesses, but the difference was not statistically significant.

Acceptability

Acceptability of the plan was much higher than affordability – 75% overall; with 70% of Household participants finding the plan acceptable (either fairly or very).

The main reasons for HH participants not finding the plan acceptable were financially driven; with United Utilities profits, the bill increases that go along with the plan being too high, and an expectation that the company (rather than customers) should be funding the plan, being the top three responses.

Acceptability of the plan amongst NHH participants was even higher, with 86% of businesses finding the plan acceptable. This was the case even amongst businesses struggling to pay their bills (with again 86% finding the plan acceptable). There were too few NHH participants finding the plan unacceptable to be able to provide robust analysis into the reasons.

Top Priorities for investment

Reducing leakage was the top water related investment priority for both HH participants (48%) and NHH participants (45%).

Reducing the number of pollution incidents was the top sewerage related investment area for both HH participants with a majority (52% and 50% respectively) choosing it over either internal or external sewer flooding.

Of the 4 enhancement cases (affordability support, carbon reduction, smart meter installation, and hose pipe ban reduction), affordability support was the clear priority of both audiences – with 51% of HH participants and 44% of NHH participants choosing it as being most important.

Intergenerational Fairness

Both HH and NHH audiences would prefer increases to start sooner and be better spread across different generations of bill payers (36% and 48% of responses respectively).

A remarkably large proportion of HH customers (45%) said they didn't know enough to answer – potentially indicating the difficulty of the choice in the current financial circumstances.

Just 20% of HH participants, and 22% of NHH participants, chose to delay increases and pass more of them on to younger and future bill payers. Participants in lower SEGs (DE) were far less likely to choose an increase now (26%) than those in SEG group AB (44%).

2 INTRODUCTION

2.1 Background

United Utilities is responsible for water and wastewater services in the North West of England. They deliver 1.8 billion litres of water a day to more than 3 million homes and businesses in the North West, as well as treat all the wastewater which disappears around the U-bend.

The water sector in England and Wales faces a series of long-term challenges. Meeting these challenges requires business planning decisions to be made in a long-term context. At PR24, water companies are required to set out their five-year business plans in the context of a 25-year long-term delivery strategy. This will help ensure that what is delivered in the short term is likely to maximise long-term value for customers, communities and the environment.

As part of this process, all water and wastewater companies are required to test the acceptability and affordability of their Business Plans with their customers before submitting their plans for the upcoming Price Review (PR24) in October 2023.

To ensure a standardised approach is used across the industry, Ofwat and CCW have produced guidance on how this research should be undertaken. This guidance has been designed to facilitate consistency and comparability between companies (e.g. question language, methodologies, approach taken to inflation, the degree to which participants are informed, clarity on least cost vs. proposed options, inclusion of vulnerabilities, different futures, single affordability scheme).

United Utilities have commissioned Accent to carry out the quantitative component of affordability and acceptability testing (AAT) with their customers. This report represents the findings from the quantitative stage.

2.2 Objectives

The overarching objective of this research is to measure customer support for the PR24 Business Plan.

More specifically, the research aims to:

- Ensure that customers' priorities and preferences are driving United Utilities PR24 investment plan decisions where appropriate.
- Provide evidence to demonstrate that customers consider the forecast bill impacts to be acceptable at various stages of development, including on affordability, levels of service and operational risk in the short and long term.
- Understand why customers have formed their opinions, and if plans are not thought to be acceptable, to understand what would need to change in order for the plan to become acceptable.

- Demonstrate that the engagement with customers reflects the potential range of affordability impacts in different futures.
- Follow the prescribed Ofwat/CCW guidance.

Accent conforms to the requirements of the quality management system ISO 20252:2019.

2.3 Report Structure

This document is the report on the quantitative stage of the affordability and acceptability testing for United Utilities. This report describes survey design and methodologies, alongside customers' view on the affordability and acceptability of United Utilities' AMP8 business plan.

2.4 Economic/media backdrop

This research was conducted against a backdrop of difficult circumstances for the economy, and with the water industry repeatedly making headline news for negative reasons.

Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income and United Utilities customers may be feeling more financially squeezed than normal.

In early February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase on 2022/23 bills. Throughout February 2023, oil and gas companies published record profits.

In May 2023 (and in reaction to public anger regarding stories of water companies releasing raw sewage into the UK waterways, a number of actions were taken within the industry.

- A number of water service provider CEOs (Yorkshire Water, Thames Water and South West Water) declined to accept their usual bonuses (water company exec bonuses having been subject to much media scrutiny and public discontent) due to poor performance.
- A joint apology was offered to the public for not acting quickly enough to prevent sewage spills, with a promise to increase investment to prevent spills in future to £10bn by 2030. However, some criticism was received due to this increased investment being funded by customers' bills.

At the end of June, the CEO of Thames Water resigned, it was revealed that the company was in £14bn of debt and there were fears it was on the verge of collapse. On August 9th the news headlines featured 6 water companies (including United Utilities) which could be facing £800m in lawsuits over allegations of underreporting pollution incidents and overcharging customers.

3 METHODOLOGY

3.1 Introduction

Generally speaking, the methodology was heavily prescribed by the “Guidance for water companies: testing customers’ views of the acceptability and affordability of PR24 business plans” document issued by Ofwat and CCW (“the guidance”).

Having said that, the guidance changed and was clarified frequently throughout the research period. In all respects (unless documented within this report) the guidance in effect at the time was consistently followed.

United Utilities’ Independent Challenge Group, YourVoice, was informed and consulted throughout the research process, including inception, design, and fieldwork (particularly on parts of the research where the guidance was not specific, there was room for interpretation, or in the rare instance that it was thought best not to follow the guidance on a particular issue).

3.2 Cognitive testing

Comprehensive cognitive testing was carried out. 10 HH and 4 NHH cognitive interviews were carried out Zoom with the participant filling in the online survey and an Accent moderator observing and probing. Findings were presented to YourVoice, and all changes resulting from the cognitive testing process were implemented with YourVoice approval. Full report can be found in Appendix G.

3.3 Sampling and approach

Household (HH) sampling

The United Utilities area was treated as a single location, all of which is dual supplied by United Utilities. The target number of interviews was 1000¹.

The guidance specified that a random sample of domestic customers was to be approached and asked to take part in the research. Where the water company has an email address for a selected property, the approach was to be made by email. Where the company does not have an email address for the property, the approach was to be made by letter. A £10 incentive (in the form of either a high street retail voucher or a donation to WaterAid) was offered to all participants to encourage participation. Primarily, the recruitment used a push-to-web approach with online survey links and QR codes provided in the letter and email invitations. Participants were also offered the opportunity to make accessibility requests (including

¹ The minimum sample size listed in the guidance issued by Ofwat and CCW was 500.

requesting a paper version of the questionnaire to fill in and post back – 39 such requests were received and honoured).

The guidance mandates that areas of differing deprivation (as defined by the Index of Multiple Deprivation (IMD)) be boosted or suppressed by certain percentages, to account for lower response rates amongst more deprived areas and their importance in the research. The process by which this component of the guidance was followed, was to effectively convert the percentage given in the guidance to a “boost factor”, to sample by IMD decile naturally (using a consistent assumed response rate) and then adjust the number of selections by the boost factor. Where the IMD decile was not known, no boost was applied. The calculations used to define the universe for the research (and from which all sub-sampling was conducted), follows:

| IMD Decile | Properties in supply area | Percentage of supply area | ideal interview split | Assumed baseline response rate | Sample to be drawn (unadjusted) | Boost Factor | Sample to be drawn (adjusted) |
|------------|---------------------------|---------------------------|-----------------------|--------------------------------|---------------------------------|--------------|-------------------------------|
| 1 | 627931 | 21.96% | 220 | 4% | 5489 | 1.25 | 6862 |
| 2 | 356291 | 12.46% | 125 | 4% | 3115 | 1.25 | 3893 |
| 3 | 286124 | 10.01% | 100 | 4% | 2501 | 1.1 | 2751 |
| 4 | 243945 | 8.53% | 85 | 4% | 2133 | 1.1 | 2346 |
| 5 | 213929 | 7.48% | 75 | 4% | 1870 | 1 | 1870 |
| 6 | 192882 | 6.74% | 67 | 4% | 1686 | 1 | 1686 |
| 7 | 218464 | 7.64% | 76 | 4% | 1910 | 0.9 | 1719 |
| 8 | 243140 | 8.50% | 85 | 4% | 2126 | 0.9 | 1913 |
| 9 | 211861 | 7.41% | 74 | 4% | 1852 | 0.75 | 1389 |
| 10 | 180417 | 6.31% | 63 | 4% | 1577 | 0.75 | 1183 |
| Unknown | 84769 | 2.96% | 30 | 4% | 741 | 1 | 741 |
| TOTAL | 2859753 | | 1000 | | 25000 | | 26354 |

This ensured that the selection (a) matched the profile of the United Utilities area, and (b) boosted each IMD decile appropriately in line with the guidance.

Sample Exclusions were kept to a minimum (and were checked with both Ofwat and YourVoice):

- Any non-Domestic Customers
- Any Sundry Accounts
- Any Void Accounts
- Any Finalled or Inactive Accounts
- Any Deceased Accounts
- Any Priority Service Customers with Dementia
- Any Accounts where the Research Preference Code = N (opted out of market research)
- Any single tariff accounts – these are water or wastewater only accounts (in line with the Affordability and Acceptability Guidance, this exclusion was agreed through the Ofwat/CCW Acceptability and Affordability Testing query process, ref 59).

No quotas were set (in line with the Ofwat and CCW guidance).

Household (HH) Fieldwork

An initial sample was drawn from the universe, based on a much more optimistic response rate (8%), to ensure we did not invite more participants than was necessary. The proportions by IMD decile as defined above, were maintained. Records with an email address were sent a single email, records without, a letter. Responses to this mailing follow:

| Initial Mailing | | | |
|---------------------------------------|--------------|-------------|-------------|
| IMD Decile | Sampled | email | postal |
| 1 | 3267 | 1878 | 1389 |
| 2 | 1852 | 1109 | 742 |
| 3 | 1309 | 797 | 512 |
| 4 | 1116 | 688 | 428 |
| 5 | 891 | 543 | 347 |
| 6 | 802 | 492 | 310 |
| 7 | 818 | 498 | 320 |
| 8 | 909 | 554 | 355 |
| 9 | 659 | 402 | 257 |
| 10 | 562 | 350 | 212 |
| Unknown | 314 | 171 | 143 |
| TOTAL | 12500 | 7484 | 5016 |
| IAs after initial mailing | 727 | 523 | 204 |
| Conversion rate after initial mailing | 5.82% | 6.99% | 4.07% |

It was assessed that to reach the target of 1000 interviews, a reminder would be required. Reminders were drawn in the same IMD proportions as used throughout, and the split between postal and email maintained at the proportions naturally evident in the sample. Responses to this initial reminder were:

| Initial Reminder | | | |
|---------------------------------------|-------------|-------------|-------------|
| IMD Decile | Sampled | email | postal |
| 1 | 1636 | 940 | 695 |
| 2 | 927 | 555 | 372 |
| 3 | 655 | 399 | 256 |
| 4 | 559 | 344 | 214 |
| 5 | 446 | 272 | 174 |
| 6 | 402 | 246 | 155 |
| 7 | 410 | 249 | 160 |
| 8 | 455 | 278 | 178 |
| 9 | 330 | 201 | 129 |
| 10 | 281 | 175 | 106 |
| Unknown | 157 | 86 | 72 |
| TOTAL | 6259 | 3747 | 2512 |
| IAs after initial Reminder | 224 | 136 | 88 |
| Conversion rate after initial mailing | 3.58% | 3.63% | 3.50% |
| Running total Interviews | 951 | 659 | 292 |
| Conversion Rate so far | 7.61% | 8.81% | 5.82% |

This initial reminder left us c50 interviews short, so a second initial reminder (i.e. a first reminder to participants who had not been included in the initial reminder) was sent to complete the fieldwork. Due to time pressures it was not possible to send any postal reminders so this small final reminder (accounting for c5% of interviews) was sent to email households only.

| Initial Reminder #2 | | | |
|---|-------------|-------------|----------|
| IMD Decile | Sampled | email | postal |
| 1 | 418 | 418 | 0 |
| 2 | 237 | 237 | 0 |
| 3 | 168 | 168 | 0 |
| 4 | 143 | 143 | 0 |
| 5 | 114 | 114 | 0 |
| 6 | 103 | 103 | 0 |
| 7 | 105 | 105 | 0 |
| 8 | 116 | 116 | 0 |
| 9 | 85 | 85 | 0 |
| 10 | 72 | 72 | 0 |
| Unknown | 45 | 45 | 0 |
| TOTAL | 1605 | 1605 | 0 |
| IAS from 2nd initial Reminder * | 102 | 84 | 18 |
| Conversion rate of intitial reminder #2 | 6.36% | 5.23% | |
| Running total (& final) Interviews | 1053 | 743 | 310 |
| Conversion Rate Overall | 8.42% | 9.93% | 6.18% |

* = 18 additional postal responses were received at fieldwork end. These were paper versions, requested by participants.

Non Household (NHH) sampling and fieldwork

A target of 200 Non-household interviews was set². NHH bill-payers were recruited from a mix of sample sources, and interviewed by a variety of means:

Commercial panel (online):

Quest Mindshare was used for this component, and a total of 143 interviews were obtained via this method.

Purchased business lists (CATI):

Sample of appropriate businesses was purchased from Sample Answers. Participants were contacted by phone, and recruited to take part. All participants viewed materials (including the bill graph and service enhancement slides) at the time of interview. 20 interviews were achieved via this means. Sample statistics follow:

² The minimum NHH sample size listed in the guidance was 200.

| No. In Sample | Exhausted | Still Live | Unused | Recruited (inc. Lost) | Interviewed |
|---------------|-----------|------------|--------|-----------------------|-------------|
| 3547 | 685 | 2862 | 292 | 31 | 20 |

Retailer customer databases (online):

Water Plus kindly agreed to approach customers on behalf of Accent and United Utilities, by email. Water Plus sent 4250 emails, and 48 interviews were achieved by this means (1.13% response rate). In addition, Wave and Everflow agreed to Accent using their customer lists to approach customers by email. 760 emails were sent, generating 18 interviews (2.37% response rate).

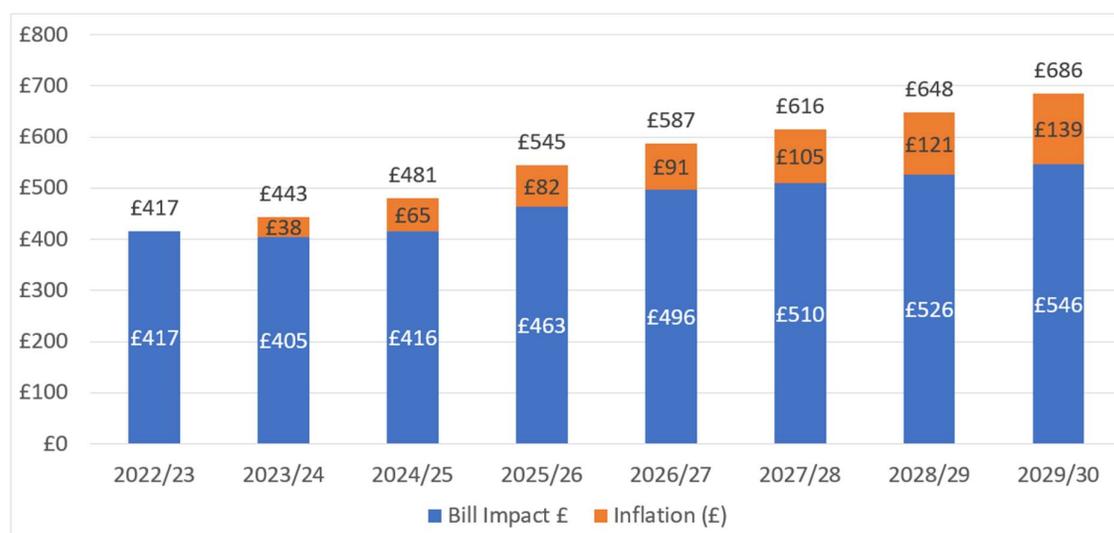
Thus, 229 NHH interviews were conducted.

Survey

The questionnaire itself was generally tightly prescribed and in the main was implemented precisely as mandated.

The exception to this, was the bill chart graph, where following cognitive feedback it was decided that it would benefit comprehension if a total (of bill impact plus inflation) were added above each bar on the graph showing the impact of the plan on bills. This was added with the approval of United Utilities' Independent Challenge Group, YourVoice.

An example (based on the average bill amount, and showing the actual increases tested):



3.4 Fieldwork dates

Household and Non-Household interviews took place simultaneously. Fieldwork commenced on the 14th of July 2023 and closed on the 17th of August.

3.5 Data processing

Once fieldwork was completed, the resulting dataset was cleaned to remove poor quality responses (including speeders, straight liners, multiple responses from the same IP address and those providing poor quality verbatim).

As mandated by Ofwat, data was checked to ensure that no interview was completed in a time of less than 1/3 of the median interview duration.

Weighting

SPSS was used to run RIM weighting (Random Iterative Methods, or “Raking”).

HH survey responses were weighted to the following targets:

| Age | | IMD Decile | | Gender | | UU region | |
|-------|-----|------------|--------|--------|-----|--------------------|-----|
| 18-29 | 7% | 1 | 21.96% | Female | 51% | Cumbria | 7% |
| 30-39 | 16% | 2 | 12.46% | Male | 49% | Merseyside | 21% |
| 40-49 | 16% | 3 | 10.01% | | | Greater Manchester | 38% |
| 50-59 | 19% | 4 | 8.53% | | | Lancashire | 20% |
| 60-69 | 16% | 5 | 7.48% | | | Cheshire | 14% |
| 70+ | 26% | 6 | 6.74% | | | | |
| | | 7 | 7.64% | | | | |
| | | 8 | 8.50% | | | | |
| | | 9 | 7.41% | | | | |
| | | 10 | 6.31% | | | | |
| | | Unknown | 2.96% | | | | |

NHH survey responses were weighted to the following targets (using BEIS (2022) data on regional employment size distributions):

| Employees | |
|------------------|-----|
| Sole Trader | 15% |
| 1-49 Employees | 35% |
| 50-249 Employees | 15% |
| 250+ | 35% |

HH and NHH data were merged, weighted according to total consumption (73% HH, 27% NHH), to form the final dataset.

4 FINDINGS

4.1 Introduction

The following section of this report details the findings of the study.

4.2 HH Demographics

1,053 United Utilities customers took part in the Affordability and Acceptability Testing research. 743 have responded to our email invitation and 310 to our postal invitations. This is how their profiles fell out (pre-weighting). Percentages may not add up to 100 due to rounding.

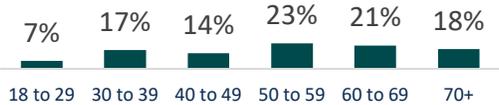
Gender



Female 47% **Male 51%**

1% identify in another way
1% prefer not to say
Census = 51% female, 49% male

Age



Census = 19% 18-29, 57% 30-64, 24% 65+.

Social Grade

| | |
|------------|------------|
| AB | 30% |
| C1C2 | 38% |
| DE | 21% |
| Not stated | 10% |

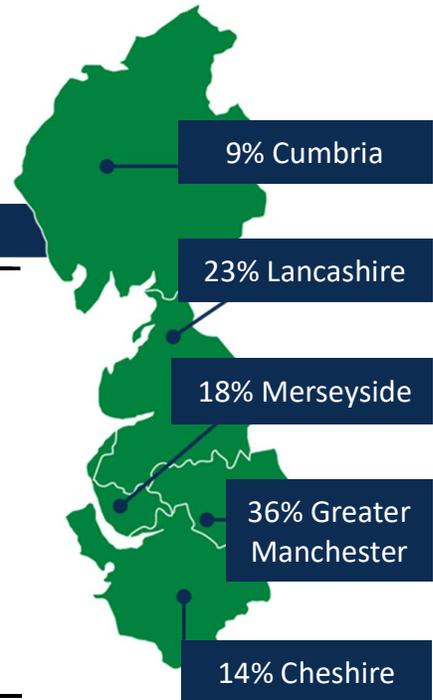
Census = 20% AB/52% C1C2/29% DE.

Ethnicity

| | |
|---|------------|
| English, Welsh, Scottish, Northern Irish or British | 85% |
| Irish | 1% |
| Any other White background | 3% |
| White and Black Caribbean | 1% |
| Indian | 2% |
| Pakistani | 2% |
| Any other Asian background | 1% |
| African | 1% |
| Any other ethnic group | 1% |
| Prefer not to say | 3% |

Census = 90% white/6% Asian/2% mixed/1% black.

Region



IMD decile

| | |
|---------|------------|
| 1 | 17% |
| 2 | 14% |
| 3 | 12% |
| 4 | 9% |
| 5 | 7% |
| 6 | 8% |
| 7 | 7% |
| 8 | 11% |
| 9 | 6% |
| 10 | 6% |
| Unknown | 2% |

Vulnerability ^

| | |
|--|------------|
| ... is disabled or suffer(s) from a debilitating illness | 20% |
| ... have/has a learning difficulty | 5% |
| ... relies on water for medical reasons | 7% |
| ... is visually impaired | 2% |
| ... am/is over the age of 75 years old | 10% |
| ... speaks English as a second language | 5% |
| ... is deaf or hard of hearing | 9% |
| ... is a new parent | 4% |
| None of these apply to me | 53% |
| Prefer not to say | 4% |

^ Throughout this report a vulnerable household is defined as any household that has selected at least one of the options at this question. Q42 Which of the following apply to you?

4.3 NHH Demographics

229 United Utilities business customers took part in the Affordability and Acceptability Testing research. 143 were reached through specialised business panel, 20 through CATI and 66 through retailers. This is how their profiles fell out.

Main use of water on premises

| | |
|--|-----|
| For normal domestic of s customers and employees | 76% |
| For the supply of services your organisation provides | 31% |
| For an ingredient or part of the product or service your organisation provides | 17% |
| For the manufacturing process, essential to the running of your organisation | 15% |
| None of the above | 3% |
| Don't know | 1% |

Number of business sites

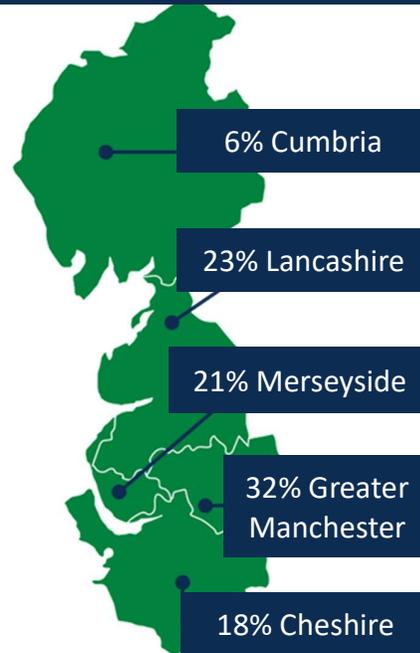
| | |
|-------------------|-----|
| 1 | 54% |
| 2 | 11% |
| 3 | 7% |
| 4 | 3% |
| 5 to 10 | 11% |
| 11 to 50 | 6% |
| 51 to 250 | 4% |
| 250 | 3% |
| Prefer not to say | 1% |

Number of employees

| | |
|------------------------------|-----|
| 0 (sole trader) | 13% |
| 1 to 9 employees (micro) | 24% |
| 10 to 49 employees (small) | 22% |
| 50 to 249 employees (medium) | 18% |
| 250+ employees (large) | 21% |
| Prefer not to say | 2% |

Percentages may not add up to 100 due to rounding.

Region



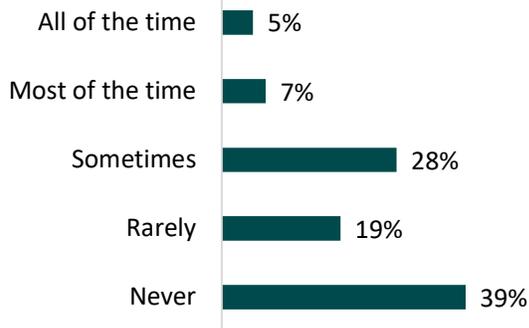
Industry

| | |
|---|-----|
| Wholesale and retail trade | 13% |
| Manufacturing | 9% |
| Construction | 9% |
| Hotels & catering | 9% |
| Education | 8% |
| IT and Communication | 5% |
| Arts, entertainment and recreation | 5% |
| Agriculture, forestry and fishing | 4% |
| Transport and storage | 4% |
| Finance and insurance activities | 4% |
| Professional, scientific and technical activities | 4% |
| Human health and social work activities | 4% |
| Energy or water service & supply | 2% |
| Real estate activities | 2% |
| Administrative and Support Service Activities | 2% |
| Public administration and defence | 2% |
| Other service activities | 3% |
| Other | 10% |
| Prefer not to say | 2% |

4.4 HH Financial Temperature Check

- Close to 2 in 5 (39%) of those we spoke to say they never struggle to pay their bill; however the same number of people struggle at least sometimes (40%).
- Those encountering the greatest challenges appear to be individuals between the ages of 30 and 49, with 51% in the 30-39 age group and 54% in the 40-49 age group expressing struggles.
- 48% of households with vulnerable members say they struggle to pay at least sometimes, this is significantly higher than households without vulnerable members (32%)
 - When looking at vulnerability by type we find those classed as medical (50%) or communication (50%) vulnerable are significantly more likely to struggle than those classed as vulnerable because their stage of life (32%)
- 48% of those living in Cheshire say they never struggle to pay their bill, this is significantly higher compared to those living in Lancashire (33%)

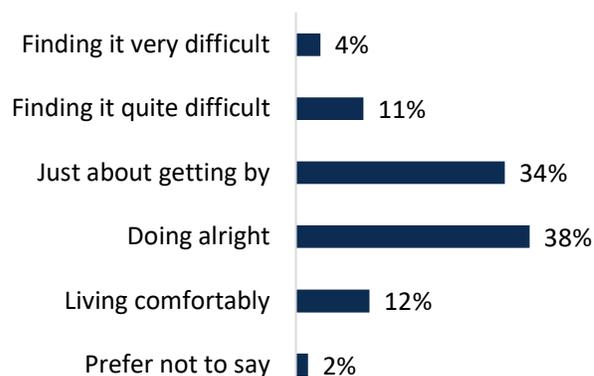
Figure 1. Q9 Thinking about your finances over the last year, how often, if at all, has your household struggled to pay at least one of its bills.



Base: All HH participants (936)

- Almost half (49%) are also finding it difficult to manage financially or are just about getting by.
 - The highest proportion of those saying they are living comfortably or doing alright are aged 70+ (64%).

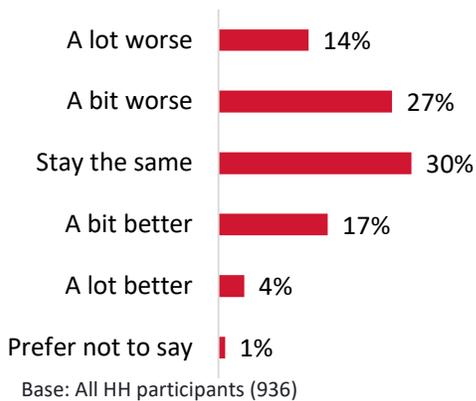
Figure 2. Q10 Overall, how well would you say you are managing financially now?



Base: All HH participants (936)

- Out of every 5 households, 2 (41%) anticipate a decline in their financial circumstances in the coming years.
 - This increases to 55% among those already struggling financially (those finding it very or quite difficult to manage financially), which is significantly higher compared to the 40% that are not struggling at the moment.
- The anticipation of positive change diminishes as age increases:
 - Individuals in the younger age brackets maintain a more optimistic outlook, foreseeing an enhancement in their situations. Conversely, those in older age groups expect a deterioration. (Overall, 35% for 18-29; 27% for 30-39; 29% for 40-49; 22% for 50-59; 20% for 60-69; and 9% for 70+ expect improvement).
 - While younger participants are hopeful about their future improving, a significant portion also foresees a decline (47%). They rank second only to the 50-59 age group in this aspect.

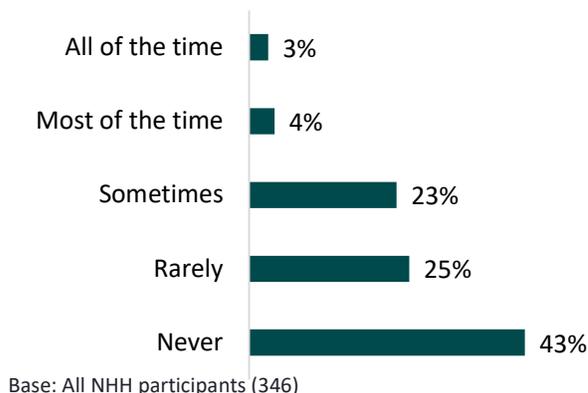
Figure 3 Q11 Thinking about your household's/organisation's financial situation over the next few years up to 2030, do you expect it to get?



4.5 NHH Financial Temperature Check

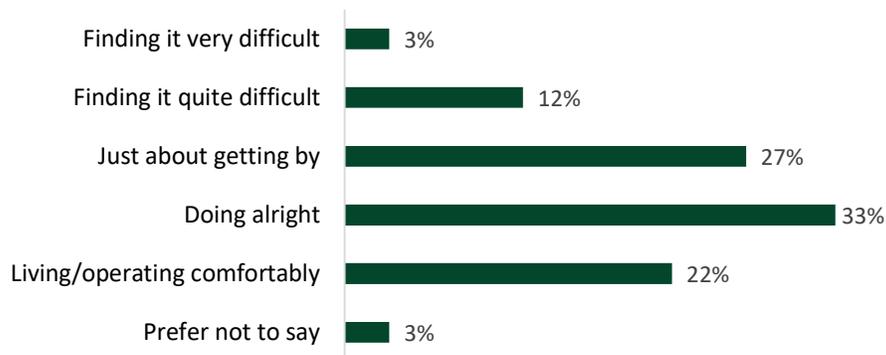
- Over 2 in 5 (43%) businesses say they never struggle to pay their bills but close to a third do have some difficulties (30%)

Figure 4. Q9 Thinking about your finances over the last year, how often, if at all, has your organisation struggled to pay at least one of its bills?



- 42% of businesses are operating with financial difficulty, with almost a quarter (22%) saying they are operating comfortably.

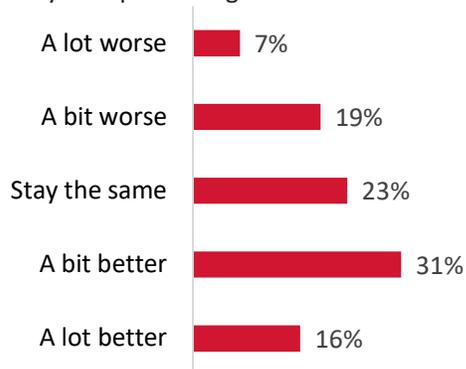
Figure 5. Q10 Overall, how well would you say your organisation is managing financially now?



Base: All NHH participants (346)

- Almost half the businesses (47%) of businesses expect their financial situation to improve in the years to come and only a quarter expect it to worsen.
- The highest percentage of businesses that say they are expecting their financial situation to stay the same is in Lancashire (41%) and this is significantly higher than those in the Greater Manchester area (15%).

Figure 6 Q11 Thinking about your organisation’s financial situation over the next few years up to 2030, do you expect it to get:



Base: All NHH participants (346)

4.6 Affordability

Affordability of the plan was low – with just 19% of participants saying the bill increases would be very or fairly easy to afford.

4.7 HH Affordability

- Slightly more than 2 out of 5 (42%) of United Utilities customers stated that paying their current water and sewerage bill is either very or fairly easy. However, this percentage declined to 14% when asked to consider the future bills associated with the business plan.
 - A greater proportion of individuals under 40 are prone to encountering difficulties with forthcoming bills (52% for 19-29; 63% for 30-49), in contrast to those aged over 70 (33%).
 - Females exhibit a notably higher likelihood of grappling with this impending rise (56%) compared to males (44%).
- 54% of those that are struggling financially (those finding it very or quite difficult to manage financially) say they find the current bill very or fairly difficult to pay. This increases to 86% when thinking about the 2025-30 bill.

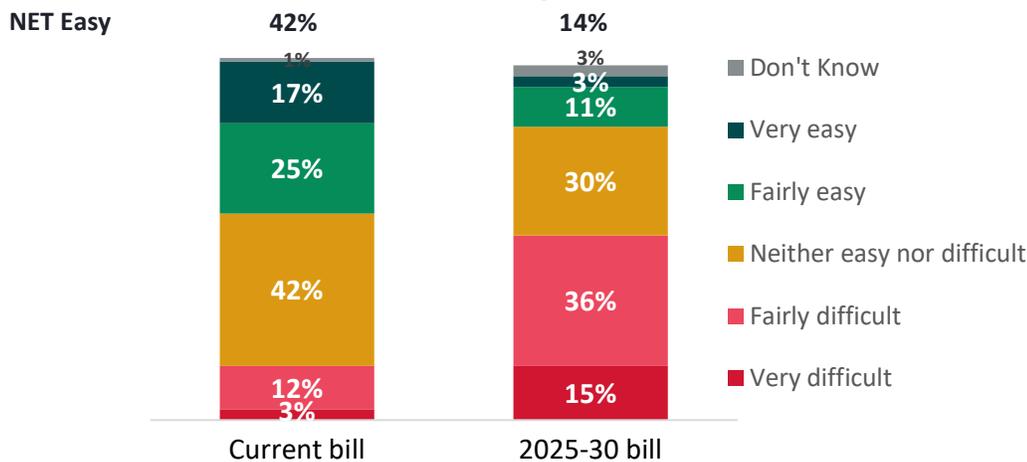


Figure 6. Q13 How easy or difficult is it for you to afford to pay your current water and sewerage bill? Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? Base: All HH participants (936)

- As expected, affordability of the future bill will become more problematic for those on the lower end of the income scale. Specifically difficult for those earning under £16,000 (68%). These households are significantly more likely to find their future bills fairly/very difficult to afford compared to any household earning over £52,000.
 - The percentage of participants saying that they would find their bill Very difficult to afford decreased almost in a linear manner with the increase of income, however it spiked again among those earning £26,000-£36,399.

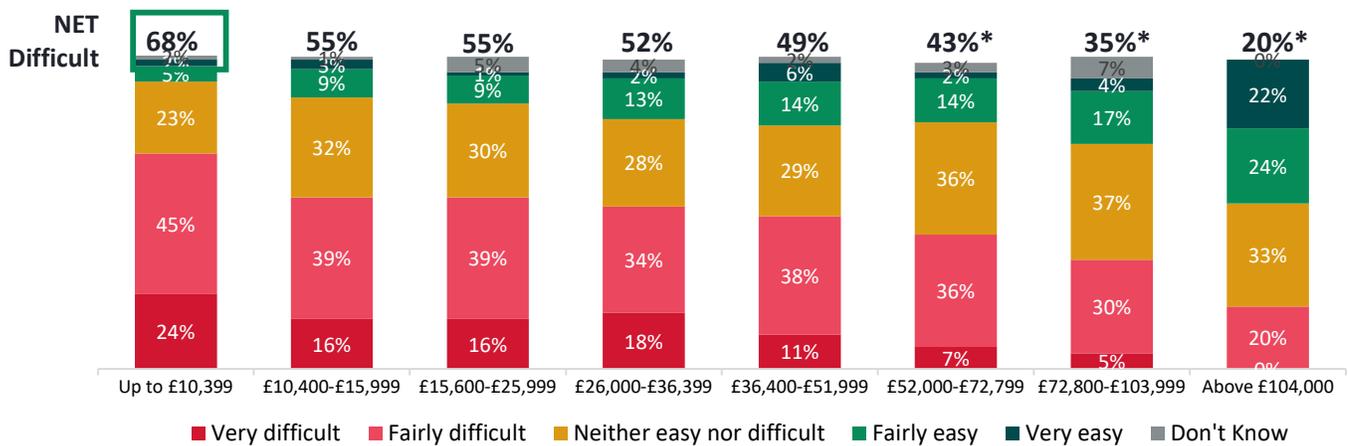


Figure 7. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? All HH participants (936)

 Denotes significantly higher than *

- Perceived affordability of the proposed bill increase is significantly higher among those customers that have a water meter compared to those that don't. 18% of those with a water meter say they would find it easy to pay the bill in the future compared to 10% of those that currently don't have a meter – this is perhaps influenced by the sense of control that having a meter gives.

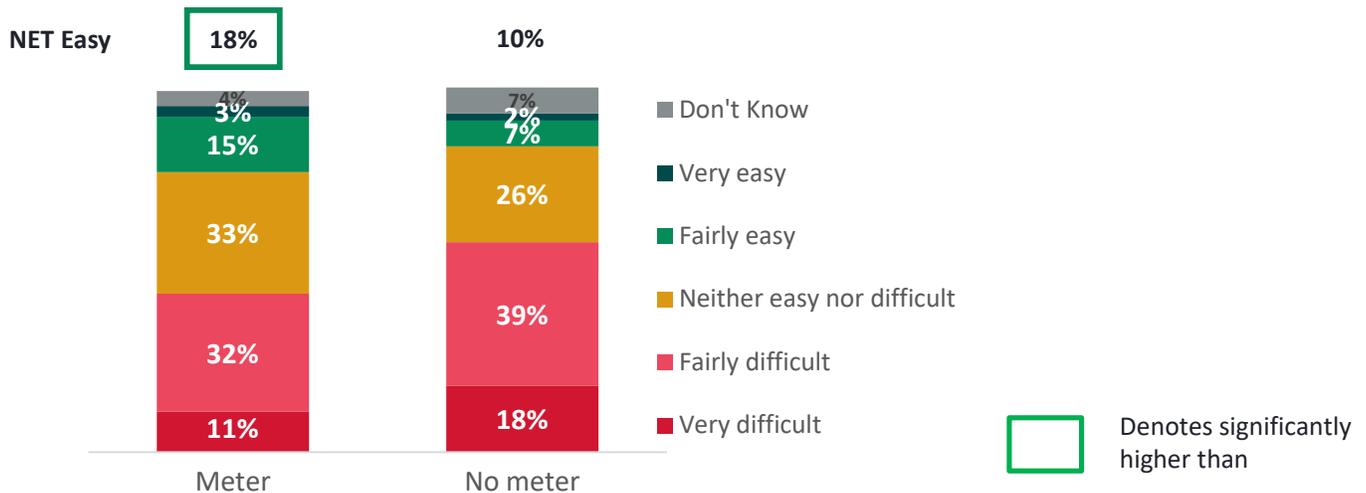


Figure 8. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills?

Base: All HH with meters (477) and HH with no meter (420)

- Affordability is lower among households that have vulnerable members, at 12% (net very/fairly easy) compared to households without vulnerable members at 16%.
- These households are significantly more likely to find these bills fairly/very difficult to pay (53%) than those without a vulnerable member (43%).
- When looking at vulnerability by type* we see those that are considered vulnerable for medical reasons are significantly more likely to say they will find these bills fairly/very difficult (62%) compared to those considered vulnerable because of communication (53%) or life stage (43%).

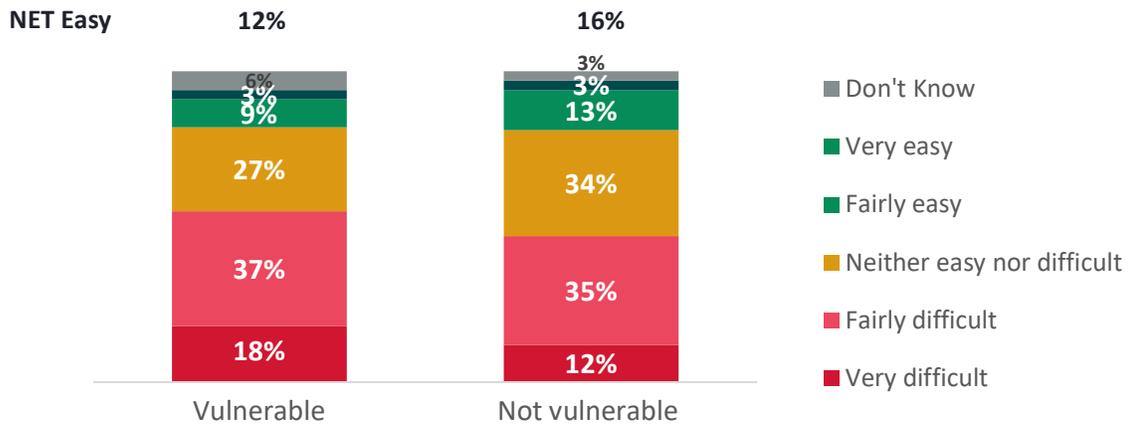


Figure 9. Q14 How easy or difficult do you think it would be for you to afford these water/sewerage bills? Base: All HH with vulnerable members (428) and HH with no vulnerable members (468)
 *Details of conditions listed under each vulnerability can be found in Appendix E.

4.8 NHH Affordability

- Affordability is higher among the NHH population compared to HH.
- Almost half of businesses (47%) find their bills easy or very easy to afford. This however drops down to 33% when thinking about the future bill.

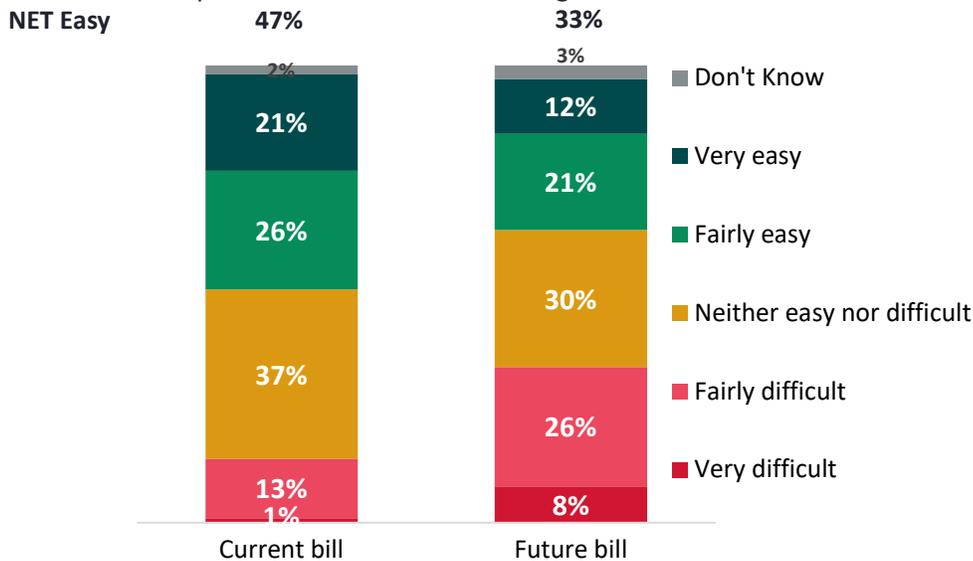


Figure 10. Q13 How easy or difficult is it for your company/organisation to afford to pay your current water and sewerage bill? Q14 How easy or difficult do you think it would be for your company/organisation to afford these water/sewerage bills? Base: All NHH participants (346)

- Unlike HH participants, un-metered businesses seemed more resilient to bill increases.
- Even though non-metered businesses seem more resilient than metered ones, the difference is not significant.

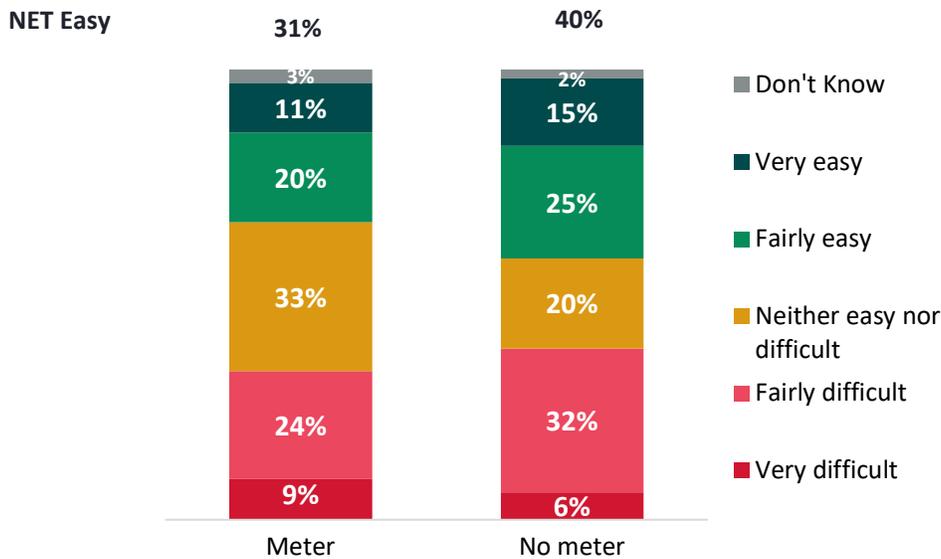


Figure 11. Q14 How easy or difficult do you think it would be for your company/organisation to afford these water/sewerage bills? Base: All NHH with a meter (252) NHH without a meter (88)

4.9 Acceptability

Acceptability of the plan was much higher than affordability – 75% overall.

4.10 HH Acceptability

- Close to three quarters (70%) of United Utilities customers we spoke to found the proposed plan acceptable.
 - Acceptability figures were broadly consistent among different age groups with no significant differences.
 - The business plan is more acceptable to participants that were invited to take part via email (73%) than via postal letter (65%), the differences was significant.

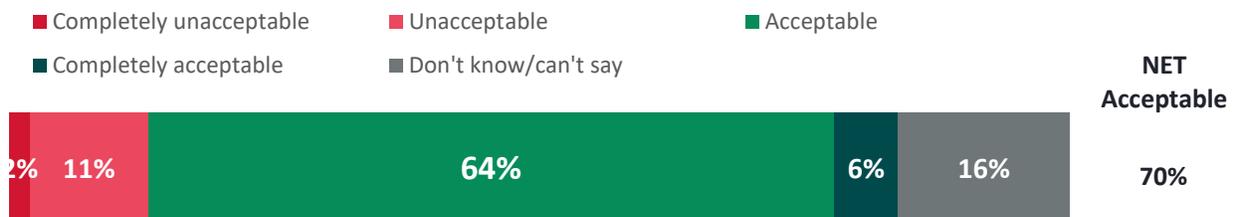


Figure 12. Q29 Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? Base: All HH participants (936)

Reasons for unacceptability

- Perhaps unsurprisingly given the recent coverage in the media, customers have chosen company profits as their top reason for unacceptability (35%), alongside the size of the bill increases.
- They are followed by the expectation for companies to pay for these improvements themselves (27%) and the lack of trust in the company to deliver these services (26%).

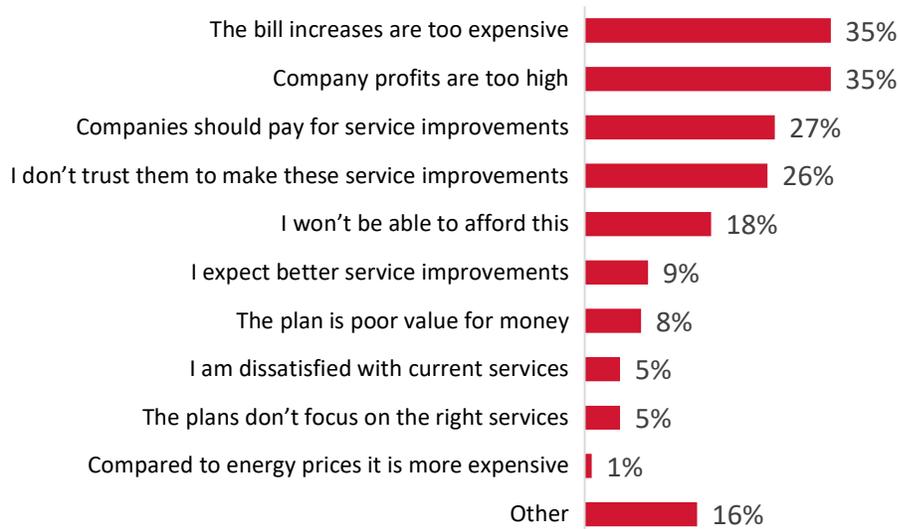


Figure 13. Q30. What are the two main reasons that you feel the proposals for your water services are unacceptable? Base: All HH respondents that felt proposals were unacceptable (124)

Reasons for acceptability

- Customers that found the plan acceptable, support what United Utilities is trying to do long term (59%), feel like United Utility's plans are focusing on the right services (42%) and they are doing what is best for their customers (22%).

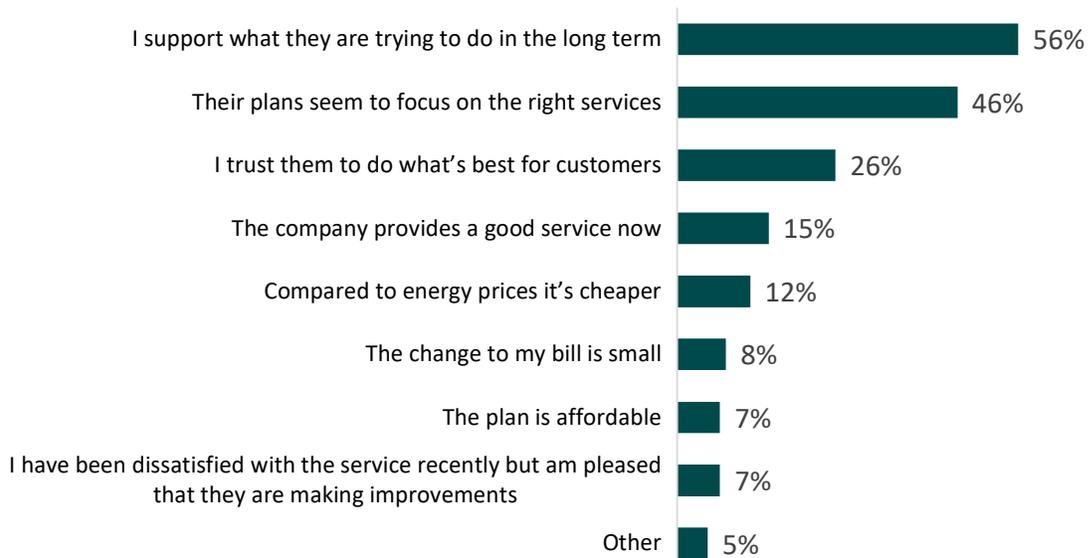


Figure 14 Q31. What are the two main reasons that you feel the proposals for your water supply are acceptable? Base: All HH respondents that felt proposals were acceptable (659)

4.11 NHH Acceptability

- Acceptability is higher among NHH compared to HH. 86% of the businesses we spoke to, found the proposed business plan acceptable.
 - Acceptability was high even among businesses that currently are struggling with their bills (86%).

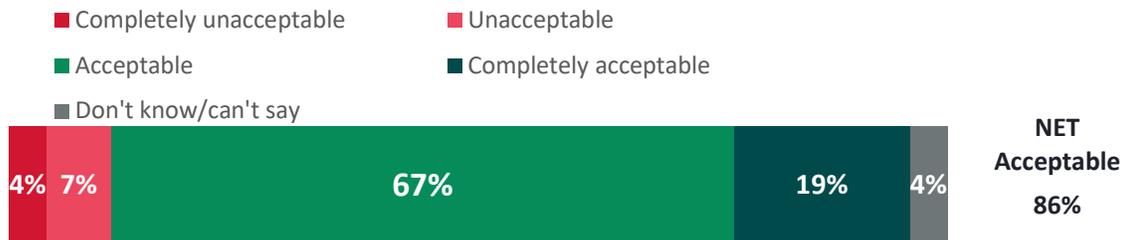


Figure 15. Q29 Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? Base: All NHH participants (346)

Reasons for unacceptability

- Only 11% of NHH participants (n=24 unweighted base) felt the proposed plan was unacceptable. This base is too low and not robust enough to be reported on in a meaningful way.

Reasons for acceptability

- Similar to HH customers, business customers find the plan acceptable and support what United Utilities is trying to do long term (49%), feel like United Utility's plans are focusing on the right services (46%) and they are doing what is best for their customers (22%)

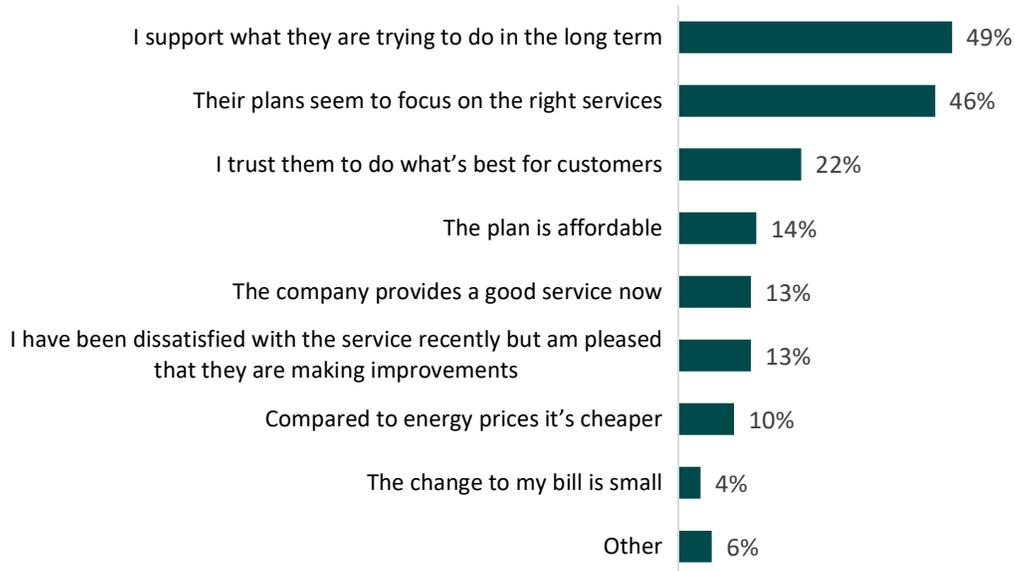


Figure 17 Q31. What are the two main reasons that you feel the proposals for your water supply are acceptable? Base: All NHH respondents that felt proposals were unacceptable (297)

4.12 Intergenerational Phasing

- Businesses seem more reluctant than Household customers for the price increases to be put onto future customers.
 - Almost half (48%) of household customers were unable or unwilling to answer the question compared to only 36% of businesses.
 - A significantly higher proportion of females (51%) compared to males (37%) said they don't know.
- For both businesses and household customers, the preferred phasing option amongst those able to choose was for an immediate increase in bills rather than a delay (mirroring the findings of the qualitative phase of this A&AT study, and United Utilities' Long Term Delivery Strategy research).

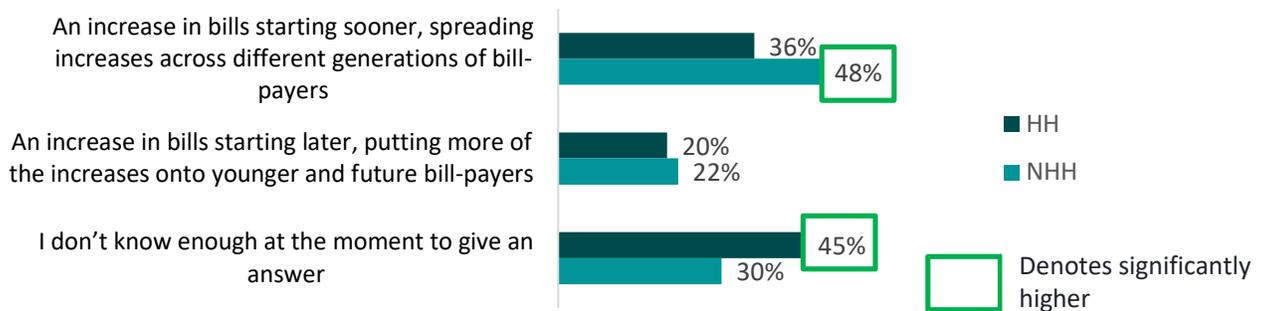


Figure 17 Q32. Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. Which one of the following options would you prefer?
Base: All HH participants (936) and all NHH participants (346)

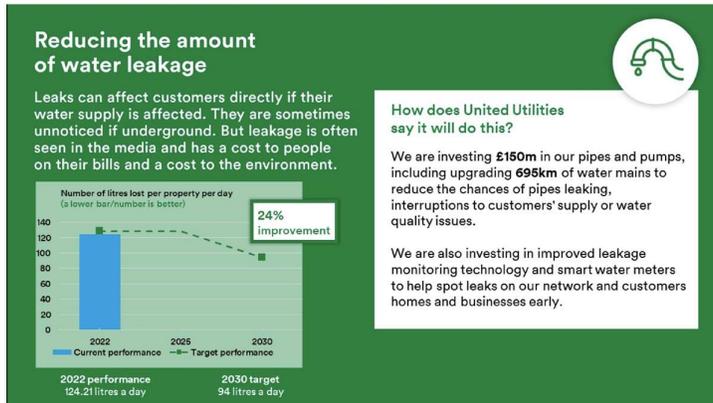
4.13 Performance commitments

There has been a real engagement from both household and non-household customers with the performance commitments as the majority have been able to choose an option at these questions.

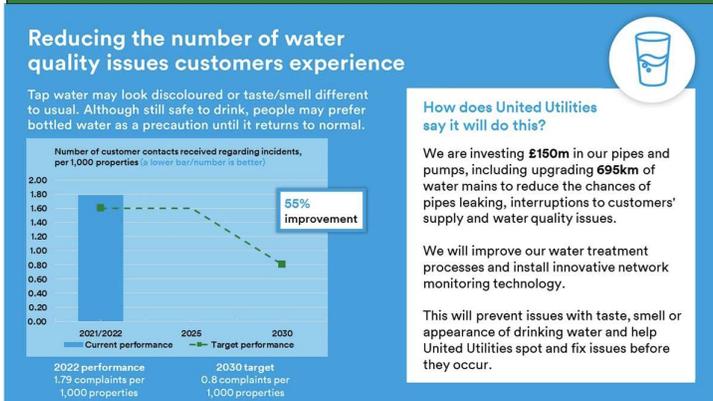
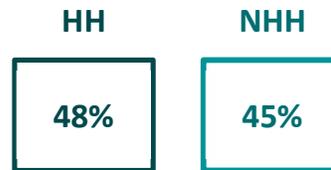
Participants were shown the performance commitments in two banks of three (water, and waste) and asked to pick which is most important to them. Details follow:

Water Related

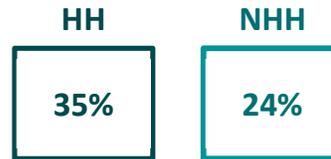
- Preventing leaks was chosen as the most important performance commitment by household customers.
 - Preventing leaks is significantly more important to those aged 60+ than to those aged under 50.
 - The quality of water is most important to those aged under 50, but highest for 18-29 (52%), significantly higher compared to those aged 50+ (27%).
- Reducing leaks was also named as most important by NHH customers.
 - Reducing the length of interruptions was ranked second and was significantly more important for businesses than households – perhaps unsurprisingly as so many rely on water to operate.



Reducing leakage



Reducing the number of water quality issues



Reducing interruptions to your water supply



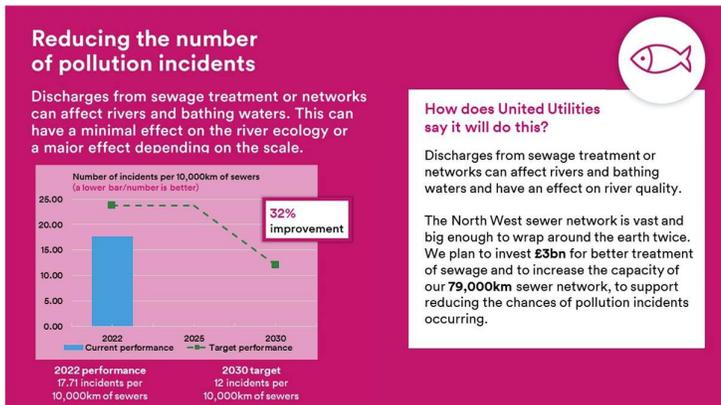
Don't know/ can't say: 6% HH; 3% NHH

Q19. Based on what you have just read, which of these three parts of the business plan is the most important to you? Base: All HH participants (936) and all NHH participants (346)

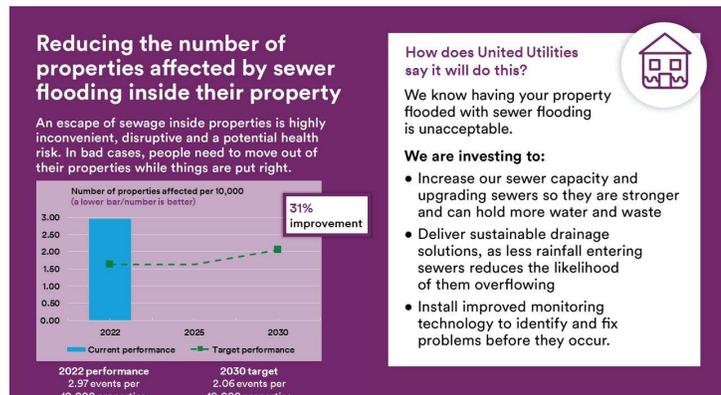
Denotes significantly higher

Sewerage and Pollution Related

- Preventing the number of pollution incidents is the most important performance commitment for household customers from this bank.
 - Reducing the number of pollution incidents is equally important for both HH and NHH customers.
 - 60% of participants aged over 60 concerned about reducing the number of pollution incidents, this is significantly higher than those aged under 40.
- Reducing the number of pollution incidents is also at the top of the list for NHH customers, but this is very closely followed by reducing the number of floods inside properties



Reducing the number of pollution incidents



Reducing flooding inside properties



Reducing flooding outside properties



Don't know/ can't say: 7% HH; 2% NHH

Q23. Based on what you have just read, which of these three parts of the business plan is the most important to you? Base: All HH participants (936) and all NHH participants (346)

4.14 Enhancement cases

There has been a notable engagement from participants with the enhancement cases of the business plan evidenced by only 5% of HH and 2% of NHH customer not being able to make a decision.

- Given the continued cost of living crisis it is not surprising to see that the Affordability Support enhancement has had the most backing from household (51%) and business (44%) customer alike.
 - Affordability support was rated most important by 62% of those aged 30-39. This is the highest among any age group and it is significantly so compared to over 70s (39%).
 - This was also significantly more important to females (55%) than to males (47%), and those in SEG DE (65%) compared to the other social grades.
- The effects of climate change have become more apparent in the recent years, so it is perhaps unsurprising that both household and business customers have chosen Carbon Reduction as their second enhancement. Both household and non-household customers shared similar support for this part of the business plan.
 - Around a quarter of businesses (25%) have chosen this compared to 22% of household customers – The slightly higher percentage in non-household group can perhaps be explained by the fact that all businesses are working to reduce their carbon footprint to reach the NET Zero deadline by 2050.
- Just over 1 in 10 of household and business participants chose smart meters as their priority.
 - The value of a smart meter is more apparent amongst those that already hold a water meter. A significantly higher proportion of meter holders (16%) have chosen this, compared to those that don't have a meter (7%).
 - Younger age group (under 29) also showed higher support for this area, with 23% selecting this option – significantly higher than all other age groups.
- Hose-pipe bans were not considered as important to participants as the other enhancement cases.
 - They did appeal more to males (14%) compare to females (8%) and to those ages 70+ (17%)

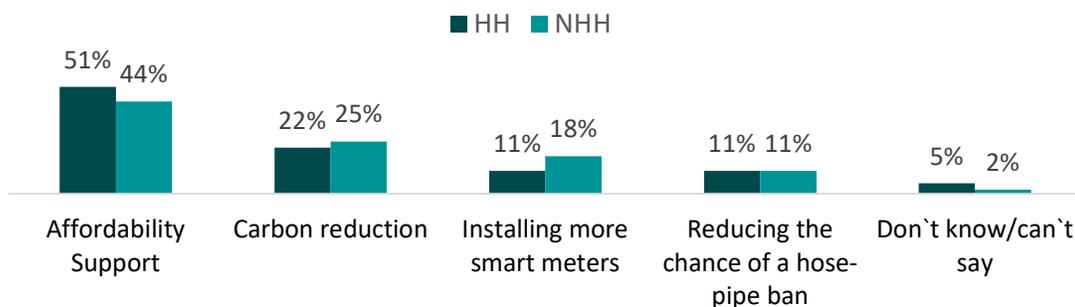


Figure 18. Q28. Based on what you have just read, which of these four parts of the business plan is the most important to you? Base: All HH participants (936) and all NHH participants (346)
No significant differences have been noted at a regional level for choice of performance commitments or additional enhancement cases.

APPENDIX A

Adherence to Ofwat's standards for high quality customer research

| Requirement | How the study has adhered |
|--|--|
| <ul style="list-style-type: none"> ■ Useful and contextualised | <p>Research objectives aligned to PR24 and undertaken in accordance with Ofwat & CCW's published guidance. This research was conducted in order to test customer perceptions of the acceptability and affordability of United Utilities' revised business plan for 2025-2030 and will be used by United Utilities to shape the final business plan</p> |
| <ul style="list-style-type: none"> ■ Neutrally designed | <p>Outside of the prescribed Ofwat guidance, every effort has been made to ensure that the research is neutral and free from bias. All elements of design were checked and challenged by United Utilities' ICG, YourVoice. Where there is the potential for bias, this has been acknowledged in the report.</p> |
| <ul style="list-style-type: none"> ■ Fit for purpose | <p>Research undertaken in accordance with Ofwat & CCW's published guidance. Cognitive testing was carried out to ensure the complex subject matter was presented in the questionnaire in a way which was as understandable and engaging as possible for respondents. Visual stimulus was created in order to aid participant understanding of the proposed plan.</p> |
| <ul style="list-style-type: none"> ■ Inclusive | <p>Household and business customers were represented. Lower IMD deciles were over-sampled and higher IMD deciles under-sampled, to compensate for lower response rates. The response rates were monitored across a range of demographics to ensure representation, although the prescribed methodology prevents any interventions in this regard. Accommodation was made for any accessibility requests (including paper/postal versions, large print, high contrast print), via a freephone number.</p> |
| <ul style="list-style-type: none"> ■ Continual | <p>This research builds on the foundation of the qualitative work and contributes towards the ongoing development of policy and plans.</p> |
| <ul style="list-style-type: none"> ■ Independently assured | <p>All research was conducted by Accent, an independent market research agency. United Utilities collaborated with Your Voice, the Independent Challenge Group, who reviewed all research materials and provided a check and challenge approach on the method and findings. Third line assurance by Turner and Townsend</p> |
| <ul style="list-style-type: none"> ■ Shared in full with others | <p>The research will be published and shared on the United Utilities website and through United Utilities' industry customer insight newsletter, The Source.</p> |
| <ul style="list-style-type: none"> ■ Ethical | <p>Research conducted in accordance with the Market Research Society code of conduct and conforming to the requirements of ISO 20252:2019. Accent and United Utilities were subject to strict data protection protocols.</p> |

APPENDIX B

Additional Information

The following information on **Quantitative** work is available upon request:

- The fieldwork method (e.g. in-person, telephone or online, individual or group interviews, synchronous or asynchronous),
- The target group and sample selection methods,
- Assessment of sample representation of target population and respective implications,
- The sampling method, including size of planned and achieved sample, reasons for differences in planned and achieved and how any problems in this respect were dealt with,
- Response rate where probability samples were used and its definition and calculation method,
- Participation rate where non-probability samples were used,
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The questionnaires, any visual exhibits or show cards, and other relevant data collection documents,
- The weighting procedures, if applicable,
- Any methods statistical analysis used,
- The estimating and imputation procedures, if applicable,
- The results that are based on subgroups and the number of cases used in subgroup analysis,
- Variance and estimates of non-sampling errors or indicators thereof (when probability samples are used).

APPENDIX C

Limitations

| Limitation | Impact |
|---|---|
| Small NHH sample size has resulted in some subset analysis not being possible | Analysis into (for example) non-acceptability of the plan amongst NHH participants, was not possible. |
| Recruiting NHH participants via CATI proved challenging | A low percentage of the NHH sample consists of CATI participants. |
| Small NHH participants are unlikely to be in scope (either by not having a dedicated business water supply, or by being in serviced offices with inclusive water) | The NHH sample is skewed towards larger organisations. |
| | |

APPENDIX D

Fieldwork Materials

Invitation letter

The Occupier
Address



Accent

3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Sir/Madam

Water services research: complete a survey and receive a £10 voucher

This letter has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are looking for people to complete a survey about their views on water and sewerage services. The research will be used to help United Utilities plan investment in their service from 2025 and will influence your future water services and bills.

Anyone who is eligible to take part and completes the full 10 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

How to take part

The questionnaire will take no longer than 15 minutes to complete. You can check your eligibility to participate, and complete the survey online by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



Alternatively, you can fill the survey in by pen and paper. To request a paper version of the survey (or if you have any other accessibility requests) please call FREEPHONE 0800 099 6590. You will be asked to leave your name and the 4 digit unique ID number (XXXX) and PIN (nnnn). We will send a paper version of the survey by post, and include a FREEPOST return envelope for you to post it back.

The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

Email invite



Dear #name#

Water services research: complete a 15-minute online survey and receive a £10 voucher

This email has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are looking for people to complete a survey about their views on water and sewerage services. The research will be used to help water companies plan investment in their service from 2025 and will influence your future water services and bills. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

Anyone eligible, who completes the survey, will receive a £10 voucher (an Amazon voucher, an M&S voucher or a Love2Shop voucher). Alternatively we can donate your incentive to WaterAid. Details on how claim your voucher are given at the end of the survey.

Click here to check eligibility, and to take part.

(The survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen)

Alternatively, you can fill the survey in by pen and paper. To request a paper version of the survey (or if you have any other accessibility requests) please fill in a request form [here](#). We will send a paper version of the survey by post, and include a FREEPOST return envelope for you to post it back.

The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions about the research, please do reach out to us at UUResearch@accent-mr.com or 0800 099 6590.

With best wishes,

Julian Hollo-Tas
Project Manager.



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

Reminder letter

The Occupier
Address



3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Customer

Water services research: Still time to complete a 10 minute survey and receive a £10 voucher - REMINDER

This letter has been sent to you by Accent (an independent market research company) on behalf of United Utilities, the organisation which supplies water and sewerage for customers in North West England.

We are still looking for people to complete a survey about their views on water and sewerage services. The research will be used to help United Utilities plan investment in their service from 2025 and will influence your future water services and bills.

Anyone who is eligible to take part and completes the full 10 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

How to take part

The questionnaire will take no longer than 15 minutes to complete. You can check your eligibility to participate, and complete the survey online by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



The final date for us to receive completed surveys is **16th August 2023**. United Utilities will be very grateful if you are able to complete the survey, but taking part is completely optional.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

Paper version cover

Name
Address



Accent

3 Orchard Place
London
SW1H 0BF

Unique ID number: XXXX
PIN: nnnn

Dear Customer,

Water services research: your requested survey

Thank you for requesting a paper version of the survey we are conducting for United Utilities. Please find it attached. This pack should contain

- (1) This letter
- (2) A paper version of the survey
- (3) A reply envelope (pre-paid: no stamp required)

Anyone who is eligible to take part and completes the full 15 minute survey will receive a £10 voucher (an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid.

How to take part

Just post the completed survey back by the date stated. Or, you can also still check your eligibility to participate, and complete the survey online, by entering the following link or scanning the QR code: <https://acsvy.com/3606survey> and entering your Unique ID (XXXX) and PIN (nnnn).



Please note: the final date for us to receive completed surveys (including paper submissions) is Wednesday 16th August 2023.

If you have any questions, please don't hesitate to contact the research team at UUResearch@accent-mr.com or 0800 099 6590.

Yours faithfully

Julian Hollo-Tas, on behalf of the study team



Registered in London No. 2231083. Accent Marketing & Research Limited. Registered Address: 30 City Road, London, EC1Y 2AB

APPENDIX E

Questionnaire (Online version)

Affordability and Acceptability Testing

Thank you very much for agreeing to complete this online survey which is being conducted by Accent, an independent research agency. This survey is designed to help United Utilities, your water and wastewater service provider, to understand your views on how affordable and acceptable their future plans are.

We will just ask you a couple of questions to check that you are eligible to take part in this research.

NOT PANEL: Anyone completing the survey will be eligible for a £10 voucher (either an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of Market Research Society. If you would like to confirm Accent's credentials type Accent in the search box at: <https://www.mrs.org.uk/researchbuyersguide>.

You do not have to answer any question you do not wish to and you may terminate the interview at any point.

IF MOBILE DEVICE SHOW: This survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen.

Scoping questions

Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at <https://www.accent-mr.com/privacy-policy/>.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

Do you agree to proceeding with the interview on this basis?

Yes

No **THANK AND CLOSE**

IF HH: Do you or any of your close family work in market research or for a water company?

Yes **THANK & CLOSE**

No

IF HH: How old are you?

OPEN TEXT RESPONSE BOX

Prefer not to say **THANK AND CLOSE**

DP PLEASE CODE INTO THE FOLLOWING:

UU- age

Under 18 **THANK AND CLOSE**

18-29

30-39

40-49

50-59

60-69

70+

Guidance age

Under 18 **THANK AND CLOSE**

18-24

25-34

35-44

45-54

55-64

65-74

75+

Prefer not to say **THANK AND CLOSE**

IF HH: Are you solely or jointly responsible for paying your household's water and sewerage bill?

Yes

No, I am not responsible for paying the bill **THANK AND CLOSE**

Don't know **THANK AND CLOSE**

Are you currently charged for water through a water meter?

Yes

No

Don't know

United Utilities is your water supplier, and is responsible for your sewerage services. Does this sound right?

Yes **GO TO MAIN QUESTIONNAIRE**

No **THANK AND CLOSE**

Don't know **GO TO MAIN QUESTIONNAIRE**

IF NHH: Are you solely or jointly responsible as the decision maker for your organisation's water and sewerage service at any of its premises?

Yes

No **THANK AND CLOSE**

IF NHH: Is United Utilities responsible for the water and sewerage services at your organisation?

Yes

No **THANK AND CLOSE**

Don't know **THANK AND CLOSE**

Q8A **IF NHH:** When answering this questionnaire, we would like you to think only about sites your organisation might have that are in the United Utilities area. Is that OK?

Yes

No **THANK AND CLOSE**

Main Questionnaire

Thank you, I can confirm you are in scope for the survey. The questionnaire will take about 15 minutes to complete.

For convenience you can stop and return to complete the questionnaire as many times as you wish, although once submitted you will not be able to enter again.

Affordability

We are now going to ask you some questions about your **[IF HH]** household's/**[IF NHH]** organisation's financial situation.

Thinking about your finances over the last year, how often, if at all, **[IF HH]** have you struggled to pay at least one of your household bills? **[IF NHH]** has your organisation struggled to pay at least one of its bills? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- All of the time
- Most of the time
- Sometimes
- Rarely
- Never
- Prefer not to say

Overall, how well would you say **[IF HH]** you are/**[IF NHH]** your organisation is managing financially now? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- [IF HH]** Living/**[IF NHH]** Operating comfortably
- Doing alright
- Just about getting by
- Finding it quite difficult
- Finding it very difficult
- Prefer not to say

Thinking about your **[IF HH]** household's/ **[IF NHH]** your organisation's financial situation over the next few years up to 2030, do you expect it to get: **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- Please select one answer only*
- A lot worse
- A bit worse
- Stay the same
- A bit better
- A lot better
- Prefer not to say
- Don't know

IF NHH: How much are you currently paying for your water and sewerage services bill, each year?

- [Open-ended answer] **DP PLEASE ADD TEXT BOX**
- Don't know

How easy or difficult is it for **[IF HH]** you **[IF NHH]** your company/organisation to afford to pay your current water and sewerage bill: **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR PREFER NOT TO SAY**

- Please select one answer only*
- Very easy

Fairly easy
Neither easy nor difficult
Fairly difficult
Very difficult
Don't know

Q13A **IF NHH**: In order for us to move on I would now like you to look at an individualised graph, mapping out what future water bills may look like for your organisation under the plans United Utilities have.

Please could you go to <HTTPS://acsvy.com/3606>

You should see a thank you note, then on the next page somewhere to put your annual water bill amount into. Please enter the bill for all sites your company operates in the United Utilities area. An estimate is absolutely fine.

Interviewer note, do not proceed until they have gone to the website and put in their bill amount. Only then can you proceed. You must not proceed without them seeing these materials.

Looking at web page

Cannot proceed now **Open appointment box**

Proposed changes to your water/sewerage bill for the years 2025-2030.

The next set of questions are about proposed changes to your water & sewerage bill for the years 2025-2030. The chart below shows these changes. It also shows how inflation may impact on your bill, based on the Bank of England's inflation forecasts.

Water bills change each year in line with inflation.

Inflation is the increase in prices paid for goods and services over time. Household incomes also change over time.

- If your household income keeps up with inflation (ie. increases at the same rate), then you are likely to notice little difference in what you are paying for things.
 - If inflation increases by a faster rate than your household income, then you are likely to have less money to go around.
 - If your household income increases by a faster rate than inflation, then you are likely to have more money to go around.
- The Bank of England aims to keep inflation at 2%, but it has recently been much higher than this. As well as changing by inflation each year, bills change by an amount set by Ofwat (the water regulator) as part of their price review process every five years.

The proposed bills you will see from 2025 to 2030 include the Bank of England forecasts for inflation from 2025 to 2030, and proposed amounts to cover the investment in water and sewerage services needed over the next few years.

The following chart shows the expected increase in your water/sewerage bill over the next few years.

The blue part of each column is what the underlying change to your bills would look like if there were no inflation. The orange part is what inflation will add on top. So your actual bill would be the two parts added together.

The figure above each bar represents the total expected bill amount (the blue plus the orange)



IF Social Tariff Customer (from sample): This bill profile is based on the financial support scheme you are currently on.

How easy or difficult do you think it would be for **[IF HH]** you **[IF NHH]** your company/organisation to afford these water/sewerage bills? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

- Very easy
- Fairly easy
- Neither easy nor difficult **HH ONLY GO TO Q15**
- Fairly difficult **HH ONLY GO TO Q15**
- Very difficult **HH ONLY GO TO Q15**
- Don't know

[IF HH ONLY] IF 0= 3,4,5 Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030 **MULTICODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

- Shopping around more
- Spending less on food shopping and essentials
- Spending less on non-essentials
- Cutting back on non-essential journeys in my vehicle
- Eat out less
- Using less fuel such as gas or electricity in my home
- Using less water
- Using my savings
- Using credit more than usual, for example, credit cards, loans or overdrafts
- Ask family and friends for financial support
- Other, please specify **[OPEN RESPONSE] DP PLEASE ADD TEXT BOX**
- Don't know

Acceptability

Thank you. We are now going to ask you some questions about your views on your water company's business plan. Water companies are required to put together business plans for each five year period. The plan we are showing you is for 2025- 2030.

Unplanned Water Supply Interruptions.

The following chart shows how United Utilities are performing on the length of time properties are without water, against both their target and also the other water companies.

Water companies measured on the length of time properties are without water

Duration without water for more than 3 hours by minutes per property.
Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked 7th of 17 companies on this measure

| Company | Performance |
|--------------------------|-----------------|
| Portsmouth | 00:02:21 |
| Bristol | 00:02:31 |
| SES Water | 00:02:58 |
| South Staffs & Cambridge | 00:03:15 |
| Affinity | 00:03:43 |
| Wessex | 00:04:12 |
| United Utilities | 00:07:58 |
| Southern | 00:09:22 |
| Anglian | 00:09:48 |
| Yorkshire | 00:10:38 |
| Thames | 00:11:03 |
| Northumbrian | 00:11:45 |
| Severn Trent | 00:12:39 |
| South West | 00:13:40 |
| Welsh Water | 00:16:12 |
| Hafren Dyfrdwy | 00:37:28 |
| South East | 01:12:33 |



The following chart shows what United Utilities is proposing doing to improve things:

Reducing interruptions to your water supply

If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.

Duration without water for more than 3 hours by minutes per property (a lower bar/number is better)

2022 performance: 7 min 58 secs
 2030 target: 4 min 22 secs

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.

Leakages

The following chart shows how United Utilities are performing on the amount of water lost due to leaks from water mains and pipes, against both their target and also the other water companies.

Water companies measured on the amount of water lost due to leaks from water mains and pipes

Number of litres lost per property per day

Companies with the lowest numbers perform better

| |
|--|
| United Utilities has met its target for this metric last year |
| United Utilities are ranked 16 th of 19 companies on this measure |

| Company | Performance |
|-------------------------|---------------|
| Bristol | 65.04 |
| Essex and Suffolk | 76.4 |
| Portsmouth | 77.02 |
| SES Water | 78.68 |
| Anglian | 80.18 |
| Southern | 83.17 |
| South East | 87.63 |
| Cambridge | 90.67 |
| Wessex | 103.29 |
| South West | 107.71 |
| Northumbrian | 108.3 |
| Affinity | 108.65 |
| South Staffs | 113.45 |
| Severn Trent | 119.66 |
| Yorkshire | 122.91 |
| United Utilities | 124.21 |
| Hafren Dyfrdwy | 131.01 |
| Thames | 151.51 |
| Welsh Water | 158.8 |

Better performance



Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the amount of water leakage

Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

Number of litres lost per property per day (a lower bar/number is better)

| Year | Performance |
|------|---------------------|
| 2022 | 124.21 litres a day |
| 2030 | 94 litres a day |

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

Water Quality Contacts

The following chart shows how United Utilities are performing on the number of customer contacts regarding the appearance, taste and smell of tap water, against both their target and also the other water companies.

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water

Number of customer contacts received regarding incidents, per 1,000 customers.

Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked 16th of 17 companies on this measure

| Company | Performance (number of contacts) |
|--------------------------|----------------------------------|
| Portsmouth | 0.41 |
| Thames | 0.49 |
| SES Water | 0.58 |
| Affinity | 0.73 |
| South Staffs & Cambridge | 0.76 |
| Severn Trent | 0.93 |
| Northumbrian | 0.97 |
| Anglian | 1.03 |
| Yorkshire | 1.09 |
| Southern | 1.1 |
| Wessex | 1.17 |
| South East | 1.34 |
| Bristol | 1.38 |
| South West | 1.55 |
| Hafren Dyfrdwy | 1.71 |
| United Utilities | 1.79 |
| Welsh Water | 2.38 |

Better performance

Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

| | |
|--------------------------------------|-------------------------------------|
| 2021/2022 | 2030 |
| Current performance | Target performance |
| 1.79 complaints per 1,000 properties | 0.8 complaints per 1,000 properties |

55% improvement

Based on what you have just read, which of these three parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Reducing the duration of water interruptions of longer than 3 hours
- Reducing leakage
- Preventing issues with taste/smell/appearance of tap water

Don't know/can't say

Internal Sewer Flooding

The following chart shows how United Utilities are performing on the incidents of sewage flooding properties, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding properties

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

| |
|---|
| United Utilities <u>has not</u> met its target for this metric last year |
| United Utilities are ranked 9 th of 11 companies on this measure |

| Company | Performance (number of properties affected) |
|-------------------------|---|
| South West | 0.76 |
| Welsh Water | 1.36 |
| Wessex | 1.42 |
| Severn Trent | 1.61 |
| Anglian | 1.73 |
| Northumbrian | 1.84 |
| Hafren Dyfrdwy | 2.34 |
| Yorkshire | 2.83 |
| United Utilities | 2.98 |
| Southern | 3.04 |
| Thames | 3.46 |

Better performance ↑
↓ Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

| Year | Performance |
|------|-------------|
| 2022 | 2.97 |
| 2030 | 2.06 |

31% improvement

2022 performance: 2.97 events per 10,000 properties
2030 target: 2.06 events per 10,000 properties

How does United Utilities say it will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

External Sewer Flooding

The following chart shows how United Utilities are on the incidents of sewage flooding gardens or outbuildings, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding gardens or outbuildings

Number of properties affected, per 10,000.

Companies with the lowest numbers perform better

| |
|---|
| United Utilities has met its target for this metric last year |
| United Utilities are ranked 5 th of 11 companies on this measure |

| Company | Performance (number of properties affected) |
|-------------------------|---|
| Thames | 9.4 |
| Severn Trent | 10.8 |
| Anglian | 14.55 |
| South West | 18.13 |
| United Utilities | 18.71 |
| Hafren Dyfrdwy | 19.05 |
| Wessex | 19.19 |
| Yorkshire | 19.52 |
| Southern | 19.53 |
| Welsh Water | 26.27 |
| Northumbrian | 26.64 |

Better performance



Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.

| Year | Performance (events per 10,000 properties) |
|------------------|--|
| 2022 performance | 18.12 |
| 2030 target | 13.65 |

How does United Utilities say it will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

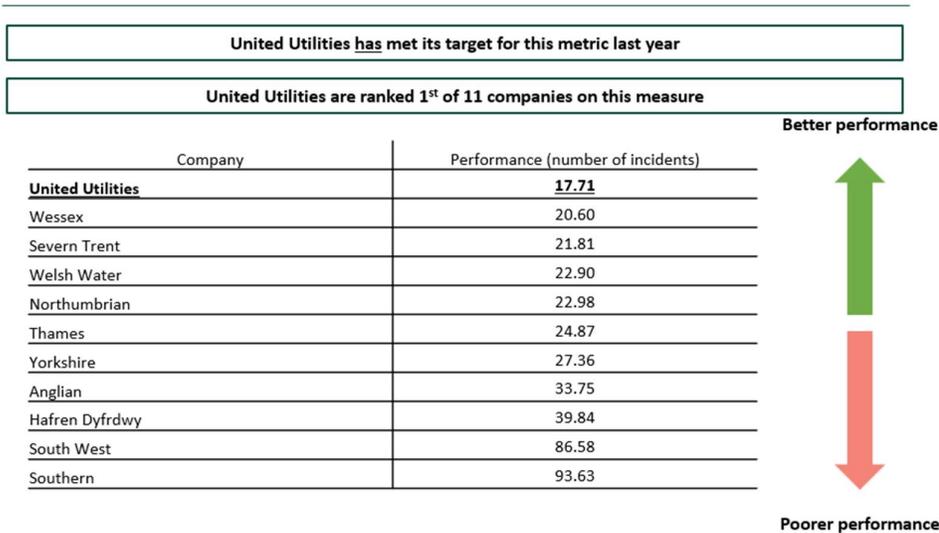
- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

Pollution Incidents

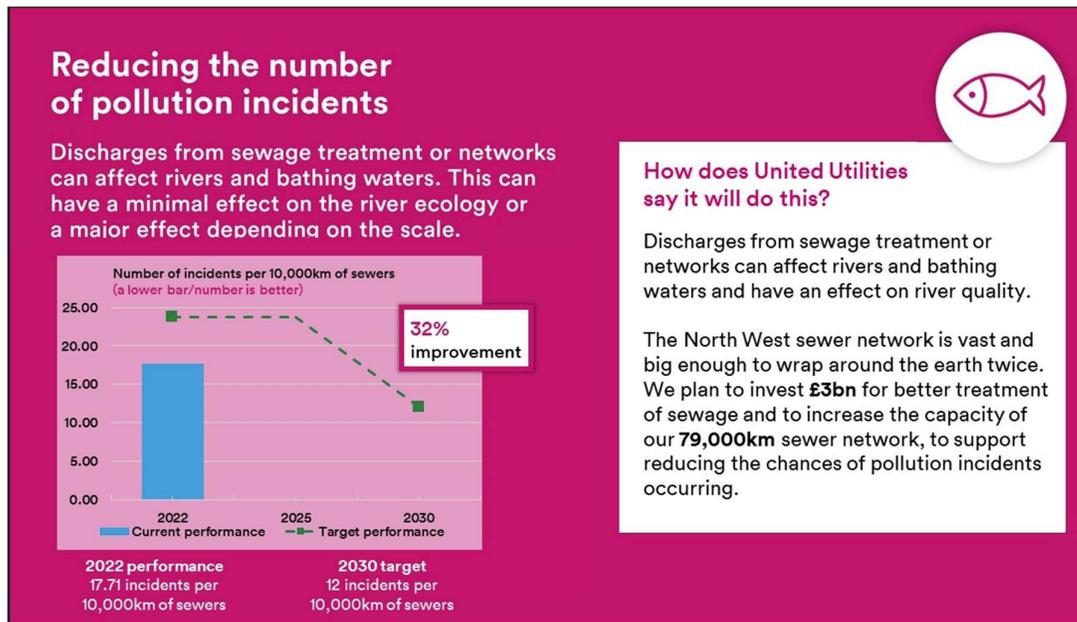
The following chart shows how United Utilities are performing on the number of incidents of pollution of rivers and streams, against both their target and also the other water companies.

Water companies measured on the number of incidents of pollution of rivers and streams

Number of incidents per 10,000 km of sewer.
Companies with the lowest numbers perform better



The following chart shows what United Utilities is proposing doing to improve things:



Based on what you have just read, which of these three parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

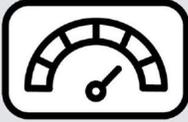
Please select one answer only

- Reducing sewer flooding **inside** properties
- Reducing sewer flooding **outside** properties
- Reducing the number of pollution incidents
- Don't know/can't say

The following slide describes one of the additional components of United Utilities' business plan; Smart Metering

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



900,000
new smart meters
in homes and
businesses
Target for 2030

Please note: Switching to a measured bill is completely optional for households.

How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.



The following slide describes one of the additional components of United Utilities' business plan; Chance of experiencing a hosepipe ban every 5 years

Halving the chance of experiencing a hosepipe ban between 2025–30

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance
Target for 2030

How does United Utilities say it will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future. It also means our water supply can recover more quickly, when there are water shortages.



The following slide describes one of the additional components of United Utilities' business plan;
Carbon reduction

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42% reduction Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2021/22 baseline figure.

How does United Utilities say it will do this?

A **£200m** programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.



The following slide describes one of the additional components of United Utilities' business plan;
Affordability support

Affordability support

Under the proposed plan, United Utilities would assign **£500m** towards a fund for struggling bill payers.

£250 million
Performance in 2021/22

£500 million
Target for 2030

How does United Utilities say it will do this?

We are investing to ensure there is a support package of **£500m** to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package United Utilities has ever offered.



Based on what you have just read, which of these four parts of the business plan is the most important to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Installing more smart meters
- Reducing the chance of a hose-pipe ban
- Carbon reduction
- Affordability Support
- Don't know/can't say

Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? **SINGLECODE, RANDOMISE WITH REVERSE ORDER EXCEPT FOR DON'T KNOW**

Please select one answer only

- Completely acceptable **GO TO 0**
- Acceptable **GO TO 0**
- Unacceptable **GO TO 0**
- Completely unacceptable **GO TO 0**
- Don't know/can't say

IF 0=3 or 4 What are the two main reasons that you feel the proposals for your water services are unacceptable? **MAXIMUM 2 ANSWERS, RANDOMISE**

Please choose up to two answers only

- The bill increases are too expensive
- Company profits are too high
- Companies should pay for service improvements
- I expect better service improvements
- The plan is poor value for money
- Compared to energy prices it is more expensive
- I am dissatisfied with current services
- The plans don't focus on the right services
- I won't be able to afford this
- I don't trust them to make these service improvements
- Other 1, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Other 2, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Don't know/ can't say

IF 0=1 OR 2 What are the two main reasons that you feel the proposals for your water supply are acceptable? **MAXIMUM 2 ANSWERS, RANDOMISE**

Please choose up to two answers only

- The plan is good value for money
- The plan is affordable
- Compared to energy prices it's cheaper
- Their plans seem to focus on the right services
- The company provides a good service now
- I support what they are trying to do in the long term
- The change to my bill is small
- I trust them to do what's best for customers
- I have been dissatisfied with the service recently but am pleased that they are making improvements
- Other 1, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Other 2, please specify [OPEN RESPONSE] **DP PLEASE ADD TEXT BOX**
- Don't know/ can't say

Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer? **SINGLECODE**

Please select one answer only

- An increase in bills starting sooner, spreading increases across different generations of bill-payers
- An increase in bills starting later, putting more of the increases onto younger and future bill-payers
- I don't know enough at the moment to give an answer

HH ONLY: Household Demographic

Q37. Thank you. Now just a few questions to check that we are speaking to a wide range of people.

In which of the following ways do you identify?

Female

Male

I identify in another way

Prefer not to say

Please indicate which one of the following best describes the profession of the chief income earner in your household

Higher managerial/ professional/ administrative (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)

Intermediate managerial/ professional/ administrative (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)

Supervisory or clerical/ junior managerial/ professional/ administrative (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)

Skilled manual work (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)

Semi or unskilled manual work (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)

Housewife/Househusband

Unemployed

Retired **GO TO 0**

Student

Prefer not to say

IF 0=RETIRED ASK Does the main income earner have a state pension, a private pension or both?

State only

Private only

Both

Prefer not to say

IF 0= PRIVATE OR BOTH ASK: How would you describe the main income earner's occupation type before retirement?

Higher managerial/ professional/ administrative (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)

Intermediate managerial/ professional/ administrative (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)

Supervisory or clerical/ junior managerial/ professional/ administrative (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)

Skilled manual work (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)

Semi or unskilled manual work. (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)

None of these

Prefer not to say

Which of the following apply to you? We would like to collect this to ensure that a variety of particular needs are represented in the study, but you do not need to answer if you do not wish to. This information will not be shared with any third party and will be destroyed within 12 months of project completion. **MULTICODE**

Please select all that apply

I or another member of my household is disabled or suffer(s) from a debilitating illness **CODED AS MEDICAL VULNERABILITY**

I or another member of my household have/has a learning difficulty **CODED AS MEDICAL VULNERABILITY**

I or another member of my household relies on water for medical reasons **CODED AS MEDICAL VULNERABILITY**

I or another member of my household is visually impaired (ie struggles to read even with glasses) **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household am/is over the age of 75 years old **CODED AS LIFE STAGE VULNERABILITY**

I or another member of my household speaks English as a second language **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household is deaf or hard of hearing **CODED AS COMMUNICATIONS VULNERABILITY**

I or another member of my household is a new parent **CODED AS LIFE STAGE VULNERABILITY**

None of these apply to me

Prefer not to say

What is your ethnic group? Choose one option that best describes your ethnic group or background

SINGLECODE

Please select one answer only

WHITE

English, Welsh, Scottish, Northern Irish or British

Irish

Gypsy or Irish Traveller

Any other White background

MIXED

White and Black Caribbean

White and Black African

White and Asian

Any other Mixed background

ASIAN OR ASIAN BRITISH

Indian

Pakistani

Bangladeshi

Chinese

Any other Asian background

BLACK OR BLACK BRITISH

Caribbean

African

Any other Black background

OTHER ETHNIC GROUP

Arab

Any other ethnic group

Prefer not to say

Which of the following bands does your household income fall into from all sources before tax and other deductions? **SINGLECODE**

Up to £199 a week/Up to £10,399 a year

From £200 to £299 a week/From £10,400 to £15,599 a year

From £300 to £499 a week/From £15,600 to £25,999 a year

From £500 to £699 a week/From £26,000 to £36,399 a year

From £700 to £999 a week/From £36,400 to £51,999 a year

From £1,000 to £1,399 a week/From £52,000 to £72,799 a year

From £1,400 to £1,999 a week/From £72,800 to £103,999 a year

£2,000 and above a week/£104,000 and above a Year

Don't know

Prefer not to say

GO TO 0

Q44A **ASK ALL** In which of the following United Utilities regions **[IF HH]** do you live in / **[IF NHH]** is your organisation based?

Cumbria

Merseyside

Greater Manchester

Lancashire

Cheshire
North Derbyshire
None of these
I'm not sure

NHH only: Demographic Questions

How does your organisation mainly use water at its premises? **MULTICODE**

Please select all that apply

For the manufacturing process which is essential to the running of your organisation (e.g. to power machinery, agricultural production etc.)

For the supply of services your organisation provides (e.g. cleaning services etc)

For an ingredient or part of the product or service your organisation provides (e.g. food or drink, chemical, cosmetics manufacturer etc)

For normal domestic use for your organisation's customers and employees (e.g. customer toilets, supply of drinking water)

None of the above

Don't Know

How many sites in the UK does your organisation operate from?

1

2

3

4

5-10

11-50

51-250

250

Prefer not to say

How many employees does your organisation have in the UK?

0 (sole trader)

1 to 9 employees (micro)

10 to 49 employees (small)

50 to 249 employees (medium)

250+ employees (large)

Prefer not to say

Which of the following best defines the core activity of your organisation?

Agriculture, forestry and fishing

Mining and quarrying

Energy or water service & supply

Manufacturing

Construction

Wholesale and retail trade (including motor vehicles repair)

Transport and storage

Hotels & catering

IT and Communication

Finance and insurance activities

Real estate activities

Professional, scientific and technical activities

Administrative and Support Service Activities

Public administration and defence

Education

Human health and social work activities

Arts, entertainment and recreation

Other service activities

Other (please specify)

Prefer not to say

Classification Questions

IF NON PANEL: We mentioned that there would be a £10 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks.

This can be sent as an Amazon, Marks & Spencer or One4All voucher by email. Alternatively, we can donate your incentive to WaterAid. Which would you prefer?

Amazon voucher by email COLLECT EMAIL ADDRESS

M&S Voucher by email COLLECT EMAIL ADDRESS

One4All by email COLLECT EMAIL ADDRESS

Donation to Water Aid

If you have any queries about your incentive, please contact us on 0131 220 8770.

Thank you. Would you be willing to be contacted again if we need to clarify any of the answers you have given today?

Yes

No

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

CATI ONLY Interviewer Confirmation

I confirm that this interview was conducted under the terms of the MRS code of conduct and is completely confidential

Yes

No

QEND [IF HH] United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:

<https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/>

OK

APPENDIX F

Questionnaire (Paper version)

Affordability and Acceptability Testing

Thank you very much for agreeing to complete this online survey which is being conducted by Accent, an independent research agency. This survey is designed to help United Utilities, your water and wastewater service provider, to understand your views on how affordable and acceptable their future plans are.

We will just ask you a couple of questions to check that you are eligible to take part in this research.

Anyone who passes the qualification questions and completes the entire survey will be eligible for a £10 voucher (either an Amazon voucher, an M&S voucher or a One4All voucher). Alternatively, we can donate your incentive to WaterAid. Details on how to claim your voucher are given at the end of the survey. Please note, your answers must reach us by the **16th of August 2023** to qualify for this incentive.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of Market Research Society. If you would like to confirm Accent's credentials, you can phone the Market Research Society on 0800 975 9596.

You do not have to answer any question you do not wish to and you may terminate the interview at any point.

When completing the survey please start from Question 1 (Q1) in the Qualification section.

If at any point in the qualification section you find **“Thank you for your time, it is not possible for your survey responses to be included – please stop here.”** written next to the answer you have selected, this means you are not eligible to take part in this survey. If this happens – thank you very much for your time, but you are not eligible to take part and should stop.

If you have answered the question in the qualification section without that message appearing next to any of your answers please go to the “Main questionnaire” and follow the questionnaire order

Qualification questions

Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at <https://www.accent-mr.com/privacy-policy/>.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

Do you agree to proceeding with the interview on this basis?

Yes

No **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Do you or any of your close family work in market research or for a water company?

Yes **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

No

How old are you?

Please enter your age on the line below

Under 18 **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Prefer not to say **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Are you solely or jointly responsible for paying your household's water and sewerage bill?

Yes

No, I am not responsible for paying the bill **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Don't know **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Are you currently charged for water through a water meter?

Yes

No

Don't know

United Utilities is your water supplier, and is responsible for your sewerage services. Does this sound right?

Yes

No **Thank you for your time, it is not possible for your survey responses to be included – please stop here.**

Don't know

Thank you, if you have reached this point without having been told to stop, we can confirm you are in scope for the survey. The questionnaire will take about 15 minutes to complete.

Main Questionnaire

Affordability

We are now going to ask you some questions about your household's financial situation.

Thinking about your finances over the last year, how often, if at all, have you struggled to pay at least one of your household bills?

Please select one answer only

- All of the time
- Most of the time
- Sometimes
- Rarely
- Never
- Prefer not to say

Overall, how well would you say you are managing financially now?

Please select one answer only

- Doing alright
- Just about getting by
- Finding it quite difficult
- Finding it very difficult
- Prefer not to say

Thinking about your household's financial situation over the next few years up to 2030, do you expect it to get

Please select one answer only

- A lot worse
- A bit worse
- Stay the same
- A bit better
- A lot better
- Prefer not to say
- Don't know

How easy or difficult is it for you to afford to pay your current water and sewerage bill:

Please select one answer only

- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Don't know

Proposed changes to your water/sewerage bill for the years 2025-2030.

The next set of questions are about proposed changes to your water & sewerage bill for the years 2025-2030. The chart provided shows these changes. It also shows how inflation may impact on your bill, based on the Bank of England's inflation forecasts.

Water bills change each year in line with inflation.

Inflation is the increase in prices paid for goods and services over time. Household incomes also change over time.

- If your household income keeps up with inflation (ie. increases at the same rate), then you are likely to notice little difference in what you are paying for things.
- If inflation increases by a faster rate than your household income, then you are likely to have less money to go around.
- If your household income increases by a faster rate than inflation, then you are likely to have more money to go around.

The Bank of England aims to keep inflation at 2%, but it has recently been much higher than this. As well as changing by inflation each year, bills change by an amount set by Ofwat (the water regulator) as part of their price review process every five years.

The proposed bills you will see from 2025 to 2030 include the Bank of England forecasts for inflation from 2025 to 2030, and proposed amounts to cover the investment in water and sewerage services needed over the next few years.

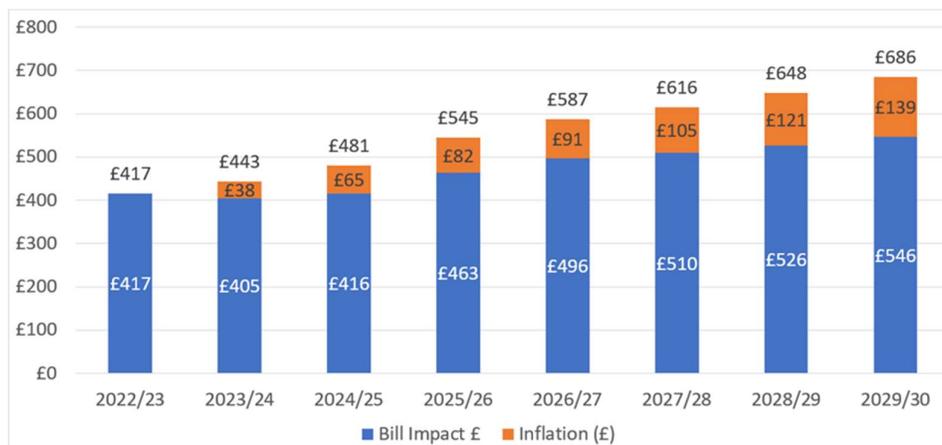
The chart on the next page shows the expected increase in your water/sewerage bill over the next few years.

The blue part of each column is what the underlying change to your bills would look like if there were no inflation. The orange part is what inflation will add on top. So your actual bill would be the two parts added together.

The figure above each bar represents the total expected bill amount (the blue plus the orange)

If you currently receive financial support with your water bill, please note that this bill profile is based on the financial support scheme you are currently on.

Once you have read the above, and referred to the chart on the following page, please continue.



How easy or difficult do you think it would be for you to afford these water/sewerage bills?

Please select one answer only

Very easy **Please skip question 12**

Fairly easy **Please skip question 12**

Neither easy nor difficult **Please go to Question 12**

Fairly difficult **Please go to Question 12**

Very difficult **Please go to Question 12**

Don't know

Please only answer this question if you have selected “neither easy nor difficult”, “fairly difficult” or “very difficult” at Question 11 (Q11 above)

Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030

Please select all that apply

- Shopping around more
- Spending less on food shopping and essentials
- Spending less on non-essentials
- Cutting back on non-essential journeys in my vehicle
- Eat out less
- Using less fuel such as gas or electricity in my home
- Using less water
- Using my savings
- Using credit more than usual, for example, credit cards, loans or overdrafts
- Ask family and friends for financial support
- Other, please specify: _____
- Don't know

Acceptability

We are now going to ask you some questions about your views on your water company's business plan. Water companies are required to put together business plans for each five-year period. The plan we are showing you is for 2025- 2030.

The following chart shows how United Utilities are performing on the length of time properties are without water, against both their target and also the other water companies.

The following chart shows what United Utilities is proposing doing to improve things:

Water companies measured on the length of time properties are without water

Duration without water for more than 3 hours by minutes per property.
Companies with the lowest numbers perform better

United Utilities has not met its target for this metric last year

United Utilities are ranked **7th** of 17 companies on this measure

| Company | Performance |
|--------------------------|-----------------|
| Portsmouth | 00:02:21 |
| Bristol | 00:02:31 |
| SES Water | 00:02:58 |
| South Staffs & Cambridge | 00:03:15 |
| Affinity | 00:03:43 |
| Wessex | 00:04:12 |
| United Utilities | 00:07:58 |
| Southern | 00:09:22 |
| Anglian | 00:09:48 |
| Yorkshire | 00:10:38 |
| Thames | 00:11:03 |
| Northumbrian | 00:11:45 |
| Severn Trent | 00:12:39 |
| South West | 00:13:40 |
| Welsh Water | 00:16:12 |
| Hafren Dyfrdwy | 00:37:28 |
| South East | 01:12:33 |



Better performance



Poorer performance

Reducing interruptions to your water supply

If a water supply is interrupted without warning for more than three hours, it will not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.



How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are improving our water treatment processes and installing innovative network monitoring technology. This will reduce the number of times your water supply is interrupted. We are also upgrading our power to reduce interruptions to service in the event of a storm or natural disaster.



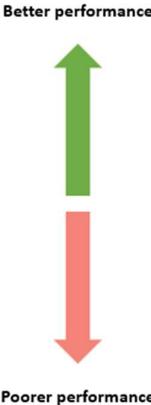
The following chart shows how United Utilities are performing on the amount of water lost due to leaks from water mains and pipes, against both their target and also the other water companies.

Water companies measured on the amount of water lost due to leaks from water mains and pipes

Number of litres lost per property per day
Companies with the lowest numbers perform better

| |
|--|
| United Utilities <u>has met its target for this metric last year</u> |
| United Utilities are ranked 16th of 19 companies on this measure |

| Company | Performance |
|-------------------------|---------------|
| Bristol | 65.04 |
| Essex and Suffolk | 76.4 |
| Portsmouth | 77.02 |
| SES Water | 78.68 |
| Anglian | 80.18 |
| Southern | 83.17 |
| South East | 87.63 |
| Cambridge | 90.67 |
| Wessex | 103.29 |
| South West | 107.71 |
| Northumbrian | 108.3 |
| Affinity | 108.65 |
| South Staffs | 113.45 |
| Severn Trent | 119.66 |
| Yorkshire | 122.91 |
| United Utilities | 124.21 |
| Hafren Dyfrdwy | 131.01 |
| Thames | 151.51 |
| Welsh Water | 158.8 |



The following chart shows what United Utilities is proposing doing to improve things:

Reducing the amount of water leakage

Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

Number of litres lost per property per day (a lower bar/number is better)

| Year | Performance (litres/day) |
|----------------------------|--------------------------|
| 2022 (Current performance) | 124.21 |
| 2030 (Target performance) | 94 |

2022 performance: 124.21 litres a day | 2030 target: 94 litres a day

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply or water quality issues.

We are also investing in improved leakage monitoring technology and smart water meters to help spot leaks on our network and customers homes and businesses early.

The following chart shows how United Utilities are performing on the number of customer contacts regarding the appearance, taste and smell of tap water, against both their target and also the other water companies.

Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water

Number of customer contacts received regarding incidents, per 1,000 customers.

Companies with the lowest numbers perform better

| |
|--|
| United Utilities has not met its target for this metric last year |
| United Utilities are ranked 16th of 17 companies on this measure |

| Company | Performance (number of contacts) |
|--------------------------|----------------------------------|
| Portsmouth | 0.41 |
| Thames | 0.49 |
| SES Water | 0.58 |
| Affinity | 0.73 |
| South Staffs & Cambridge | 0.76 |
| Severn Trent | 0.93 |
| Northumbrian | 0.97 |
| Anglian | 1.03 |
| Yorkshire | 1.09 |
| Southern | 1.1 |
| Wessex | 1.17 |
| South East | 1.34 |
| Bristol | 1.38 |
| South West | 1.55 |
| Hafren Dyfrdwy | 1.71 |
| United Utilities | 1.79 |
| Welsh Water | 2.38 |

Better performance

Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of water quality issues customers experience

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

How does United Utilities say it will do this?

We are investing **£150m** in our pipes and pumps, including upgrading **695km** of water mains to reduce the chances of pipes leaking, interruptions to customers' supply and water quality issues.

We will improve our water treatment processes and install innovative network monitoring technology.

This will prevent issues with taste, smell or appearance of drinking water and help United Utilities spot and fix issues before they occur.

Number of customer contacts received regarding incidents, per 1,000 properties (a lower bar/number is better)

| | |
|---|---|
| 2022 performance 1.79 complaints per 1,000 properties | 2030 target 0.8 complaints per 1,000 properties |
|---|---|

Based on what you have just read, which of these three parts of the business plan is the most important to you? *Please select one answer only*

- Reducing the duration of water interruptions of longer than 3 hours
- Reducing leakage
- Preventing issues with taste/smell/appearance of tap water
- Don't know/can't say

The following chart shows how United Utilities are performing on the incidents of sewage flooding properties, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding properties

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

| |
|---|
| United Utilities <u>has not</u> met its target for this metric last year |
| United Utilities are ranked 9 th of 11 companies on this measure |

| Company | Performance (number of properties affected) |
|-------------------------|---|
| South West | 0.76 |
| Welsh Water | 1.36 |
| Wessex | 1.42 |
| Severn Trent | 1.61 |
| Anglian | 1.73 |
| Northumbrian | 1.84 |
| Hafren Dyfrdwy | 2.34 |
| Yorkshire | 2.83 |
| United Utilities | 2.98 |
| Southern | 3.04 |
| Thames | 3.46 |

Better performance



Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding inside their property

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

| Year | Performance (events per 10,000 properties) |
|------------------|--|
| 2022 performance | 2.97 |
| 2030 target | 2.06 |

31% improvement

How does United Utilities say it will do this?

We know having your property flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

The following chart shows how United Utilities are on the incidents of sewage flooding gardens or outbuildings, against both their target and also the other water companies.

Water companies measured on the incidents of sewage flooding gardens or outbuildings

Number of properties affected, per 10,000.
Companies with the lowest numbers perform better

United Utilities **has met its target** for this metric last year

United Utilities are ranked **5th** of 11 companies on this measure

| Company | Performance (number of properties affected) |
|-------------------------|---|
| Thames | 9.4 |
| Severn Trent | 10.8 |
| Anglian | 14.55 |
| South West | 18.13 |
| United Utilities | 18.71 |
| Hafren Dyfrdwy | 19.05 |
| Wessex | 19.19 |
| Yorkshire | 19.52 |
| Southern | 19.53 |
| Welsh Water | 26.27 |
| Northumbrian | 26.64 |

Better performance

Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of properties affected by sewer flooding outside their property

An escape of sewage into gardens or access points to people's properties is inconvenient and unpleasant and can restrict access.

| | |
|------------------------------------|------------------------------------|
| 2022 performance | 2030 target |
| 18.12 events per 10,000 properties | 13.65 events per 10,000 properties |

How does United Utilities say it will do this?

We know having your garden and other outside areas flooded with sewer flooding is unacceptable.

We are investing to:

- Increase our sewer capacity and upgrading sewers so they are stronger and can hold more water and waste
- Deliver sustainable drainage solutions, as less rainfall entering sewers reduces the likelihood of them overflowing
- Install improved monitoring technology to identify and fix problems before they occur.

The following chart shows how United Utilities are performing on the number of incidents of pollution of rivers and streams, against both their target and also the other water companies.

Water companies measured on the number of incidents of pollution of rivers and streams

Number of incidents per 10,000 km of sewer.

Companies with the lowest numbers perform better

| | |
|---|-----------------------------------|
| United Utilities has met its target for this metric last year | |
| United Utilities are ranked 1 st of 11 companies on this measure | |
| Company | Performance (number of incidents) |
| United Utilities | 17.71 |
| Wessex | 20.60 |
| Severn Trent | 21.81 |
| Welsh Water | 22.90 |
| Northumbrian | 22.98 |
| Thames | 24.87 |
| Yorkshire | 27.36 |
| Anglian | 33.75 |
| Hafren Dyfrdwy | 39.84 |
| South West | 86.58 |
| Southern | 93.63 |

Better performance ↑
↓ Poorer performance

The following chart shows what United Utilities is proposing doing to improve things:

Reducing the number of pollution incidents

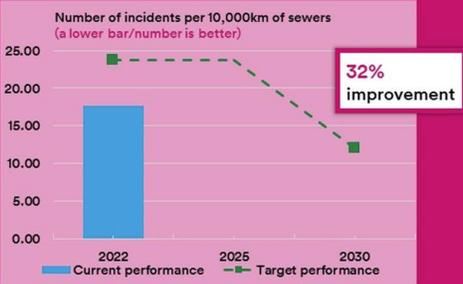


Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

How does United Utilities say it will do this?

Discharges from sewage treatment or networks can affect rivers and bathing waters and have an effect on river quality.

The North West sewer network is vast and big enough to wrap around the earth twice. We plan to invest **£3bn** for better treatment of sewage and to increase the capacity of our **79,000km** sewer network, to support reducing the chances of pollution incidents occurring.



32% improvement

2022 performance
17.71 incidents per 10,000km of sewers

2030 target
12 incidents per 10,000km of sewers

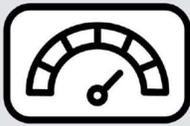
Based on what you have just read, which of these three parts of the business plan is the most important to you? **Please select one answer only**

- Reducing sewer flooding **inside** properties
- Reducing sewer flooding **outside** properties
- Reducing the number of pollution incidents
- Don't know/can't say

The following slide describes one of the additional components of United Utilities' business plan; Smart Metering.

Smart metering

Smart meters are water meters that give both you and United Utilities a live and accurate read-out of a property's water usage. This means you can see how much water you've been using, which can help customers to reduce their usage and lower bills.



900,000
new smart meters
in homes and
businesses
Target for 2030

Please note: Switching to a measured bill is completely optional for households.

How does United Utilities say it will do this?

We are investing in replacing current meters with smart meters which can be remotely read. This enables homes and businesses to have greater visibility of their usage data, leading to reduced usage and reduced bills.

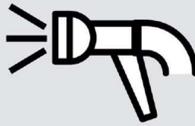
Smart meters also help us detect leakage in the network, and proactively detect other network issues so they can be prevented before customers experience them. All of this contributes to reducing water wastage and protecting the environment and our natural resources.



The following slide describes one of the additional components of United Utilities' business plan; Chance of experiencing a hosepipe ban every 5 years.

Halving the chance of experiencing a hosepipe ban between 2025–30

Hosepipe bans are introduced when United Utilities' water reserves in reservoirs start to run low.



Halving the chance
Target for 2030

How does United Utilities say it will do this?

We are investing in improving water treatment processes and investing in new water sources to help us be more resilient in times of dry weather.

This will enable us to halve the chances a customer would experience a hosepipe ban or water restrictions now and in the future. It also means our water supply can recover more quickly, when there are water shortages.



The following slide describes one of the additional components of United Utilities' business plan; Carbon reduction.

Carbon reduction to reduce the impact of our service on the environment

This relates to the greenhouse gas emissions released by United Utilities in the process of providing its services.

42% reduction Target for 2030*

The main sources of our emissions come from the energy and chemicals needed to move and treat huge volumes of water and wastewater and operational processes involved in treating the organic matter in sewage to make it safe to recycle back to the environment.

*Target refers to % reduction from a 2021/22 baseline figure.

How does United Utilities say it will do this?

A **£200m** programme of investment to lower emissions, for example by improving processes to treat water and sewage, moving away from fossil fuels and increasing our renewable energy.

We will also work in partnership to create woodland by completing our programme to plant a million trees and ensure peatland and ecosystems are restored to protect the environment.



The following slide describes one of the additional components of United Utilities' business plan; Affordability support.

Affordability support

Under the proposed plan, United Utilities would assign **£500m** towards a fund for struggling bill payers.

£250 million
Performance in 2021/22

£500 million
Target for 2030

How does United Utilities say it will do this?

We are investing to ensure there is a support package of **£500m** to provide discounted bills to customers who are struggling to pay for their water.

This is the largest support package United Utilities has ever offered.



Based on what you have just read, which of these four parts of the business plan is the most important to you? **Please select one answer only**

- Installing more smart meters
- Reducing the chance of a hose-pipe ban
- Carbon reduction
- Affordability Support
- Don't know/can't say

Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? **Please select one answer only**

- Completely acceptable **Please go to Question 0**
- Acceptable **Please go to Question 0**
- Unacceptable **Please go to Question 0**
- Completely unacceptable **GO TO 0 Please go to Question 0**
- Don't know/can't say

Answer if you selected "Unacceptable" or "Completely unacceptable" at question 27 (0 above)

What are the two main reasons that you feel the proposals for your water services are unacceptable?

Please choose up to two answers only

- The bill increases are too expensive
- Company profits are too high
- Companies should pay for service improvements
- I expect better service improvements
- The plan is poor value for money
- Compared to energy prices it is more expensive
- I am dissatisfied with current services
- The plans don't focus on the right services
- I won't be able to afford this
- I don't trust them to make these service improvements
- Other 1, please specify _____
- Other 2, please specify _____
- Don't know/ can't say

Answer if you selected "Acceptable" or "Completely" acceptable at question 27 (0 above)

What are the two main reasons that you feel the proposals for your water supply are acceptable?

Please choose up to two answers only

- The plan is good value for money
- The plan is affordable
- Compared to energy prices it's cheaper
- Their plans seem to focus on the right services
- The company provides a good service now
- I support what they are trying to do in the long term
- The change to my bill is small
- I trust them to do what's best for customers
- I have been dissatisfied with the service recently but am pleased that they are making improvements
- Other 1, please specify _____
- Other 2, please specify _____
- Don't know/ can't say

Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?

Please select one answer only

- An increase in bills starting sooner, spreading increases across different generations of bill-payers
- An increase in bills starting later, putting more of the increases onto younger and future bill-payers
- I don't know enough at the moment to give an answer

Household Demographic

Thank you. Now just a few questions to check that we are speaking to a wide range of people.

In which of the following ways do you identify?

- Female
- Male
- I identify in another way
- Prefer not to say

Please indicate which one of the following best describes the profession of the chief income earner in your household

- Higher managerial/ professional/ administrative** (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)
- Intermediate managerial/ professional/ administrative** (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)
- Supervisory or clerical/ junior managerial/ professional/ administrative** (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)
- Skilled manual work** (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)
- Semi or unskilled manual work** (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)
- Housewife/Househusband
- Unemployed
- Retired **GO TO 0**
- Student
- Prefer not to say

Answer if you have selected “retired” at question 32 (0 above)

Does the main income earner have a state pension, a private pension or both?

- State only
- Private only **GO TO Q39**
- Both **GO TO Q39**
- Prefer not to say

Answer if you have selected “private only” or “Both” at question 32 (0 above)

How would you describe the main income earner’s occupation type before retirement?

- Higher managerial/ professional/ administrative** (e.g. Established doctor, Solicitor, Board Director in a large organisation (200+ employees), top level civil servant/public service employee)
- Intermediate managerial/ professional/ administrative** (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principle officer in civil service/local government)
- Supervisory or clerical/ junior managerial/ professional/ administrative** (e.g. Office worker, Student Doctor, Foreman with 25+ employees, salesperson, etc)
- Skilled manual work** (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/ Ambulance Driver, HGV driver, AA patrolman, pub/bar worker, etc)
- Semi or unskilled manual work.** (e.g. Manual worker, apprentice to skilled trade, Caretaker, Park keeper, non-HGV driver, shop assistant)
- None of these
- Prefer not to say

Which of the following apply to you? We would like to collect this to ensure that a variety of particular needs are represented in the study, but you do not need to answer if you do not wish to. This information will not be shared with any third party and will be destroyed within 12 months of project completion.

Please select all that apply

- I or another member of my household is disabled or suffer(s) from a debilitating illness
 - I or another member of my household have/has a learning difficulty
 - I or another member of my household relies on water for medical reasons
 - I or another member of my household is visually impaired (i.e. struggles to read even with glasses)
 - I or another member of my household am/is over the age of 75 years old
 - I or another member of my household speaks English as a second language
 - I or another member of my household is deaf or hard of hearing
 - I or another member of my household is a new parent
 - None of these apply to me
 - Prefer not to say
-

What is your ethnic group? Choose one option that best describes your ethnic group or background

Please select one answer only

WHITE

- English, Welsh, Scottish, Northern Irish or British
- Irish
- Gypsy or Irish Traveller
- Any other White background

MIXED

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other Mixed background

ASIAN OR ASIAN BRITISH

- Indian
- Pakistani
- Bangladeshi
- Chinese
- Any other Asian background

BLACK OR BLACK BRITISH

- Caribbean
- African
- Any other Black background

OTHER ETHNIC GROUP

- Arab
 - Any other ethnic group
 - Prefer not to say
-

Which of the following bands does your household income fall into from all sources before tax and other deductions?

- Up to £199 a week/Up to £10,399 a year
 - From £200 to £299 a week/From £10,400 to £15,599 a year
 - From £300 to £499 a week/From £15,600 to £25,999 a year
 - From £500 to £699 a week/From £26,000 to £36,399 a year
 - From £700 to £999 a week/From £36,400 to £51,999 a year
 - From £1,000 to £1,399 a week/From £52,000 to £72,799 a year
 - From £1,400 to £1,999 a week/From £72,800 to £103,999 a year
 - £2,000 and above a week/£104,000 and above a Year
 - Don't know
 - Prefer not to say
-

In which of the following United Utilities regions do you live?

- Cumbria
- Merseyside
- Greater Manchester
- Lancashire
- Cheshire
- North Derbyshire

- None of these
 - I'm not sure
-

We mentioned that there would be a £10 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks.

This can be sent as an Amazon, Marks & Spencer or One4All voucher. Alternatively, we can donate your incentive to WaterAid. Which would you prefer?

- Amazon voucher
- M&S Voucher
- One4All
- Donation to Water Aid

If you have any queries about your incentive, please contact us on 0131 220 8770.

Thank you. Would you be willing to be contacted again if we need to clarify any of the answers you have given today?

- Yes
- No

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:

<https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/>

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential.

APPENDIX G

Cognitive Report

| Question | Comments | Action |
|----------|---|--|
| General | <p>In general the survey was well received with participants stating the following about it:</p> <ul style="list-style-type: none"> • Was not too long • There was nothing that they couldn't understand • Quite interesting especially seeing what UU plan to do in the future • All broken down not just text • Good balance of words with images • Interesting comparing companies • Interesting and straight forward • Had enough multiple-choice options • Was not found to be too repetitive • The information from the business plans was new for many participants as they were unaware of certain elements • It's spot on in terms of length and content • It shows that there is room for improvement at UU, but also shows how they are planning to address these issues | None required |
| | <p>A participant that worked with disabled people raised a concern about how accessible this survey is to people with disabilities – suggested having two versions of the survey one with more information and one more accessible</p> | This is not an option due to the nature of this survey |
| | <p>One participant was confused and didn't understand that not all customers will experience the disruptions and was particularly concerned about the unplanned interruption as they have never experienced an issue</p> | None required |

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| | <p>One participant was concerned that many from the general public will not read all the information and will just want to skip to the end of the survey to receive their reward</p> | None required |
| <p>Introduction (Questions 1-8a)</p> | <p>The questions in this section were seen as pretty straight forward, clear and most participants did not have any issues completing these sections. One participant remarked about this section that <i>“Sets out what's what and simple clear concise questions like how the data protection and all the items are spelled out”</i></p> <p>One participant clicked on all the links in this section and got confused by the MRS website as they thought it was meant to be the Accent website</p> <p>One participant commented they liked the ability to return at a later stage to complete the survey</p> <p>NHH participants had no issues with these questions</p> | None required |
| <p>Affordability (Questions 9-13)</p> | <p>These questions in this section were found to be standard questions, just general how are you doing questions. Participants had no issues answering them and have noted they were easy to understand and they were <i>“is what it is”</i> type of questions.</p> <p>One participant suggested that this section intended to <i>“get you to think about the value for money for your water services”</i></p> <p>One participant liked that this section had enough options, good words used for the options <i>“it's easier to be honest when the options are actually meaningful”</i></p> | None required |
| | <p>Some participants found it hard to thinking so far ahead as there are so many thing that can change in 7 years</p> | None required – the question is asked as per guidance |

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| <p>Q11 Thinking about your household's/ your organisation's financial situation over the next few years up to 2030, do you expect it to get</p> | <p>One participant was felt we may have people answering randomly as people are worried about inflation and that people may not be managing so well. they felt that things will get worse before they get better.</p> <p>One participant said it comes across as guessing how ambitious or pessimistic you are about the future. <i>"There are so many other factors going on e.g. Brexit and Ukraine that it feels very personal so ask how do you see your situation changing in a world filled with growing change"</i></p> | <p>None required</p> |
| <p>Q13.How easy or difficult is it for you your company/organisation to afford to pay your current water and sewerage bill?</p> | <p>One participant remarked they found this question very easy because they pay by direct debit. Did not consider the actual cost but rather the method of payment.</p> | <p>None required</p> |
| <p>Bill increase/inflation chart</p> | <p>The majority of participants were able to digest the information in the top half of the page and remarked that:</p> <ul style="list-style-type: none"> • The text was easy to read and they liked the split in bullet points and a short paragraph • The information was clear and understandable | <p>None required</p> |
| | <p>Some participants took some time to read the information and remarked it was:</p> <ul style="list-style-type: none"> • More official looking • Being hit with a wall of text | <p>None required</p> |
| | <p>One particular participant that had a pretty strong prescription struggled to read the text in italics, however he remarked that the font was big enough</p> | <p>Potentially change the text from Italics to underlined or bold</p> |

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| | <p>The graph was well received and understood by participants.</p> <ul style="list-style-type: none"> The blue orange differentiation was highlighted by a number of participants (<i>“Liked how the use of colours distinguishes between the actual bill and how much in the increase is due to inflation”</i>) | None required |
| | One participant questioned why does the bill in blue go down for the next period after and the bill is higher due to inflation – does this mean had we not had inflation the bill would have gone down? | None required |
| | One participant suggested adding a third colour (purple) to the graph to highlight how much of the new bill is going towards investment | None required- this is out of scope |
| | One participant mentioned making the combined figure a bit more prominent – perhaps bold it | Bold the combined figure |
| | One NHH participant mentioned that basically all this information is conjecture, it is an estimation not actual accurate information | None required |
| | One NHH participant remarked that no one plans bills that far in advance | |
| Q14 /Q15(affordability of proposed bills) | Participants found these questions clear and easy to understand | None required |
| | <p>Even though participants understood the questions some had difficulty picturing the future that far ahead.</p> <ul style="list-style-type: none"> “it is difficult to know what you are not doing as much of in order to pay for your bills (e.g. when eating out is the same as your bill)” “it’s hard to answer so far ahead as there are many things that can change “ NHH are worried about impacts to the industry that can affect future | |
| | One participant suggested replicating the bill projection graph to the side to help answering the question | |
| Comparative Data (generally) | Generally the charts were understood. Some participants understood the charts straight away but some took looking through a couple to understand what they were looking at. | None required |

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| | <ul style="list-style-type: none"> • Quite a few participants mentioned there is no need to compare UU to how other companies are doing • Some mentioned UU should just focus on itself | None required |
| <p>One participant liked how on the chart UU's position and if they had or not had met their target is also written out in the boxes above</p> | | |
| <ul style="list-style-type: none"> • Two participant mentioned they liked the red and green arrows and how they allowed them to place UU in the ranking • Two participants mentioned liking the leader board style of this chart | | |
| <p>3 participants mentioned that the performance figures were confusing</p> <ul style="list-style-type: none"> • Six digits in the interruptions slide was very confusing • 17.71 - participant had to look and focus a little to digest all the information in this slide • One participant suggested to use % instead of these figures <p>One participant mentioned that the instances where UU has not met its target are not highlighted enough</p> | <p>These slides are prescribed in terms of format (and the latest, most simple, format of the slides has been used)</p> | |
| <p>Several participants have mentioned having difficulty reading the data in the chart</p> | <p>Increase font size in final charts</p> | |
| <ul style="list-style-type: none"> • Two participant mentioned that the actual target is not shown in the chart. • One participant suggested adding a year on year target chart to accompany the images | <p>None required – these slides are done in accordance with the guidance</p> | |
| <ul style="list-style-type: none"> • One participant added that when you first look at the list of names it is hard to tell whether it is companies or regions in the list. • One participant suggested to add a map of UU regions • Two participants have suggested to add more detailed regional information as it would add more relevance to the list of planned improvements | <p>This is outside the scope of research. Something for UU to consider in their comms campaigns</p> | |

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| Unplanned interruptions | The visual was found to be aesthetically pleasing and participants were generally able to understand this element of the business plan | None required |
| | A participant mentioned <i>"It's not clear how they get the average duration. It's like there are two metrics, one for more than three hours and one in minutes. It should say the average time per property in hours minutes and seconds if that's how it's measured"</i> | Potentially amend the subheading on the chart to make this clearer |
| | One participant got confused by an interrupted water supply as never experienced one and thought this was going to happen. <i>"Has this happened to other people? I think it should say at the top of lower graphic, 'If this has happened to you'"</i> | None required – this was not found to generally be an issue |
| | 4 participants have mentioned not understanding or being confused by the clock infographic. Some mentioned the text would have been sufficient | Consider replace the clock with a different representation or alter shading in the image to make it clearer how this aligns with % improvement |
| | This slide was well received and the imagery has been found to be aligned to with the words are saying | None required |
| Leakage charts/slide | One participant suggested that the wiggly lines depicting the water were confusing and making the text hard to read and suggested having a straight line instead | None required – this is negated by the number of participants that have said the image really works and the wiggly lines represent waves in the water and how it makes it all clear |
| | Several participants have mentioned how well the image of the water aligns with the text message | |
| | The infographic was found to be informative <i>"Didn't realise it was leakage per property per day until reading the lower infographic"</i> A number of participants have remarked how poorly UU are performing on this metric compared to other companies | None required |

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| Water quality | This slide was generally well received and participants understood the message | None required |
| | One participant remarked that they did not know what is meant by innovative technology network | Potentially add an example in brackets if relevant |
| | One participant struggled to understand this slide, did not understand the figure of 1.79 contacts | None required – figures reported as per guidance |
| | One participant mentioned that one of the paragraphs is the same as on the previous slide so it makes it harder to understand how this translates to water quality and makes the plans harder to believe – participant mentioned adding more specific information | None required – this has not been found as an issue anywhere else and due to time redesign is not advised |
| Q19. Based on what you have just read, which of these three parts of the business plan is the most important to you? | Participants found answering this question straight forward and participants have chosen the answer based on what it is important to them | None required |
| | Some participants have spoken about actively putting past experiences (like recent water supply interruptions, leaks or text messages about the water supply) at the back of their minds to really think what is important to them | |
| Internal sewer flooding | The majority of participants found this information clear especially liking the format of the text with the bullet points and no use of jargon | None required |
| | A couple of participants found the colouring in green of the house on the right to represent the % change did not translate well for this slide | |
| | Two participant mentioned that the reduction from 2.98 to 2.06 does not seem like a massive improvement but 31% feels like a large amount | |
| | One participant mentioned adding information on accountability for these accidents | |
| | One participant was really surprised to see this information as did not realise it was such a widespread problem | |

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| External sewer flooding | One participant mentioned that the image of the green house colouring did not translate well for this slide | None required |
| | One NHH participant observed that most businesses do not have a garden so this may not be relevant to them and that the two slides about flooding should be mentioned together | |
| | One participant wanted to have more information on accountability included in the slide | |
| Pollution | Participants found this slide to be one of the ones most easy to understand | None required |
| | One participant mentioned that pink may not be the best colour for pollution | |
| | One participant wanted to include a map of areas where it is safe to swim | |
| | One participant suggested that the language on this slide waters down the actual impact of pollution e.g. "can affect rivers..." should be replaced with something 'more accurate' like "it does affects rivers..." | UU to consider revising language |
| | One participant mentioned the text does not say that the pollution affects the sea as well so it should also include that | None required |
| Q23 Based on what you have just read, which of these three parts of the business plan is the most important to you? | Participants have found answering this question a bit harder than Q19 and would have liked to be able to select more than one option. | None required – question asked as per guidance |
| Smart metering | Participants had no issue with this slide all information was clear | None required |
| | One participant remarked that grey was a bit boring compared to the previous images so perhaps using a better colour for the background and the same for all the other slides in this section | |

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| | One participant mentioned perhaps adding a picture of a real smart meter to replace the current image | |
| | One participant mentioned the note at the bottom left could be enlarged as they missed it the first time round | |
| | One participant mentioned this slide may be irrelevant to renters (as they do not have a choice over the installing of meters) and another one that lived at a property that cannot be metered | |
| Hosepipe bans | Information of this slide was found to be clear. | None required |
| | Some participants were surprised to see this as they found this does not really apply to the area they live in | |
| | One participant wanted a bit more information on what exactly UU are planning to do to reduce this risk | UU to consider adding more information |
| Carbon reduction | One participant said they found it hard to follow this slide as they don't know much about carbon | UU to consider changes |
| | One participant found this slide could have its terminology broken down further into more layman terms e.g. what are green gas emissions. | |
| | One participant mentioned there is too much text and the slide could use a bit more imagery | |
| | Two participants mentioned the background colour is a bit dull | |
| | One participant wanted more information on how UU will change their processes to achieve this reduction | |
| | One participant wanted to know what are UU moving to since they are moving away from fossil fuels? | |

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| | One participant wanted to know more information about the tree planting campaign; they were aware of areas where trees planted under this initiative have caused issues | |
| Affordability support | This slide was found to be very informative as many were not aware of support offered from UU. Additionally, the slide was found to be clear and well laid out | None required |
| | One participant wanted more information on how this is going to be spread out among customers | None required- this is outside the scope of this research |
| | Some participants wanted more information on the qualification criteria for this support | |
| Q28. Based on what you have just read, which of these four parts of the business plan is the most important to you? | Question was found to clear and easy to answer. | None required |
| Q29. Based on everything you have seen and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you? | One participant commented that at this point it would be good to include a note on the plans that would be put in place with some indication of level of spend to help decide | None required – question asked as per guidance |
| | One participant was confused if this question refers to all the elements of the business plan or just the last 4 | None required – everyone else did not seem to have an issue |
| | One participant wanted the option to write in their own answer at this point | None required – question asked as per guidance |
| Q30. What are the two main reasons that you feel the proposals for your water services are unacceptable? | One participant wanted an option to say that shareholders and senior leadership are being paid too much | None required – question asked as per guidance and there is a “please specify” option |
| Q32 Long term investment by United Utilities will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer? | Participants found it hard to answer this question as it poses a moral dilemma. Participants felt it is not fair for the future generations to pay for these improvements but at the same time they worry about their current financial wellbeing | None required |
| | One participant found this hard to answer as they felt this investment should have been started by now | None required |

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| <p>Q37. United Utilities offers help to qualifying low-income households that are struggling to afford their water and wastewater bills. More information about this can be found here:</p> | <p>This was generally acknowledged to be a great addition as everyone wanted to make sure people in need are supported, one participant even opened the link to review in their own time</p> | <p>None required</p> |
| <p>Demographics Q38-Q44a</p> | <p>One participant felt that this could be made to stand out a bit more and perhaps turned into an infographic like all the business plan slides</p> <ul style="list-style-type: none"> • Participants had no issues in understanding or completing these questions. • A couple have mentioned they liked the option to say “identify in a different way” at the gender question | |

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Water for the North West