

9240/United Utilities
Non-Household small/medium businesses
Depth Discussion Guide (75 minutes) v1

(I) Introduction		5 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 and your company as business customers. While most of you will be customers of United Utilities for your own homes, we’re specifically interested in your views as a business customer of United Utilities – the bills your business pays and the water it uses. <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. [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"> What does your company do? What’s your role in the company? What role do you have in managing your company’s water usage and/or bills? 	

(II) Reactions to the pre-task		5 mins
Reactions to the pre-task	<p>MODERATOR: A few days ago, we sent out information pack. This 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"> Did you receive the 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? 	

	<ul style="list-style-type: none"> • 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?
--	--

(III) An introduction to United Utilities	10 mins
--	----------------

An introduction to United Utilities	<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 you heard of United Utilities before we invited you to this session? • What do you know about United Utilities? What does it do? • Are you aware that you no longer pay your bills to United Utilities? • Talk through slide on difference between water retailer and wholesaler. • Check awareness. Any questions? • 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 • As a business, are you aware of any ways in which your relationship to United Utilities is different to household/domestic customers? <p>SHOW SLIDES 1-5: 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 WaSC). Your water services provider, United Utilities, is a WASC and provides both your water and wastewater services.</p> <p>[Moderator: Read through specific content on water retailers vs wholesalers]</p> <p>Some of United utilities' responsibilities are required by law, also known as statutory. However, there are also areas not required by law that will provide more benefits to the service you receive, to nature and society.</p> <ul style="list-style-type: none"> • Are any of these surprising to you? <ul style="list-style-type: none"> ◦ Which/why?
--	---

	<ul style="list-style-type: none"> • Was any of this information something you hadn't heard about or considered before? • How would you describe your business' relationship with United Utilities? <ul style="list-style-type: none"> • What experience do you have of dealing with United Utilities? • What words would you use to describe how you feel about United Utilities, as a business customer? • As a business customer, is there anything about the service United Utilities provides that you would like to see them improve? • Finally, again as a business customer, how would you rate the value for money you received for your water and wastewater 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. <ul style="list-style-type: none"> ○ Why did you give this rating?
--	---

(IV) Temperature check - household business finances/cost of living.		5 mins
Household finances	<ul style="list-style-type: none"> • How are you feeling about the economy at the moment? • Thinking about your company's finances, how positive or negative do you feel about them just now? <ul style="list-style-type: none"> ○ Why is that? ○ Has the situation changed over the last 6 months? How/why? ○ How optimistic are you about your company's finances over the next 12 months? 	

(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>SHOW SLIDE 7: LONG-TERM Challenges</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. Future challenges that it is planning for include: climate change; a growing population; and technology change.</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 8: LONG-TERM PLAN</p> <p>[Quick overview of upcoming problems: population growth and climate change]</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 <ul style="list-style-type: none"> • 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? <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?
--	---

<p>(VI) Focus on the shorter-term picture (proposed business plan) PART 1</p>	<p>10 mins</p>
<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>I'm now going to talk through the plan, step-by-step, to make sure you are comfortable with 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>As you saw in the video we sent you, 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? • What, if anything, do you think this means for your business? <ul style="list-style-type: none"> ○ Why do you say that? • Are there any specific goals on the screen now that you think are particularly

	<p>important for United Utilities to aim for?</p> <ul style="list-style-type: none"> ○ Why is that important for your business? <p>• Are there any that you are concerned about?</p> <ul style="list-style-type: none"> ○ Why is that concerning for your business?
<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>In this next section, we’re simply going to talk through these service improvements, step-by-step, to make sure that everyone is comfortable with what United Utilities is proposing and what that means for water customers in the North West.</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 companies <i>must</i> include in their business plans. These six targets for improvement are set by Ofwat, however, water companies 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>Pre-task overview</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 your business? <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 addition investment or improvement? <ul style="list-style-type: none"> ○ Why those? <p>SLIDES 12-17: Comparative data by improvement measure.</p> <p>I’m going to talk you through six important areas in which water utilities companies in England and Wales are regularly monitored and compared by The Consumer Council for Water.</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?

<p>(VII) Focus on the shorter-term picture (proposed business plan) PART 2</p>		<p>30 mins</p>
<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 	

	<p>performance</p> <p>SHOW SLIDE 19-28 – 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] <p>In terms of the proposed plan target [X target], do you feel that, for your business, United Utilities is going too far, not far enough, or striking a good balance?</p> <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 going 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? ○ How does it affect your business? ○ Is there anything that stands out as particularly good or interesting in the way they intend to achieve this target? ○ From the perspective of your business, 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 29: 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 credible plan for water management that would be acceptable to your business: <ul style="list-style-type: none"> ○ Why do you say that? ○ What benefits would it bring? ○ What concerns would you have? <p>SHOW RESPONDENT PERSONALISED BILL – PROPOSED PLAN BILL IMPACT</p> <ul style="list-style-type: none"> • On this slide, there is an estimated increase in business 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

	<p>would increase your company's annual water bill.</p> <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 your company? <ul style="list-style-type: none"> ▪ Do you feel that this would be something that your company 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?
<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. SHOW SLIDE 30 MUST DO VS. PROPOSED.</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>SHOW 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 1% 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? • Are there any areas of the plan that you would 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

	<p>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.</p> <ul style="list-style-type: none"> 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>United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments, as not investing now 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? <ul style="list-style-type: none"> To your business To the North West And what about the drawbacks? <ul style="list-style-type: none"> To your business To the North West 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>(VIII) Wrap-up including the post-task</p>		<p>3 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? 	

Thank & Close