

8942/United Utilities
Non-Household small/medium businesses
Depth Discussion Guide (75 minutes) v1

| (I) Introduction | | 5 mins |
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| 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, tonight 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 |
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| 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? | |

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| | <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? |
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| (III) An introduction to United Utilities | 10 mins |
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| 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 1-4: 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? |
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| | <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? |
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| (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? | |

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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. Future challenges that it is planning for include: climate change; a growing population; and technology change.</p> <p>For example, over the past five years we have witnessed more severe storms and more dry weather events, and looking into the future climate change presents a significant challenge.</p> <p>United Utilities is planning for warmer and drier weather during summer months, and more intense storms, which impacts the capacity of its wastewater systems.</p> | |

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| | <p>United Utilities will also continue to support customers who are vulnerable or struggling to pay as we know this is hugely important in the region. This is a key consideration in the next five years and beyond.</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 <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>NOTE ABOUT PHASING: 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>We won't discuss this in depth now, but we'll revisit it at the end of the session.</p> |
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| (VI) Recap on the pre-task information | | 10 mins |
| Pre-task overview | <p>SLIDES 5-10: 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</p> | |

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| | <p>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>SLIDE 11: List of ten service areas mentioned in the business plan</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? |
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| <p>(VII) Focus on the shorter-term picture (proposed business plan)</p> | <p>30 mins</p> |
| <p>In-depth review of the business plan</p> <p>Understanding of the wider business plan vision under the 'four pillars'</p> | <p>SHOW SLIDE 12: The proposed business plan (Three Pillars)</p> <p>I'm now going to talk through the plan, 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>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 important for United Utilities to aim for? <ul style="list-style-type: none"> ◦ Why is that important for your business? • Are there any that you are concerned about? <ul style="list-style-type: none"> ◦ Why is that concerning for your business? <p>SHOW SLIDE 13: Statutory requirements</p> <p>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.</p> |

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| | <p>These are mandatory requirements for all water companies, and we won't be evaluating them in this session. However, they will provide you with useful background information to United Utilities' wider plans.</p> <p>WINEP/WRMP: The services that water companies provide must comply with environmental laws in England and Wales, as well as UK or Welsh Government policy.</p> <p>All water companies have a programme of work to meet these laws, which includes:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>Drainage & Wastewater Management Plans: 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.</p> <p>The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.</p> <p>Storm overflow infrastructure: When there is too much rainfall for sewers to handle, storm overflows allow rainwater, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea.</p> <p>This helps to reduce the risk of properties being flooded with sewage.</p> <p>There are around 15,000 storm overflows in England, and 2,191 for United Utilities company.</p> <p>Each company (in England) has a target set by Government to reduce the use of storm overflows:</p> <ul style="list-style-type: none"> • 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 |
| <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>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> |

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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, for your business, 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 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 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 a credible plan for water management |

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| | <p>that would be acceptable to your business:</p> <ul style="list-style-type: none"> ○ Why do you say that? ○ What benefits would it bring? ○ What concerns would you have? <p>SHOW SLIDE 26 – PROPOSED PLAN BILL IMPACT</p> <p>Show price increase reference sheet</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 would increase your company’s 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 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? |
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| Review of phasing | <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 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"> ○ <i>To your business</i> ○ <i>To the North West</i> • And what about the drawbacks? <ul style="list-style-type: none"> ○ <i>To your business</i> ○ <i>To the North West</i> • 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? |
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| (VIII) Wrap-up including the post-task | 3 mins |
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| 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.</p> |
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Any final questions from the clients/observers

Thank & Close