

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 18-30 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. This sample included 10 customers on a social tariff.



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

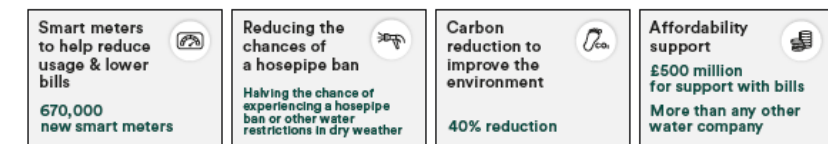
All of these investments from 2025 to 2030 are expected to deliver significant improvements to many of the day-to-day services that United Utilities' customers rely on. In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers'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



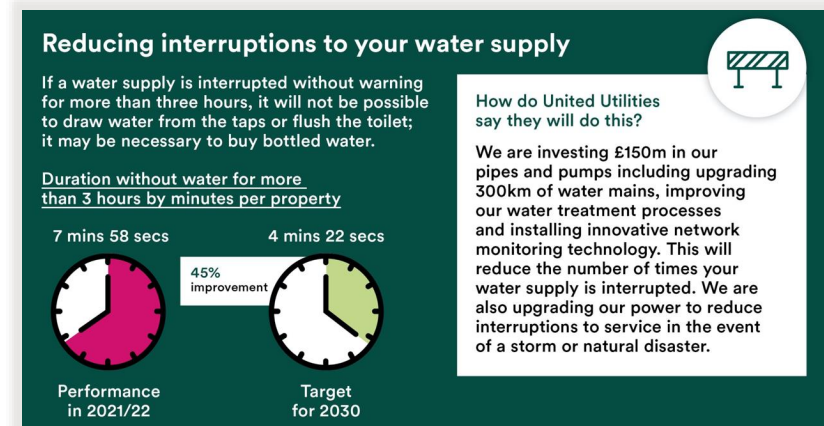
Voluntary improvements set by United Utilities: targets for 2030



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

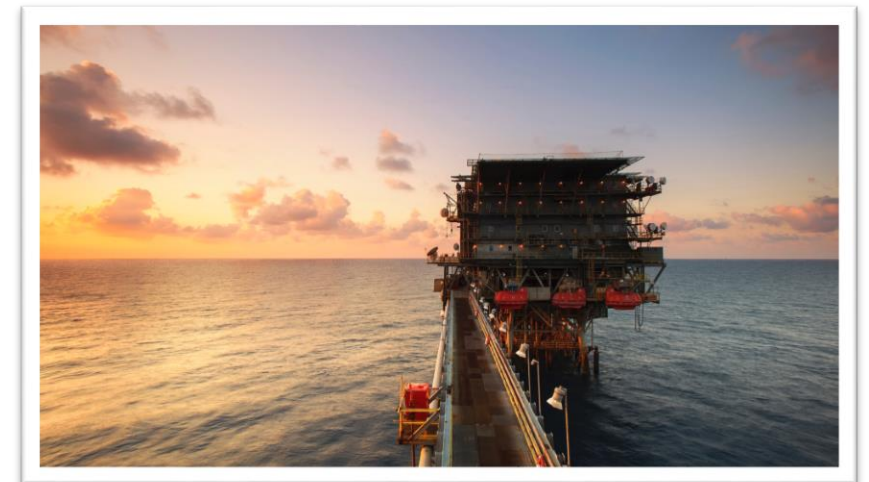
Since late 2021, a large proportion of the UK population have been feeling the effects of the cost-of-living crisis. This has meant that households typically have less disposable income and United Utilities customers may be feeling significantly more squeezed in terms of their finances than normal.

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



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.

“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

“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

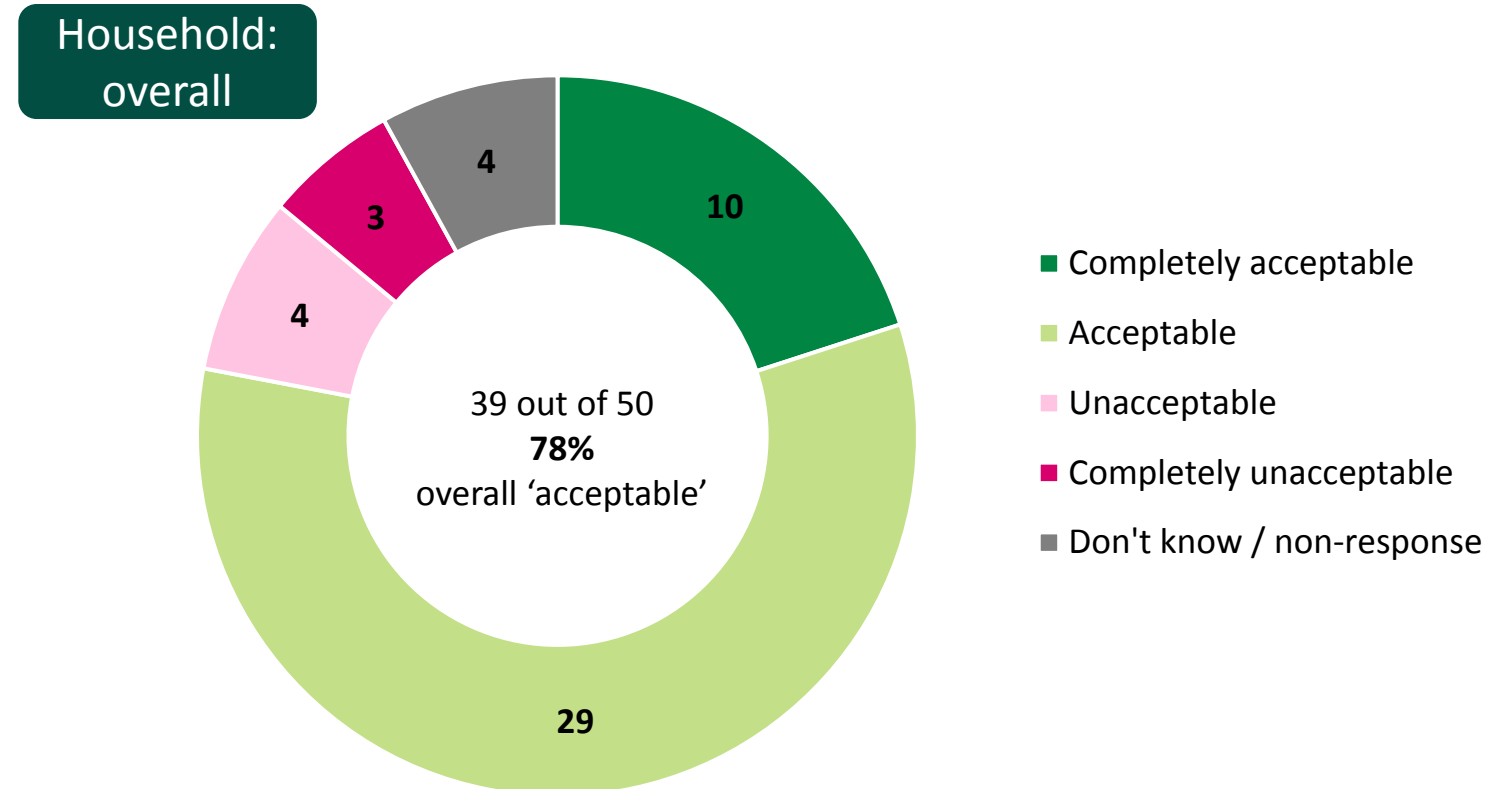


Proposed plan acceptability

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).



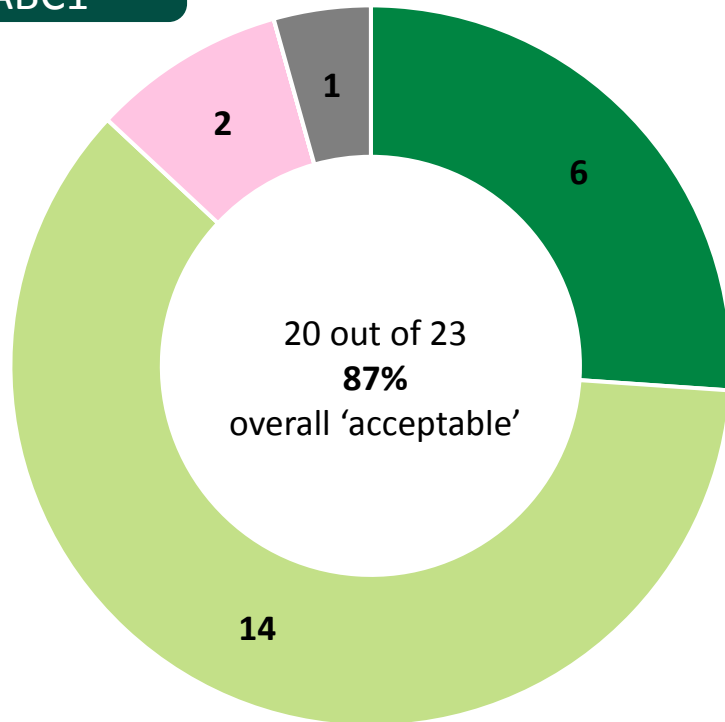
Base: All HH respondents (50) Post-task Q2 Based on everything you have heard and read about United Utilities' proposed business plan, how acceptable or unacceptable is it to you?

Acceptability of the proposed plan: household customers

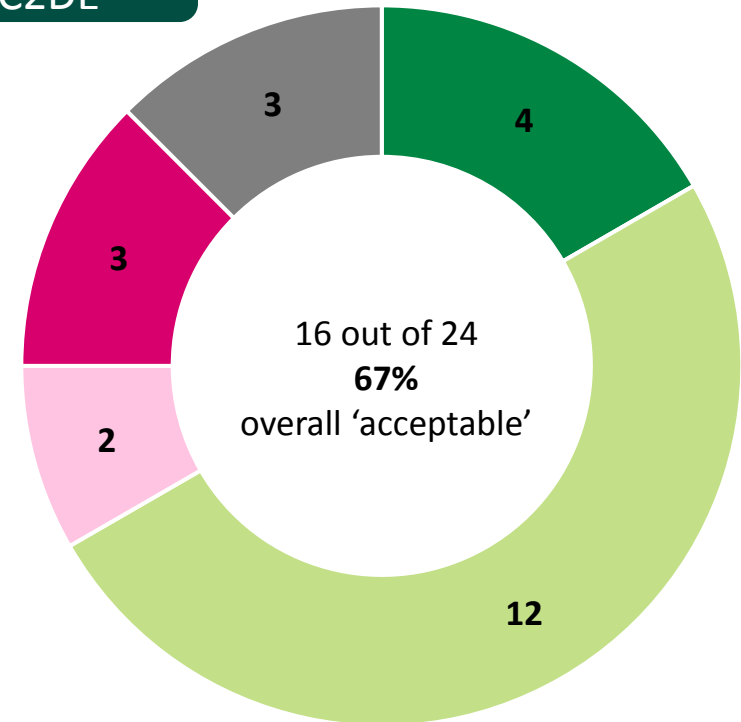
How did householder views of acceptability differ by socio-economic group (SEG)?

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

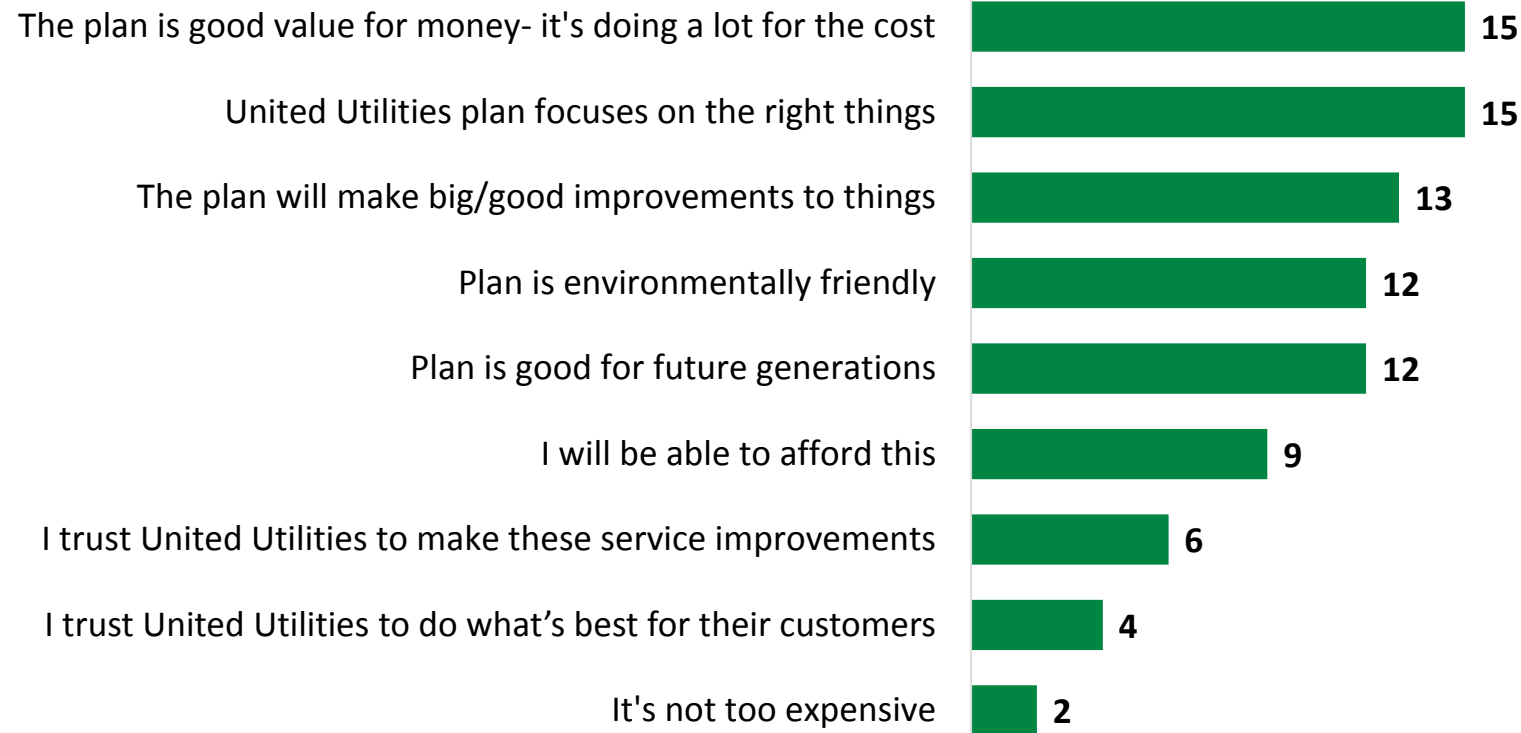
Three participants unable to provide information to assign SEG all noted the plan to be 'acceptable'.

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.



Household:
overall

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?

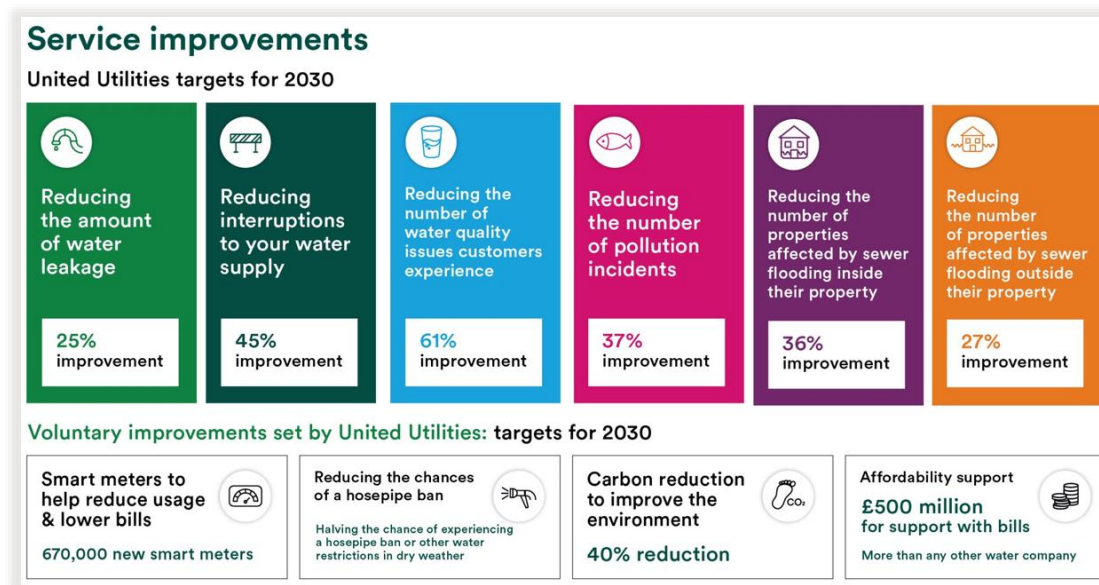
Reactions to the plan: household customers

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."

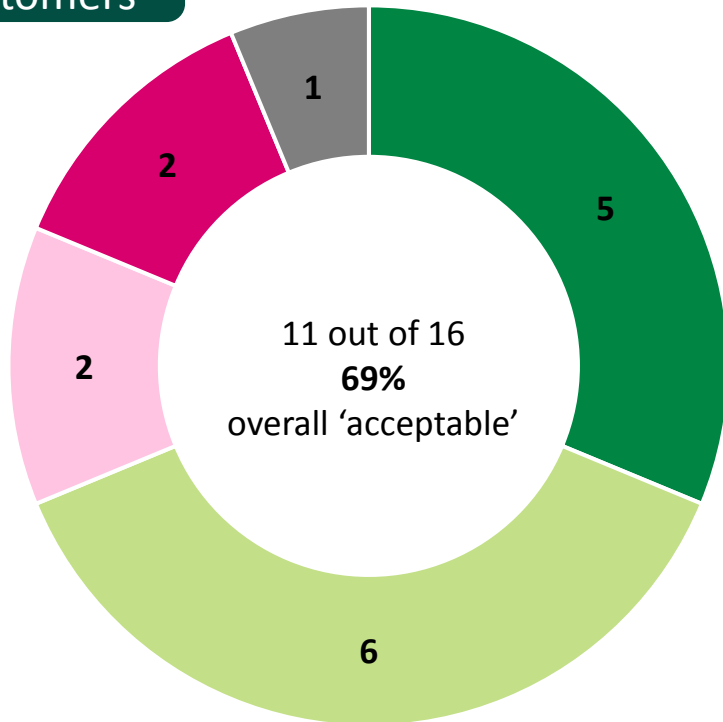
Household, Macclesfield

Acceptability of the proposed plan: vulnerable and future customers

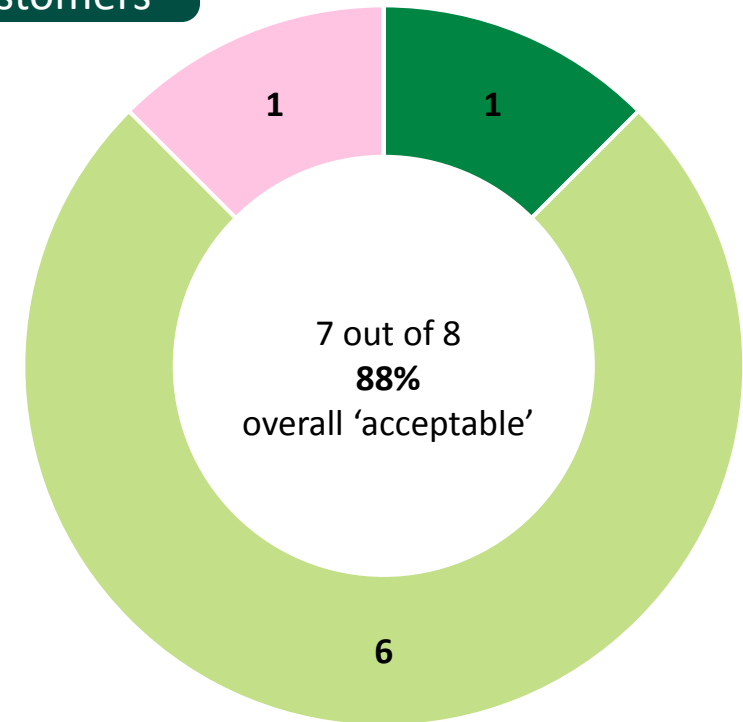
Overall, how acceptable did vulnerable and future customers believe the proposed plan to be?

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



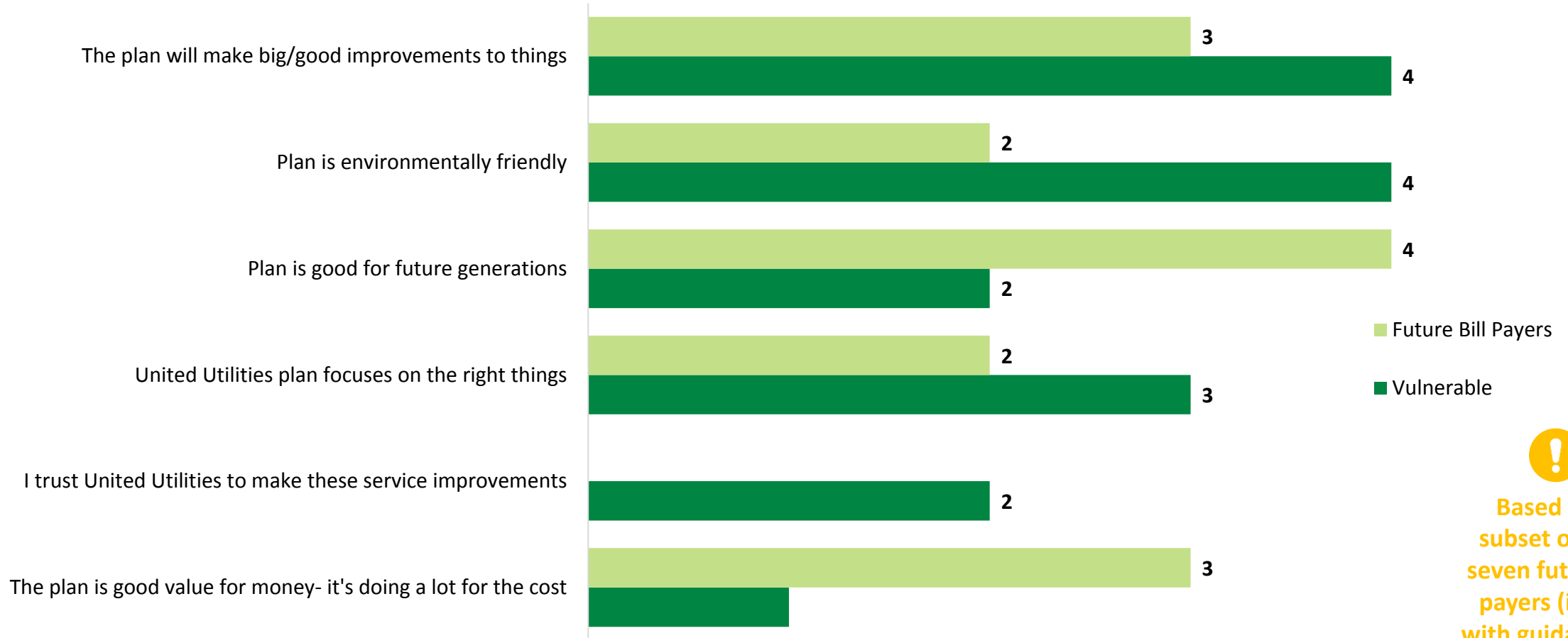
- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

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

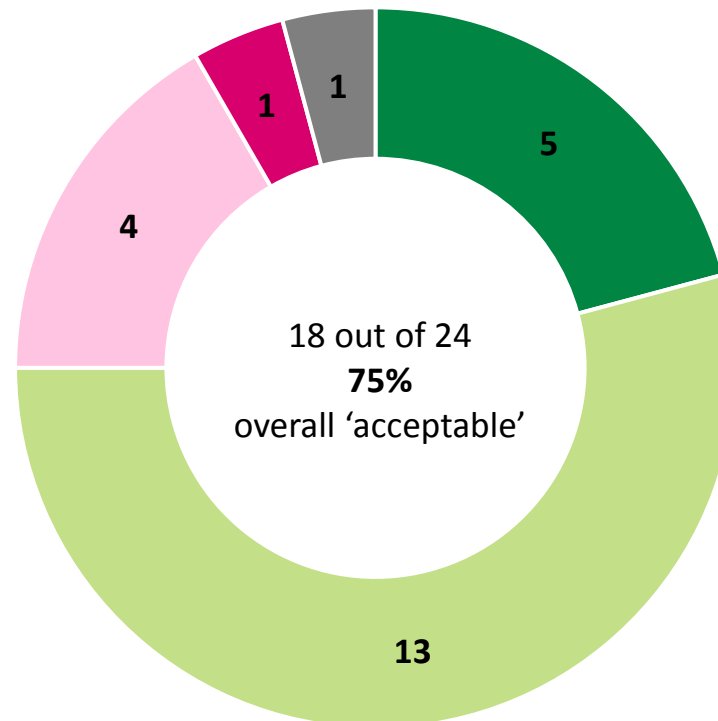
Acceptability of the proposed plan: non-household customers

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

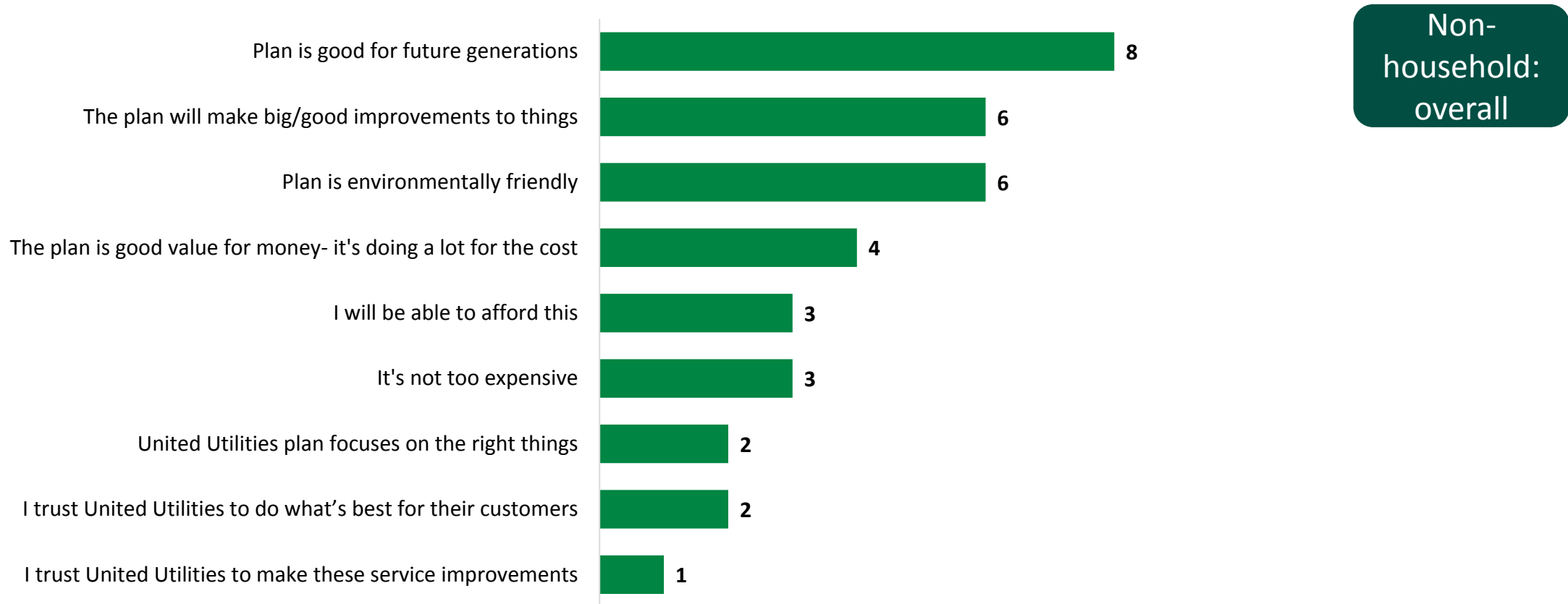
- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know / non-response

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).

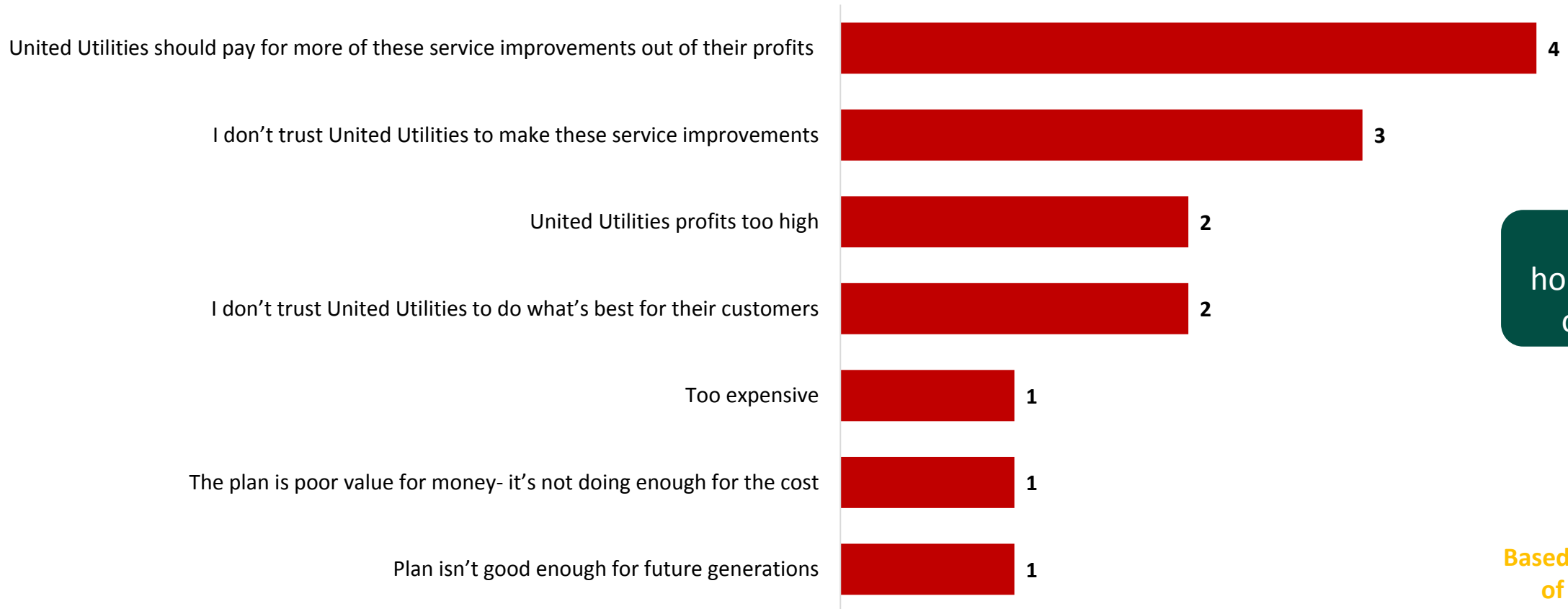


Base: NHH respondents stating the plan is acceptable (18) Post-task Q3b You said that the proposed business plan is acceptable...Why do you say that?

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"

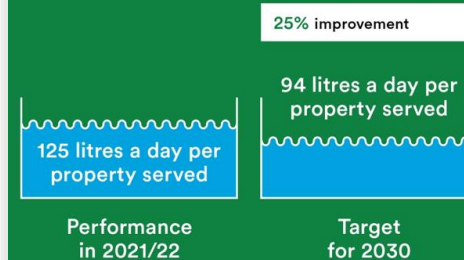
FBP, Liverpool

"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

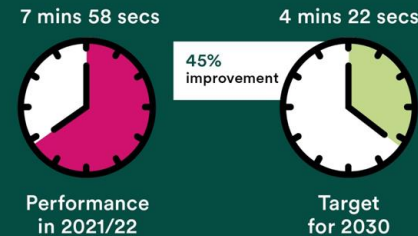
“This is the duration past 3 hours, like 3 hours is a long time to be without water. So don't think it's great. I think we should definitely be trying to reduce the time if the can.”

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



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.

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 (Performance in 2021/22)

11.21 incidents per 10,000km of sewers (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.

“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

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.”

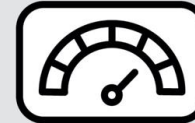
Vulnerable, Greater Manchester

“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.”

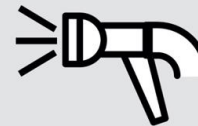
Household, Carlisle

“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?”

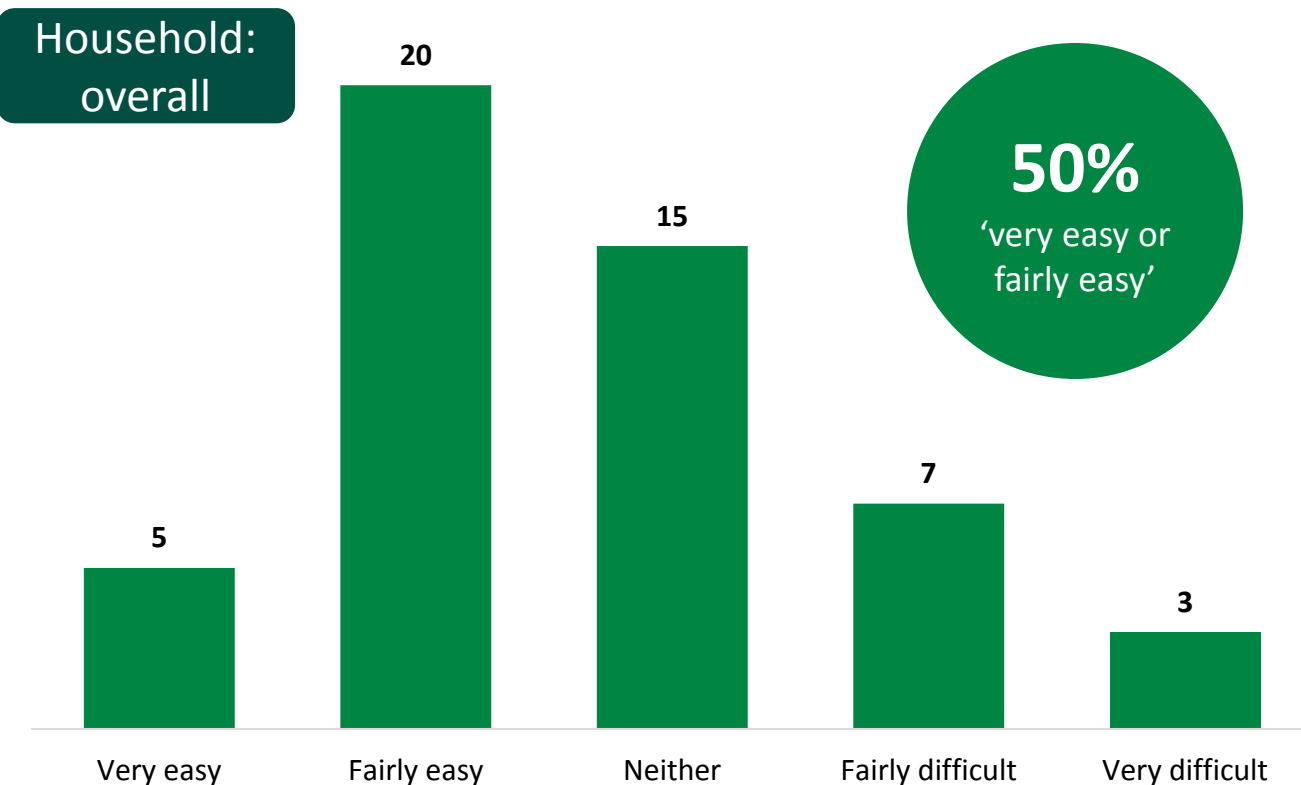
Micro, Warrington

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

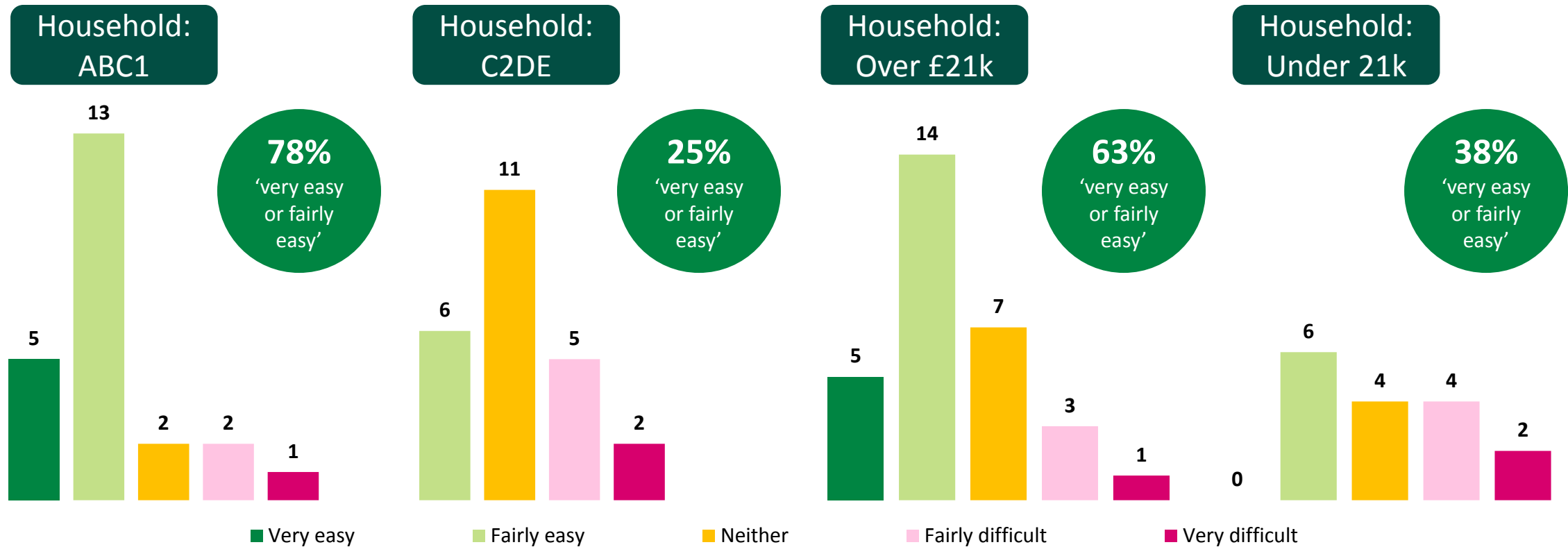
Note: where available, household customers were presented with a bill predictions based on a personalised water bill (provided by United Utilities).

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

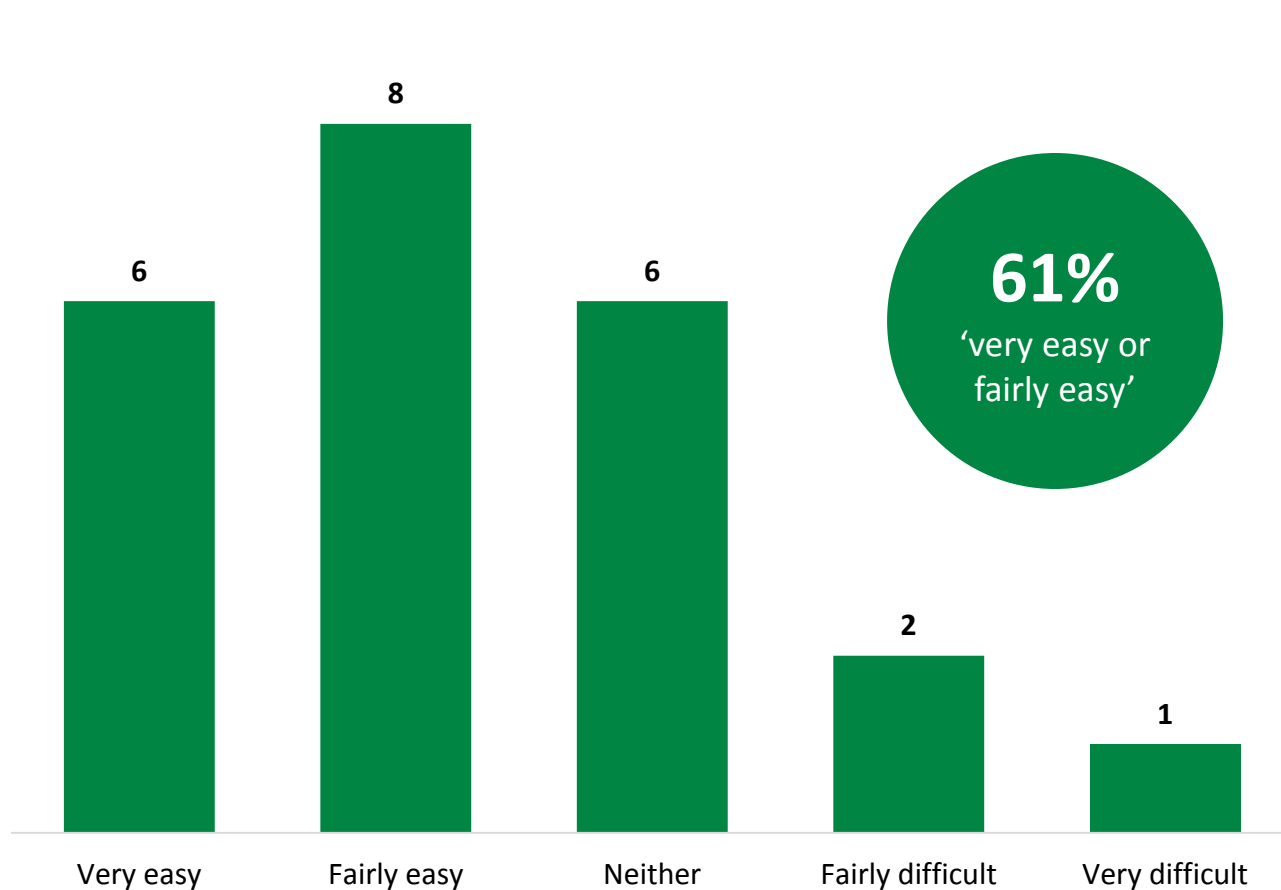
"You don't know what's going to happen about fuel bills, for example, which are forecast to come down, but who knows? ... [you're] just surrounded by all these bills aren't you?"

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

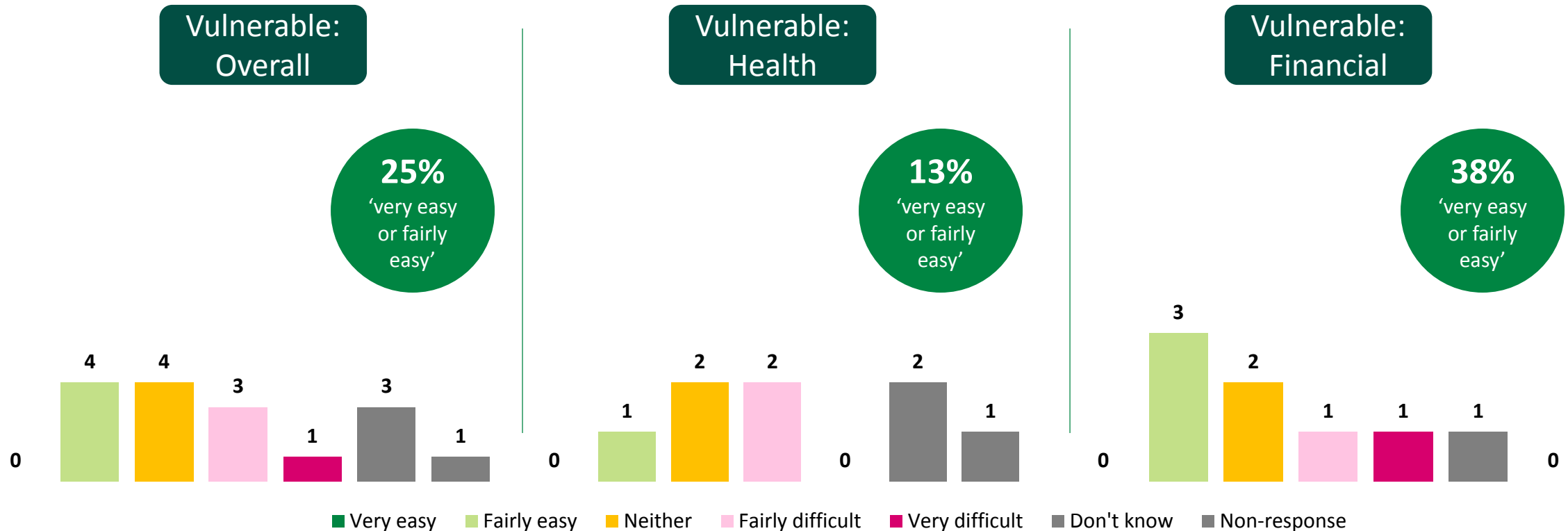
"This is really, really scary. It's going up over 50%, almost 100%. It's not affordable. It won't be possible for the school to pay."

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

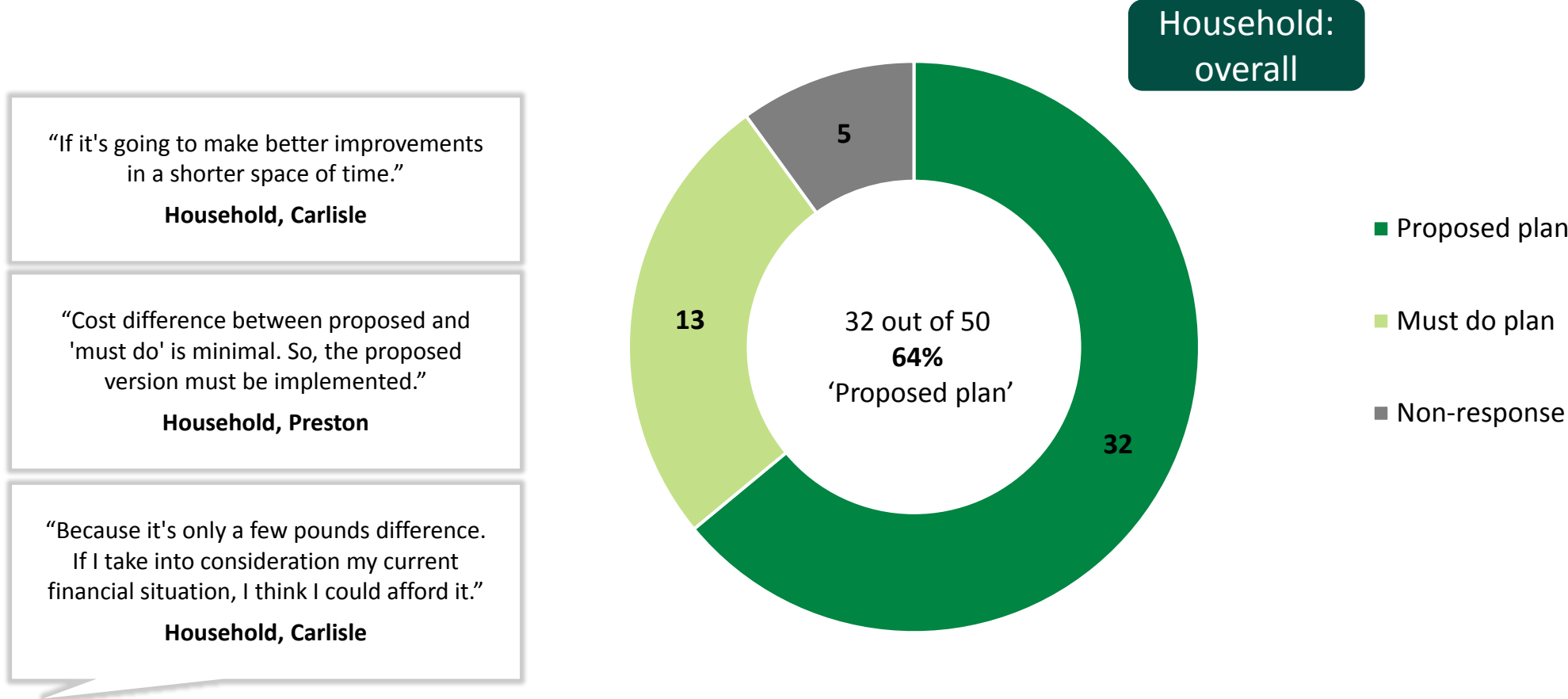
“I don’t pay bills, so I don’t know how much... It’s not like that’s the only thing that’s going to increase, you’ve got outgoings as well, I think it will have an impact.”

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).



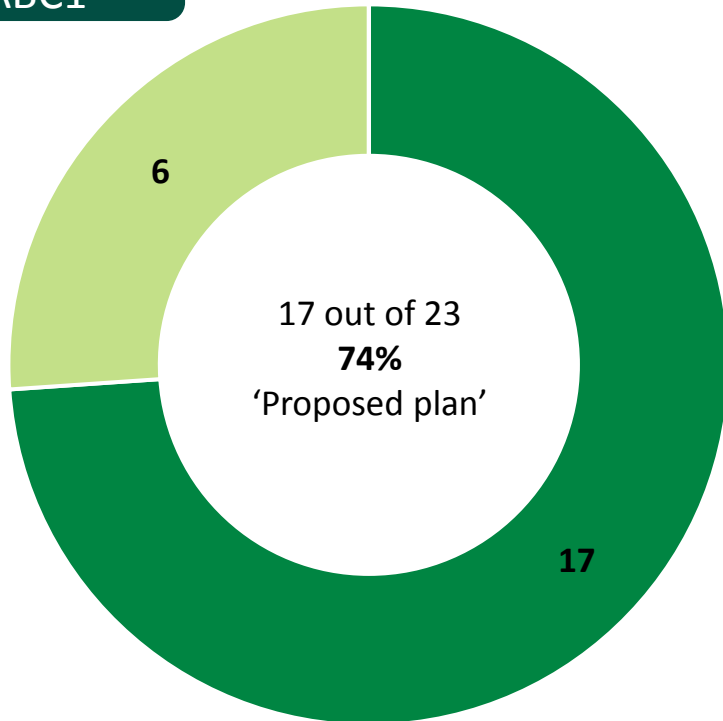
Base: All HH respondents (50) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: household customers

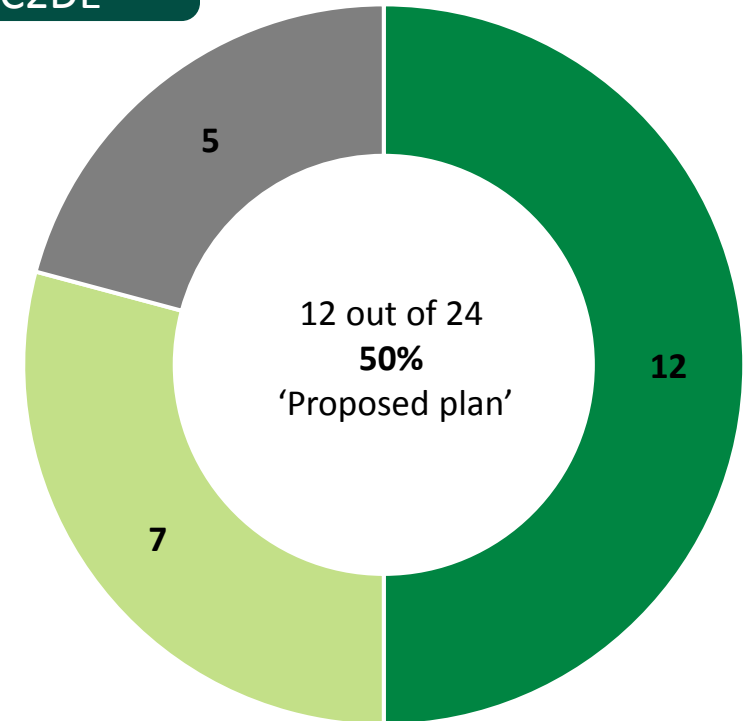
How did householder plan preference differ by socio-economic group (SEG)?

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'.

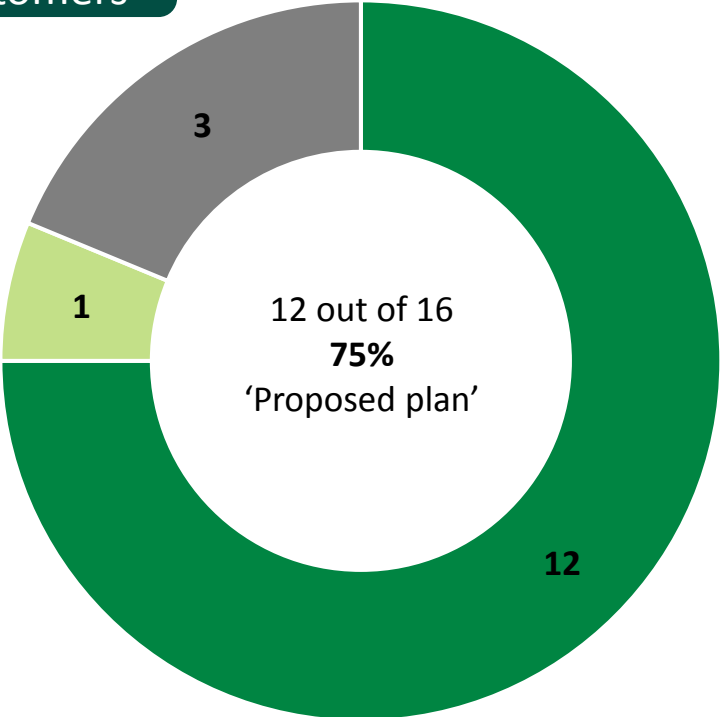
Base: All HH respondents (50) ABC1 (23) C2DE (24) Post-task Q4 Of the business plans you have seen today, which one do you prefer overall?

Plan preference: vulnerable and future customers

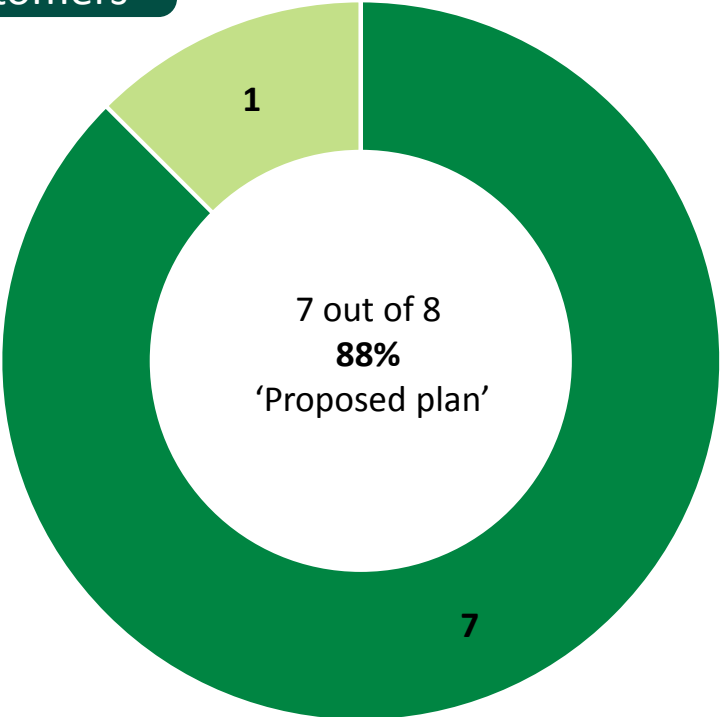
Overall, did vulnerable and future customers prefer the proposed or the 'must do' plan?

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

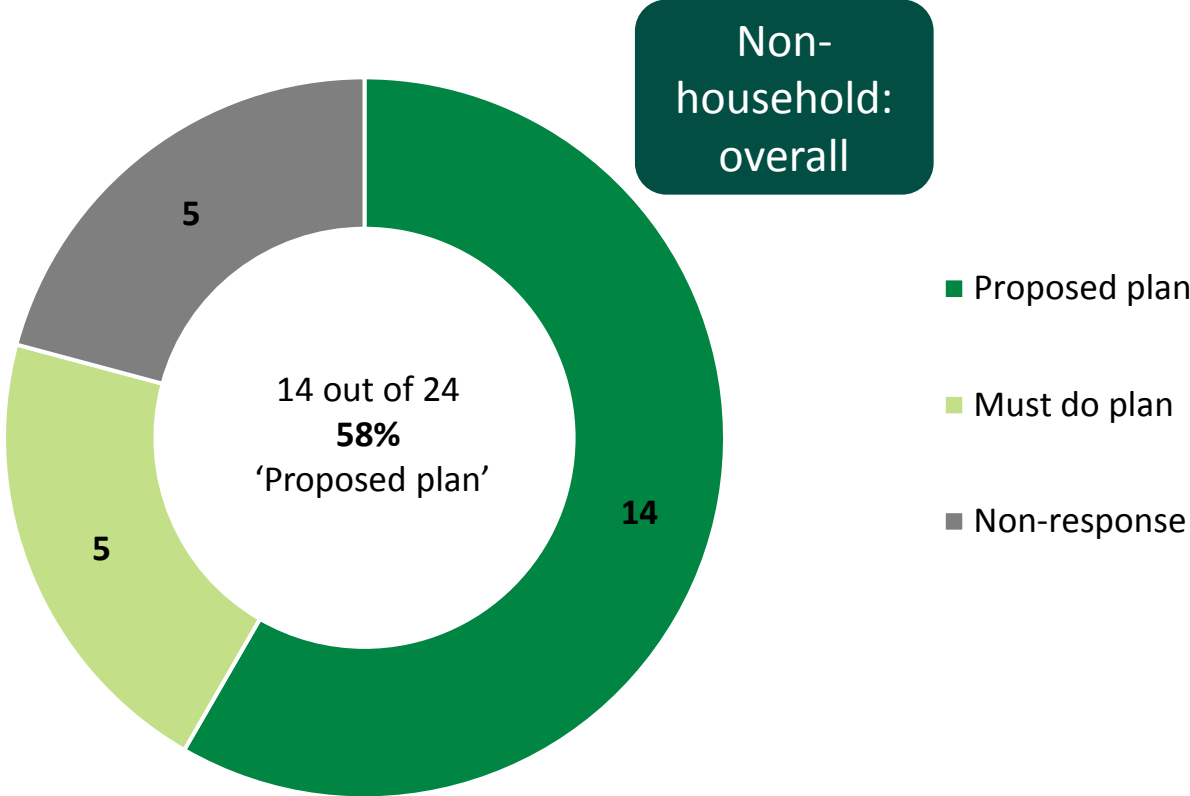
“Because you are paying the same (pretty much) for the proposed plan as the 'must do' plan, but it has more benefits.”
FBP, Liverpool

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



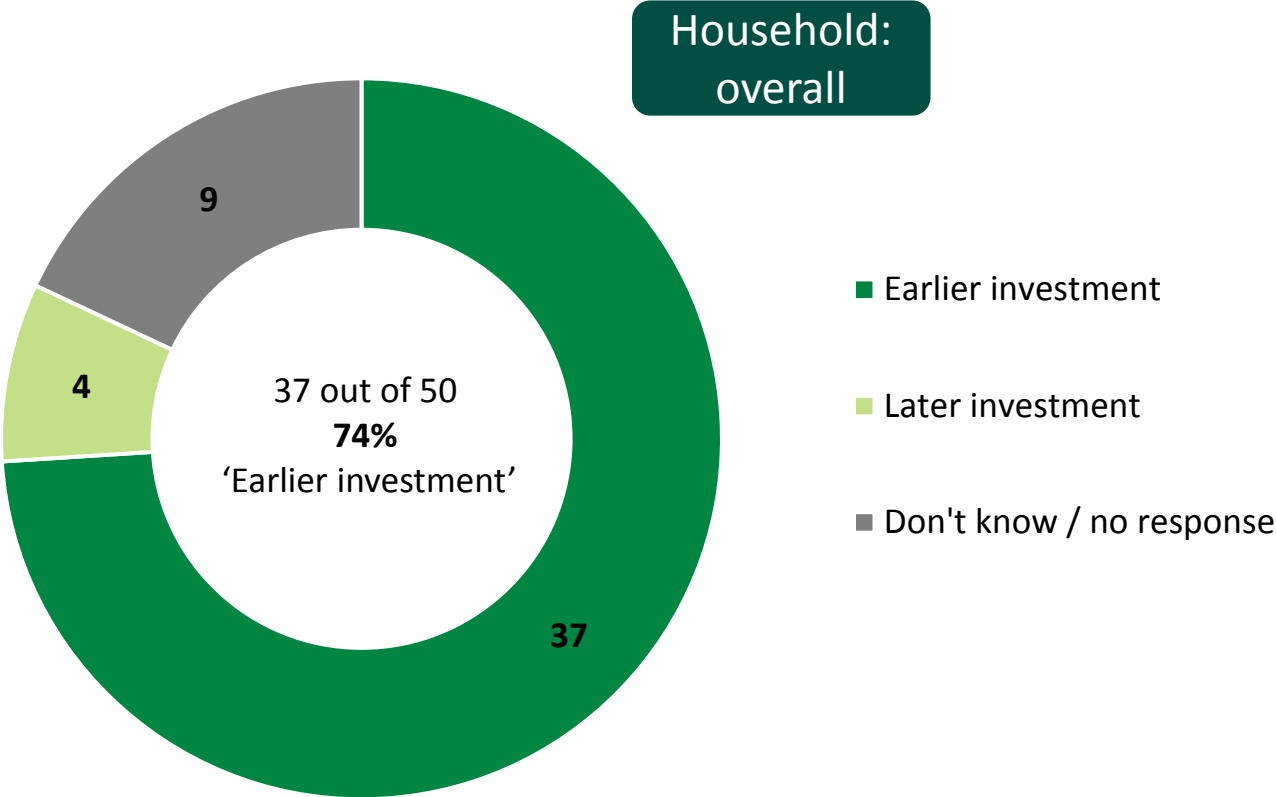
Base: All NHH respondents (24) Post task Q4 Of the business plans you have seen today, which one do you prefer overall?

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

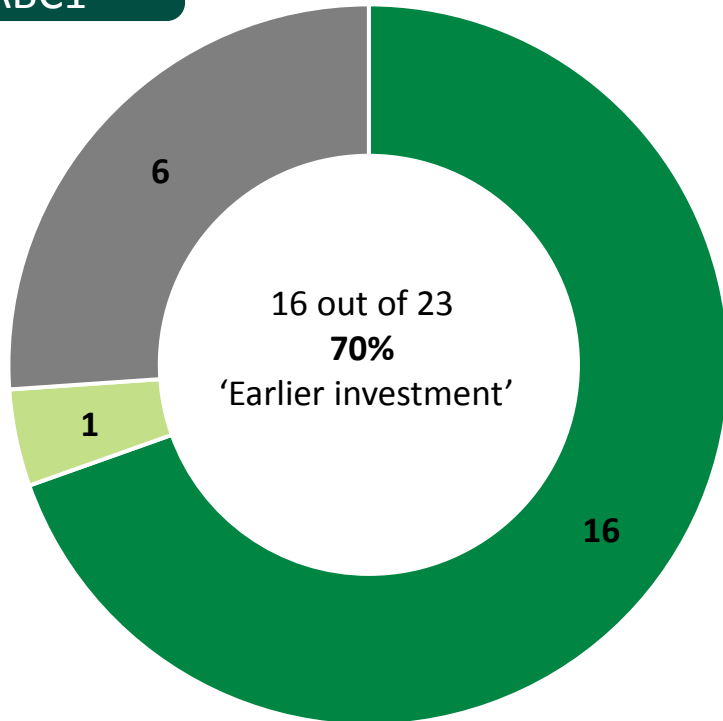
	Option 1	Option 2	Option 3
Description	Investment is spread out across 2030 to 2050 to improve services, gradually improving levels of service	Investment is sooner to allow for improvements to services earlier	Investment is delayed, so service improvements happen later
What this means for bills	Bills 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

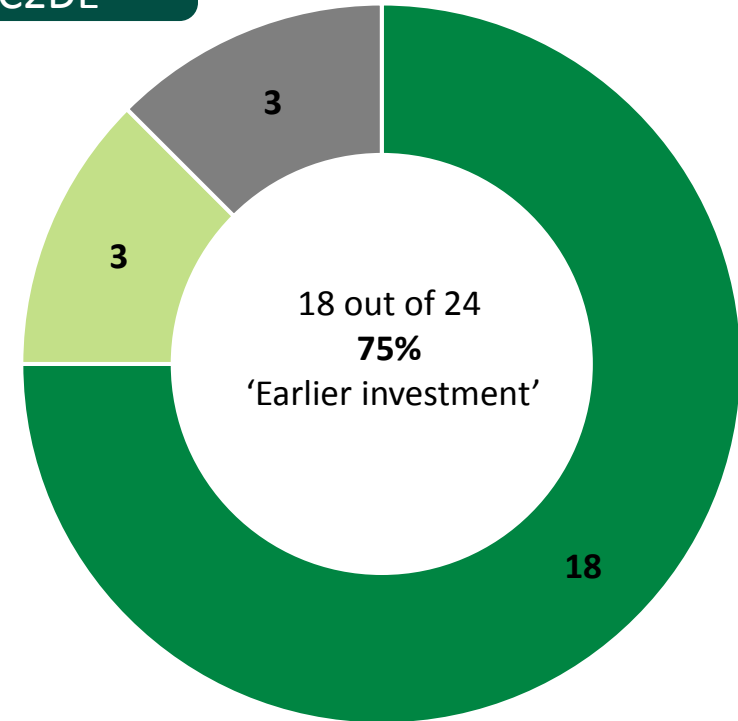
How did phasing preference differ by socio-economic group (SEG)?

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 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

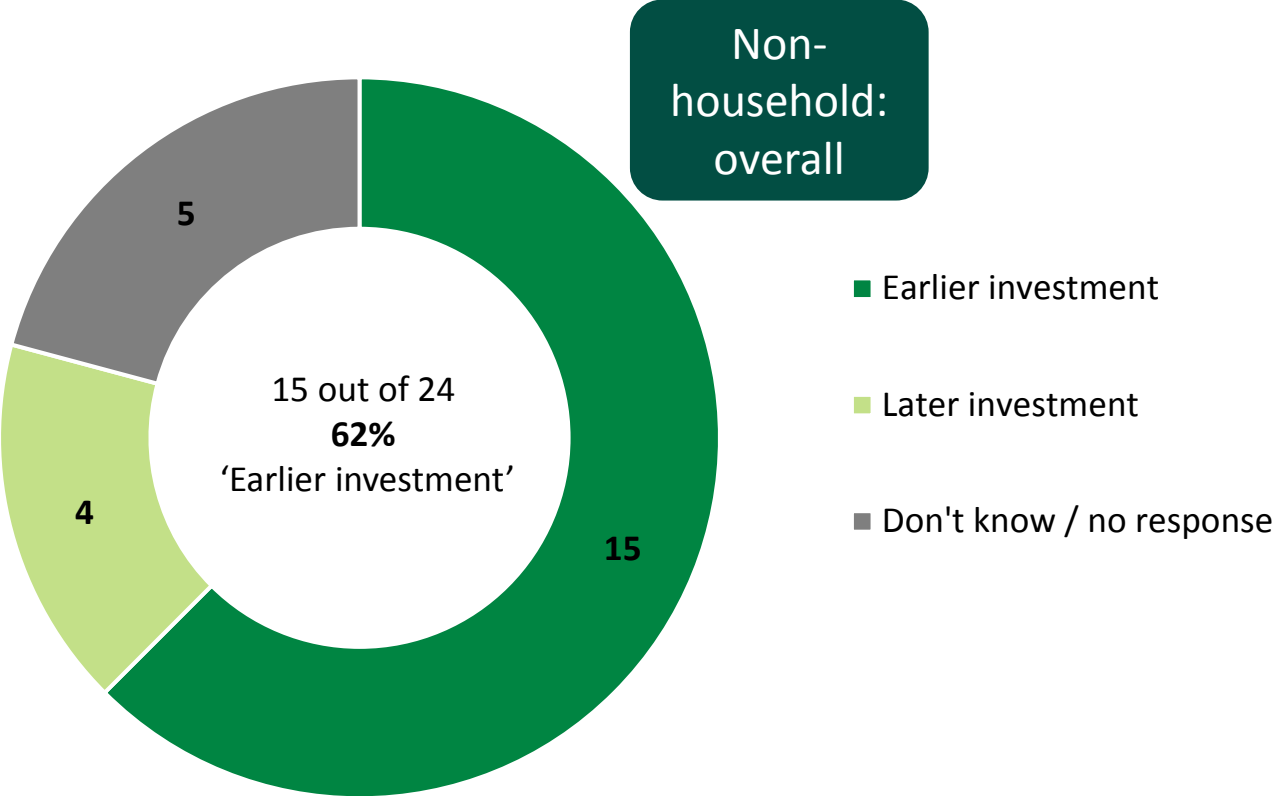
“The environment is a priority and needs an intervention as soon as possible I don’t think it should be delayed.”
FBP, Liverpool

“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
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.

“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 (Jen Felton).*

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?

23% 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.

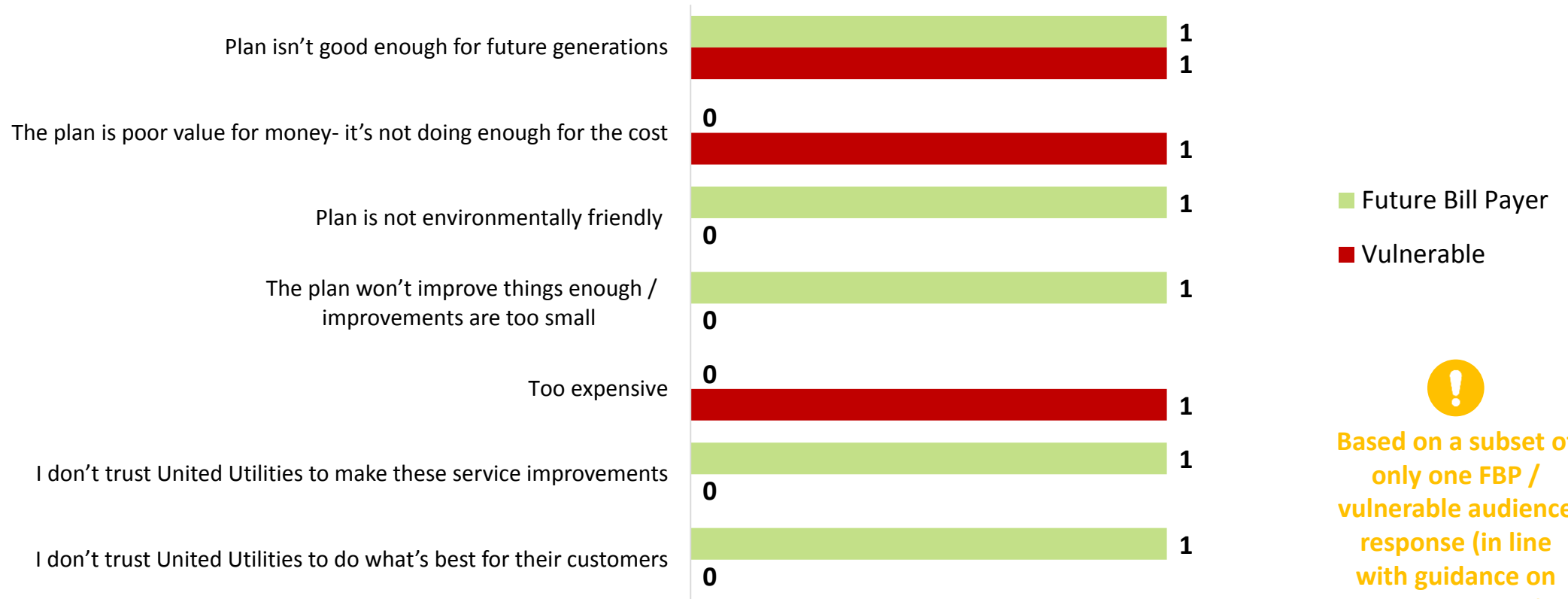
Appendix 5

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).



Based on a subset of only one FBP / vulnerable audience response (in line with guidance on survey routing)

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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