

**United Utilities- LTDS Ambition Testing
Discussion Guide**

Discussion Plan Overview: 120 minutes		
Introduction	Purpose of section: To put respondents at ease, introduce the research and United Utilities, and allow the participants to introduce themselves.	5 mins
General water views	Purpose of section: To understand initial views of water and water-related issues, including the priorities of the six key themes listed from United Utilities e.g. water quality, climate change, social value etc.	10 mins
Immersion in future scenarios	Purpose of this section: To introduce the ambitions, then explore customers' understanding of potential future water-related scenarios (i.e. ambitions in context).	45 mins
Reaction to the ambitions	Purpose of this section: To explore more detailed perceptions of the identified ambitions and potential levels of investment. Inviting discussion about concerns and priorities in regards to the key themes	55 mins
Summary and close	Purpose of section: To get closing comments and thank the participant for their time	5 mins

Moderator note: flex focus of discussion based on different audiences - focus more on affordability support among vulnerable customers, and more on business related questions for non-household groups. Refer to specific probes for each audience.

Overall aims:

- Understand customers' views, long term priorities and expectations from United Utilities.
- Explore and gauge customer perceptions of United Utilities' identified ambitions, view future plans and expectations against a variety of backdrops, including United Utilities' Future Scenarios.
- Explore how perceptions, priorities, views and expectations vary across customer segments.
- Evaluate customers' views on intergenerational fairness, focusing on the balance of responsibility for paying for investment between current and future customers.

Introduction	Purpose of section: To put respondents at ease, introduce the research and allow the participant to introduce themselves.	5 mins
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Explanation of purpose and operation of the session;

- Introduce self, PwC Research – who we are and what we do
- Topic of discussion – We’re conducting research on behalf of United Utilities - who are responsible for water and wastewater services in the North West. The research will be used to help them better understand how they can best provide services for all customers, as part of United Utilities long-term delivery strategy. This long-term delivery strategy is a requirement of Ofwat, the national regulator of the water sector in England and Wales, which requires water companies to set out their plans for the next 25 years, and how they will deliver them in a range of plausible futures.
The aim of the research is to better understand your views, long term priorities, and expectations through looking at different themes and future water-related scenarios. United Utilities are also talking to businesses and industry experts too.

Reassurances:

- Purely research, no selling or marketing involved, no right / wrong answers, importance of honesty
- Confidentiality of personal details
- Audio/video recording – why, uses and permission
- Reminder of confidential nature of research
- Any questions or concerns?

Introductions - participant to tell us a bit about them:

- Name, where you live?
- Family, who you live with?
- If you work, what you do?
- Hobbies, what do you like to do in your spare time?

Introduction for NHH groups:

- Name, what company you work for (e.g. company name, sector)?
- Size of business (ie, number of staff)?
- Location of business site / office?
- Companies’ use of water (e.g. manufacturing, agriculture, packaging, recreation, etc)?

General water views	Purpose of section: To understand initial views of water and water-related issues, including the priorities and expectations of the seven key themes listed from United Utilities e.g. water quality, climate change, social value etc.	10 mins
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Moderator to explain that we would like to start by talking about their attitudes and behaviours when it comes to water and wastewater

Water attitudes, behaviour and knowledge:

- To what extent do you think about water and how much water you are using?
- Is monitoring / reducing your water usage something that you think about?
 - If yes, what are you doing? Probe around use of turning off tap when brushing teeth, shower length, water butts, smart water meter, shower head flow restrictors, purchasing appliances with use less water, etc?
 - What prompted you to think about your water usage (ie, cost vs environmental reasons)?
 - If environmentally driven - what would you say are your main concerns?
 - If no, why do you feel environmental reasons are something that you haven't really thought about?
- To what extent do you think about wastewater? Ie water collected from flushed loos, emptied sinks, baths, showers and household appliances, surface water run off, fats / oils put down the drain, wet wipes put down the toilet
 - What do you think happens to your wastewater?
- Quick quiz: do you know how much water your household uses a day (ie, litres per person, per day)?
Explore answers given, and any sources of awareness

Moderator to show respondents the household water usage infographic

- What are your reactions to the water usage figures? Anything surprising?
 - How do you think your water consumption compares to the infographic (ie, more or less)?
- What do you think your water usage will be like in 25 years time (ie, more or less than now)?
 - Why? What might make it different (probe around what the future might look like)?
 - Do you think that the water supply available will be the same in the future as it is now? Why/why not?

Immersion in future scenarios	Purpose of this section: To introduce the ambitions, then explore customers' understanding of potential future water-related scenarios (i.e. ambitions in context).	45 mins
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Moderator to explain that we would like to talk to them about United Utilities and their future ambitions. Before we do, reflecting on the pre-read information...

- What do you think United Utilities is responsible for and did anything in the information surprise you?

READ OUT: United Utilities are responsible for water and wastewater services in the North West. Their purpose is to provide great water and more for the North West, and this includes managing reservoirs, treatment works, sewers and water pipes.

We sent you a summary of the 6 ambitions that United Utilities are currently considering as part of their plans for the next 25 years

Moderator to show respondents a summary of the 6 ambitions (ie, name of ambition, icon, sentence to summarise):

- **Drinking water quality**
- **Maintaining our pipes and pumps**
- **Sewer flooding**
- **Water usage and efficiency**
- **Carbon net zero**
- **Social value** (Moderator to voice over - this includes supporting vulnerable customers, improving employment opportunities and improvising access to green & recreational spaces)
- Instinctively, can you rank these ambitions in terms of where you'd like United Utilities to invest and explain your reasoning?

Moderator to explain that we want to talk to them about the balance of responsibility for paying for these types of investments, and what they think is fair. Moderator to show the 'Intergenerational fairness' stim

- Which option would you choose? And why?

Moderator to explain that we now want to take them on a journey through time to get them to really think about future scenarios and where United Utilities' future ambitions might lie.

Moderator Script: These ambitions are for the next 25 years so to try and make sure they're fit for the future, we've decided to look back to a house 25 years ago to see how much water usage and life has changed and how different the challenges and ambitions would have been for United Utilities back then. This way we can try to future proof our ambitions with the struggles and unknown aspects of climate change.

Moderator to play snippet of Oasis, Wonderwall

Moderator to show respondents the 'past house' close up visual:

Moderator Script for 'past house': Close Up

- Let's look through this image together and see what we can spot...
- The bathroom (check out the fittings, does anyone recognise the avocado colour?)
- In the living room, we had big TVs – no flat screens or Ipads. We also had to use dial up internet.

Moderator to show respondents the 'past house' and outside area:

Moderator Script for 'past house': Outside area

- The weather – the highest daily temperature in 1998 was 32.2 degrees, around this time we had heatwaves in 1995 and 2003 which reached highs of 37.1oC and 38.5oC.
- When you look out the window, what do you see? We have kids playing in the street and spot the plastic paddling pool. Do you recognise the razor scooters? Did anyone have one of those?
- You'll also notice that most people had natural grass/lawn in their garden.
- How about the car? There were a mix of diesel and petrol cars in 1998 – but remember, not every household had a car, or even 2 like we often see now?

PAST SCENARIO: Moderator

- How was life different back then?
- How did we think about water then? Did we think about it differently to today? How? In what ways?
- How did we think about the environment then? Did we think about it differently to today? How? In what ways?
- What type of ambitions do you think United Utilities would have had back then?
 - How do you think the ambitions would have differed to the 6 ambitions

Moderator Script:

Now let's have a look at a typical present day house so you can see how things have moved on. Let's see if you can spot any differences from 1998.

Moderator to play snippet of Harry Styles, As It Was

Moderator to show respondents the 'present house' close up visual:

Moderator script for 'present house': Close up

- Let's see what we can spot...
- The bathroom– the way we use water has changed, many more homes have dishwashers, jet wash the garden and power showers, however general appliances (like your dishwasher) might be more efficient today.
- In the living room, we now have flat screen TVs, iPads. Also we now have Wifi.

Moderator to show respondents the 'past house' and outside area:

Moderator script for 'present house': Outside area

- The weather – 2022 was the hottest year on record for the UK. The UK set a new temperature record in July 2022 when Lincolnshire reached 40.3oC, that's 8 degrees warmer than the hottest day in 1998 and hotter than the heat waves in the late 90's and early 00's.
- When you look out the window, what do you see? As well as paddling pools, at-home hot tubs are popular to have in the garden. More people travel via air, sometimes multiple times a year.
- How do we use our outdoor areas? Kids are entertaining themselves with technology rather than on scooters, and many homes have paved over or artificial lawns outside instead of grass.
- We now have a lot more traffic on the road, and our streets are lined with cars. Many households have multiple vehicles. How often do you drive down a road near your home which is completely lined with cars?

SHOW PRESENT SCENARIO:

- What do you think about how much things have changed?
 - What do you think about how technology, water and energy usage has changed?
 - Any surprises (from the info builds)? What stood out? Why?

Moderator script for introducing the future houses:

- The future is uncertain, with climate change, water demand, population increases and technology shaping the future in ways we cannot be certain of yet.
- To plan for this uncertainty, United Utilities needs to make sure that their long term plans, including all of the ambitions we spoke about just now, are as future-proof as possible.
- But what will the future look like in 25 years time?
- There are many different ways the future can look, and here we want to immerse you in two very different future environments – one more positive, one more negative.
- We've used two extremes to prompt discussion about how the outside world might affect your opinions on water services.

Moderator to show respondents the 'positive future house' close up visual: rotate order between groups

Moderator script for introducing the 'positive future house':

- In this example of a future scenario, the UK has embraced climate action and slowed down the impact of climate change.

Moderator to play snippet of Birdsong

Moderator script for 'positive future house': Close up

- Let's look at this first potential future image together, this example is the more optimistic, utopian future...
- The bathroom – note that there is no bath in there. There are no issues with water resource and supply is consistent all year round due to actions taken by the population to be water efficient. People have embraced efficiency and are more mindful about their usage. We noted earlier in the session how much water a power shower uses, in this future we would potentially have new technology which makes our appliances even more efficient.

- In the living room, we still have modern TVs, but do you think it's possible that green energy powers our household goods and gadgets? Also consider the possibility that our gadgets are designed to use less energy and have much better ratings.

Moderator script for 'positive future house': Outside area

- When you look out the window, what do you see?
- The sun – the average daily temp remains the same as it is currently
- We have community gardens where people regularly grow their own produce and 'shop local'
- Have you noticed the water tank used for storing water to use in the garden or for flushing the toilet? Perhaps this becomes the norm for all houses?
- How about the car? In this future scenario, electric cars are common place – as are the charging ports. In this future scenario we've included good public transport links as investment in public services encourages people to 'go green' and reduces the need for multiple cars.
- You can also see the green roof on the house and the buildings outside – the vegetation helps to slow the flow of rainwater, reducing flooding risk and remove carbon from the atmosphere. A lot of these green spaces will be designed with reusing water in mind.
- What are your initial reactions to the scenario?
 - Anything you find particularly interesting / alarming / concerning?
 - What elements are particularly impacting for you and why?
- Does this scenario make you any more conscious about your own water usage?
 - Does it make you want to change any behaviours? What would you change?
- What are your expectations of United Utilities in the context of this scenario?
 - What type of ambitions do you think United Utilities currently has?
 - What elements of United Utilities' ambitions are highlighted here? What ambitions feel more important?

Moderator to show respondents the 'negative future house' close up visual: rotate order between groups **Moderator script for introducing the 'negative future house':**

Now let's look at a very different potential future. In this scenario, climate change is in full effect and having a drastic impact on our lives.

Moderator to play snippet of City noises

Moderator script for 'negative future house': Close up

Let's look at the second potential future together, this example is a more pessimistic, dystopian future.

- The bathroom – there are low reservoir levels due to climate change, water supply is often interrupted and people are forced to use less.
- In the kitchen, there are emergency bottles of water as water supplies are often interrupted
- In the living room, we still have modern TVs and technology, and these are still powered by fossil fuels as they are now. It might not be uncommon to have power outages during winter.

Moderator script for 'negative future house': Outside area

- The sun – The weather is predicted to get warmer, with hotter drier summers, and warmer wetter winters, with heatwaves and extreme weather becoming even more commonplace.
- When you look out the window, what do you see?
- Blackpool tower – due to extreme coastal erosion Blackpool Tower could be relocated inland to an urban area.
- There's a layer of smog in the air which is causing poor air quality and potential health issues as we burn more fossil fuels.
- The car has remained the same as it is now, as we're still using petrol and diesel cars instead of green energy

and public transport

- Due to climate change and heavy urbanisation, there is an increased risk of rivers and surface water flooding – see a wet garden and sandbags protecting buildings.
 - What are your initial reactions to the scenario?
 - Anything you find particularly interesting / alarming / concerning?
 - What elements are particularly impacting for you and why?
 - Does this scenario make you any more conscious about your own water usage?
 - Does it make you want to change any behaviours? What would you change?
 - What are your expectations of United Utilities in the context of this scenario?
 - What type of ambitions do you think United Utilities currently has?
 - What elements of United Utilities’ ambitions are highlighted here? What ambitions feel more important?
 - What do you value in each of these scenarios?

Moderator to show respondents the ambitions ranking exercise conducted earlier (ie, the 6 ambitions that are ‘most’ and ‘least’ important instinctively in the intro to this section).

- Does this scenario change your thoughts on which of the 6 ambitions should be a priority for United Utilities to focus on?
 - If yes, how does it change your priorities? **Moderator to mark up the changes**
 - What makes these ambitions become more / less important?
 - Does it change how you feel about paying for these ambitions (ie, an increase in your water bills now and achieve this ambition faster, or would you prefer to only pay when it is necessary)?
Moderator to remind respondents of the intergenerational fairness stim looked at earlier
- How would you expect United Utilities to communicate with you about their future ambitions?

Reaction to the ambitions	Purpose of this section: To explore perceptions of the identified ambitions. Inviting discussion about concerns and priorities in regards to the key themes.	60 mins
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Moderator to explain that we would now like to talk in more detail about the 6 ambitions to gauge your understanding of them, as well determine which you consider to be of lower and higher priority for United Utilities to focus on.

The 6 ambitions are areas that United Utilities are looking to use new innovation, better design and additional benefits to achieve the ambition goals

Moderator to talk through each ambition in turn and rotate the order that the 6 ambitions are shown (refer to rotation sheet for exact order).

- For each, briefly check what they understand about this ambition (ie what is the aim)?

STIM: Moderator to show respondents the ‘choice options’ for the ambition and talk through / explain it. Then ask respondents to write down which option they would select.

Moderator will adapt the following questions based on the Ambition being discussed

- Which option did you choose?
 - What is it about that option that is important / appealing to you?
 - What is less appealing about the options you didn’t select?
- Would you rather see an increase in your water bills now and achieve this ambition faster, or would you

prefer to only pay when it is necessary? Moderator to remind respondents of the intergenerational fairness stim looked at earlier

- Who should be responsible for paying for this ambition?
- Do you think the options for this ambition go far enough? If yes, what should United Utilities do more of / how sooner should this ambition be achieved by?

Moderator to repeat the above questions for the other 6 ambitions in turn

Ambition specific questions (if relevant/time when looking at participants' choices)

- **Drinking water quality:**
 - Once in 10 years, your water's taste/smell/appearance will temporarily change. Do you find this acceptable, or would you rather United Utilities increase investment to prevent this event happening?
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 - The Government have advised that lead should be reduced due to potential health issues by 2070. Is this acceptable to you, or do you think it should be done quicker?
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- **Maintaining pipes and pumps**
 - How resilient do you want United Utilities to become to climate change? Should we only plan for and invest in the impacts of climate change which we are certain of, or should we invest further in 'just in case' planning and adaptation to prepare for worst case scenarios?
 - Intergenerational fairness – One approach United Utilities can take is to invest in additional capacity and functionality as it stands now, with a view to making sure that in the future fewer problems arise. Alternatively, it can invest less in capacity and functionality now, and tackle any future issues as and when they arise. On balance, which approach do you think it is better for United Utilities to adopt?
- **Sewer flooding**
 - With the impacts of climate change, combined with an increasing population creating additional demand, should United Utilities prepare for the 'just in case' and 'worst case' scenarios associated with climate change, or should they just invest in problems which they know they are going to face?
- **Water usage**
 - How much should United Utilities aim to reduce leakage by, and when?
 - How much should United Utilities aim to reduce customer consumption by, and when?
- **Carbon net zero**
 - How quickly should United Utilities aim to reach their Carbon Net Zero target?
 - How far should United Utilities go when supporting other companies reach carbon net zero?
- **Social Value**
 - How far should United Utilities go when supporting customers who are struggling to pay their bills?
 - How much responsibility do you believe United Utilities has when providing recreational access to land for customers and visitors to the North West?

Overall questions:

Moderator to flash up a summary slide of the 6 ambitions and explain that we want to understand which of the 6 ambitions they think United Utilities should prioritise.

Ask respondents to imagine they have 10 bags of gold they can use to invest in the ambitions. They can give their bags of gold to however many ambitions they like - some might not get any gold, others could get multiple bags. Moderator asks respondents to write down how they would allocate their bags of gold across the 6 ambitions and read them out one by one (and the moderator places them in a grid on Mural so we can see how the ambitions are performing overall).

- How did you assign your bags of gold to the 6 ambitions?
 - Which ambition(s) did you give the most gold to? What proportion and why?
 - Which other ambitions, if any, did you give some gold to? What proportion and why?
 - Are there any that you didn't give any gold to? Why?

Moderator to re-assess an overall ranking of the 6 ambitions in terms of 'most' and 'least' important:

- Overall, how have your views changed from our initial ranking of most/least important of United Utilities' ambitions?
 - If time try to get each person to reflect on what's changed for them through the course of the session.
- Would you be willing to see an increase in your water bills to see these ambitions achieved sooner?
 Moderator to remind respondents of the intergenerational fairness stim looked at earlier
 - Which ambitions would you be willing to pay for the most?
 - What would be your expected increase in bills?

Summary and close	Purpose of section: To get closing comments and thank the participant for their time	5 mins
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Moderator to thank participant(s) for their responses

- Has this research made you think more about the water industry and the future challenges ahead?
- Do you have any final comments?
- Do you have any questions for the United Utilities representatives?

Moderator to check they are still happy to participate in 15 minute follow-up interviews if randomly selected

Thank and close