

8942/United Utilities
Future Bill Payers Focus Group Discussion Guide (v3)
(3 hours)

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

(II) Reactions to the pre-task	10 mins
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<p>Reactions to the pre-task</p>	<p>MODERATOR: a few days ago, we sent out information packs to everyone here. These included a link to a video, a short leaflet about United Utilities and today’s session, and a one-page summary of United Utilities’ business plan.</p> <ul style="list-style-type: none"> • Is there anyone who didn’t receive an information pack? • What were your initial thoughts on the materials provided? • Did you know much of this before you read it? • Was there anything in the materials you saw that wasn’t clear or that was difficult to understand? • What surprised you most out of the things you have read? <ul style="list-style-type: none"> • Why did it surprise you? <ul style="list-style-type: none"> • What interested you? • Having seen the information pack and video, what if anything, would you most like to know more about? • Do you have any questions? • Has anything that you’ve seen, heard, or read within the information pack changed your opinion of United Utilities in any way? <ul style="list-style-type: none"> • (P) How?
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<p>(III) An introduction to United Utilities</p>		<p>10 mins</p>
<p>An introduction to United Utilities</p>	<p>I’d like to move the discussion on now, and spend some time thinking about United Utilities and what they do:</p> <ul style="list-style-type: none"> • Had anyone not heard of United Utilities before we invited you to this session? • What do you know about United Utilities? What does it do? <p>SHOW SLIDES 1-3: THE AREA UNITED UTILITIES COVERS AND ITS RESPONSIBILITIES/ ACTIVITIES</p> <p>On the screen now, is a quick overview of some of United Utilities’ key responsibilities and activities.</p> <p>[Moderator read through list of activities displayed on screen]</p> <p>One thing to note, there are two kinds of water service provider in England and Wales. Some provide water services only (known as WoCs) whereas others provide water and water wastewater services (known as WaSCs).</p> <p>This means that some households will have two separate suppliers (i.e. both a WoC and a WaSC). Your water services provider, United Utilities, is a WASC and provides both your water and wastewater services.</p>	

	<p>Some of United Utilities’ responsibilities are required by law, also known as statutory. However, there are areas not required by law but will provide more benefits to the service you receive, nature and society that United Utilities undertake.</p> <ul style="list-style-type: none"> • Is any of this information new to you? Have you considered it before? • What are your main expectations of United Utilities as your water and sewerage provider? <ul style="list-style-type: none"> ○ (P) IF NEEDED: e.g., Service, reliability, value for money, environment <p>And do you think this will change when you become responsible for paying your water bill?</p> <ul style="list-style-type: none"> • Is there anything about the service United Utilities provides that you would like to see them improve?
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(IV) Temperature check - household finances/cost of living.		5-10 mins
Household finances	<p>Thinking about your finances, what would you say your main outgoings/bills are?</p> <p>How positive or negative do you feel about them just now?</p> <ul style="list-style-type: none"> ○ Has the situation changed over the last 6 months? How? <p>How do you think others are finding things financially? Family, friends, the wider population?</p>	

(V) Focus on explaining the long-term picture to 2050		20 mins
Long-term plan	<p>Before we take a detailed look at its proposed business plan, I would first like to talk to you a little about United Utilities’ vision for delivering its services over the longer term, all the way up until 2050.</p> <p>United Utilities is currently drafting its long-term plans for the upcoming years until 2050. This covers its ambitions for a variety of areas, such as water supply, customer experience, and carbon net zero. Within this strategy, it will also lay out its plans on how it will achieve these ambitions.</p> <p>United Utilities’ long-term planning activity considers the future challenges which could impact on its ability to deliver its services to customers. Future challenges that it is planning for include: climate change; a growing population; and technology change.</p> <p>For example, over the past five years we have witnessed more severe storms and more dry weather events, and looking into the future climate change presents a significant challenge.</p> <p>United Utilities is planning for warmer and drier weather during summer months, and more intense storms, which impacts the capacity of its wastewater systems.</p>	

United Utilities will also continue to support customers who are vulnerable or struggling to pay as we know this is hugely important in the region. This is a key consideration in the next five years and beyond.

Thinking about United Utilities four key objectives for the very long term, taking it to 2050, we would like your view of how appropriate and adequate you think they are.

SHOW SLIDE 4: LONG-TERM PICTURE

So, these four goals are:

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

Next, I'm going to ask you to consider all of the longer-term goals discussed so far from three different perspectives. These three perspectives are:

- As a **future customer** of United Utilities: that is, someone who will pay a water bill in the future
 - As a **consumer** of United Utilities' services: that is, someone who like you currently uses one or more of the range of services United Utilities provides, such as drinking water from the tap and flushing the loo.
 - As a **citizen** in the North West: that is, as a member of society who thinks about the wider needs of society and the environment over the longer term
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- Taking the first of these, the **future customer** perspective... If you were to consider United Utilities' long-term plan purely from a future bill-payer's perspective, how would that affect your view of it?
 - Would your view change?

	<ul style="list-style-type: none"> ▪ Why/why not? <ul style="list-style-type: none"> ○ Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a bill-payer? • Secondly, the consumer perspective... If you were to consider United Utilities' long-term plan purely from the perspective of someone who uses the company's services, how would that affect your view of it? <ul style="list-style-type: none"> ○ Would your view change? <ul style="list-style-type: none"> ▪ Why/why not? <ul style="list-style-type: none"> ○ Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a service user? • Finally, the citizen's perspective... If you were to consider United Utilities' long-term plan purely from the perspective of someone who is interested in the long-term needs of communities and of the environment in the North West, how would that affect your view of it? <ul style="list-style-type: none"> ○ Would your view change? <ul style="list-style-type: none"> ▪ Why/why not? <ul style="list-style-type: none"> ○ Are there any questions you'd like to ask United Utilities in order to make an informed judgement as a citizen? <p>NOTE ABOUT PHASING: United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments, as not investing now could mean a higher cost in the future as issues may get worse.</p> <p>There is an option to make additional investments to 'future proof' now so that the benefits can be experienced sooner, and fewer problems arise in the future. An increase in bills would start sooner, spreading increases across different generations of bill payers.</p> <p>Alternatively, United Utilities could invest less in 'future proofing' now and tackle any future issues as and when they arise. The increase in bills and benefits experienced would start much later (i.e., years down the line) and would cost more to fix. We won't discuss this in depth now, but we'll revisit it at the end of the session.</p>
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ANNOUNCE 10-MINUTE BREAK	10 mins
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(VI) Recap on the pre-task information	20 mins
Pre-task overview	<p>SLIDES 5-10: Comparative data by improvement measure.</p> <p>I'm going to talk you through six important areas in which water utilities companies in England and Wales are regularly monitored and compared by The Consumer Council for Water.</p> <p>The graph on the screen just now shows you how United Utilities compares to other water and sewerage service providers in England and Wales in regard to [measure X].</p> <ul style="list-style-type: none"> • Looking at the data on the screen, how do you feel about United Utilities' performance for this area of service? • Do you feel they are doing enough? <p>SLIDE 11: List of ten service areas mentioned in the business plan</p> <ul style="list-style-type: none"> • Looking at the ten areas of service noted on the screen just now, which of these matters most to you? <ul style="list-style-type: none"> ○ Why those? • And thinking about how United Utilities invests its resources in the near future, which of these areas of service do you think are in most need of additional investment or improvement? <ul style="list-style-type: none"> ○ Why those? • How about from 2025-2030? • And beyond 2030? What will your priorities be then?

(VII) Focus on the shorter-term picture (proposed business plan)	80 mins
<p>In-depth review of the business plan</p> <p>Understanding of the wider business plan vision under the 'four pillars'</p>	<p>SHOW SLIDE 12: The proposed business plan (Three Pillars)</p> <p>We're now going to talk through the plan, step-by-step, to make sure that everyone is comfortable with what United Utilities is proposing and what that means for current and future water customers in the North West.</p> <p>On the screen right now, is part of United Utilities' proposed business plan for 2025-2030. This is the plan outlined on the one-page summary and video you were sent before this session.</p> <p>As you saw in the video we sent you, United Utilities has set out its plan under three 'pillars': stronger; greener; and healthier.</p> <ul style="list-style-type: none"> • Taking these three pillars as a whole, do you feel that United Utilities is going

too far, not far enough, or striking a good balance, in terms of these longer-term goals?

- Why do you say that?
- What do you think is missing?
- What might you like to see them drop?
- Are there any specific goals on the screen now that you think are particularly important for United Utilities to aim for?
 - Why?
- Are there any that you are concerned about?
 - Why?

SHOW SLIDE 13: Statutory requirements

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

These are mandatory requirements for all water companies, and we won't be evaluating them in this session. However, they will provide you with useful background information to United Utilities' wider plans.

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

All water companies have a programme of work to meet these laws, which includes:

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

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

Drainage & Wastewater Management Plans: The Environment Act requires sewerage companies to produce Drainage and Wastewater Management Plans, which are set over at least 25 years. The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks.

The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.

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

	<p>This helps to reduce the risk of properties being flooded with sewage.</p> <p>There are around 15,000 storm overflows in England, and 2,191 for United Utilities company.</p> <p>Each company (in England) has a target set by Government to reduce the use of storm overflows:</p> <ul style="list-style-type: none"> • By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites. • By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm.
<p>Overview of the ten service areas and their targets</p>	<p>SLIDE 14: List of ten service areas mentioned in the business plan</p> <p>In support of this wider vision, United Utilities intends to commit to ten specific improvements to its service that affect its customers’ everyday lives. This isn’t everything in United Utilities’ plan for 2025 to 2030, however, it does cover some crucial aspects of the service customers receive.</p> <p>In this next section, we’re simply going to talk through these service improvements, step-by-step, to make sure that everyone is comfortable with what United Utilities is proposing and what that means for water customers in the North West.</p> <p>One important thing to bear in mind is that the first six of these ten improvements are on issues that the water regulator, Ofwat, says water companies <i>must</i> include in their business plans. These six targets for improvement are set by Ofwat, however, water companies can choose to go beyond the targets set by Ofwat, if they wish.</p> <p>The last four, points seven, eight, nine, and ten, are <i>voluntary</i> targets that United Utilities wants to set itself, but they aren’t required by Ofwat.</p>
<p>Customer assessment of the ten service areas</p>	<p>In this next section, we’re going to take a look at each of the service goals on United Utilities’ business plan. We’ll see:</p> <ul style="list-style-type: none"> • what service improvements it is proposing. • its current performance and proposed improved performance levels. • a description of how United Utilities expects to achieve this increase in proposed performance. <p>SHOW SLIDE 15-24 – Detailed overview of business plan service improvement areas 1-10</p> <p>[REPEAT FOR ALL TEN POINTS OF THE PLAN] On the screen now is a detailed overview of the [first/second/etc] point on United Utilities’ business plan. [Title of service element].</p> <p>[Moderator to talk through the following:</p> <ul style="list-style-type: none"> • Service improvement name • Service improvement description • Current performance • Proposed plan performance • Description of how this will be achieved]

	<ul style="list-style-type: none"> • In terms of the proposed plan target [X target], do you feel that United Utilities is going too far, not far enough, or striking a good balance? <ul style="list-style-type: none"> ○ Why do you say that? ○ What would you like to see them aim for, instead? • Looking at United Utilities explanation of how they are actioning this service improvement, does that seem plausible to you? <ul style="list-style-type: none"> ○ Does it seem realistic? ○ Do you think this is an acceptable way of going about it? ○ Is there anything that stands out as particularly good or interesting in the way they intend to achieve this target? ○ Do you have any concerns about the way they intend to achieve this target? ○ If you were in charge of planning this improvement, how would you plan it differently? <p>[REPEAT TASK FOR ALL TEN POINTS ON THE PLAN]</p>
<p>Acceptability and affordability of the proposed plan</p>	<p>SLIDE 25: List of ten service areas mentioned in the business plan</p> <p>In this last part of the discussion, I want us to return to reviewing the plan as a whole.</p> <ul style="list-style-type: none"> • Knowing what you do about the proposed business plan set forward by United Utilities, to what extent do you believe that it represents a credible plan for water management that would be acceptable from the following perspectives: <ul style="list-style-type: none"> ○ Future customers (future bill-payers) ○ Consumers (service users) ○ Citizens (those with a social and environmental interest in the North West) ○ For each perspective: <ul style="list-style-type: none"> ▪ What benefits would it bring? ▪ What concerns would you have? <p>SHOW SLIDE 26 – PROPOSED PLAN BILL IMPACT</p> <p>Hand out price increase reference sheets</p> <ul style="list-style-type: none"> • On this slide, there is an estimated increase in customers’ bills that would cover the cost of putting all of the improvements in this plan into place. • You can use the reference sheet that you’ve been given to estimate how much this would impact your annual water bill in the future when you become a bill payer depending on whether you’re a single household, there are two of you etc. <ul style="list-style-type: none"> ○ Does this increase in water bills seem acceptable to you? <ul style="list-style-type: none"> ▪ Why/why not? ▪ Do you consider it to be value for money? ▪ Why/why not?

	<ul style="list-style-type: none"> ▪ How do you think it compares with other bills and costs you know of ○ Would this increase affect how affordable your water bill is in the future? <ul style="list-style-type: none"> ▪ Do you feel that this would be something that you would find easy to pay, frustrating to pay but not difficult, difficult to pay but not impossible, or impossible to pay, if it were introduced? ○ Under United Utilities' proposed plan, certain bill payers who are struggling to pay their water bills may qualify for up to £200 support from a £500m fund. ○ If you were able to access a support package that provided £200 off your annual water bill, how would that affect the how affordable it would be for you? <ul style="list-style-type: none"> ▪ [Make specific note of responses from those who would find their bill difficult/impossible to pay]
<p>Review of 'must-do' plan</p>	<p>MODERATOR: COVER IF TIME</p> <p>In the proposed plan, there are some things which United Utilities must do to comply with the new government laws and regulations we have discussed with you. Another option is that they just invest in the areas required to comply with these government laws and regulations. This would mean your annual bill would be reduced by around £3 a year by 2030.</p> <p>However, this would mean United Utilities would achieve a lower service level and less benefits for leakage, smart metering, carbon and the likelihood of a hosepipe ban.</p> <p>This is known as the 'must-do' plan.</p> <ul style="list-style-type: none"> • In this plan: <ul style="list-style-type: none"> ○ There would be a 23% reduction in leakage, rather than 25% as set out in the proposed plan we've discussed. ○ The chance of a hose pipe ban would remain the same as it is now (23%, rather than 12.5%) ○ There would be 595,000 fewer smart meters installed in homes and businesses (75,000 compared to 670,000) ○ There would be a 10% reduction in carbon emissions, rather than 40% • These goals will cost customers less but will also limit the scale of the improvements themselves. Overall, this would mean your annual bill would be reduced by £3 a year by 2030. • However, this would mean United Utilities would achieve a lower service level and less benefits for leakage, smart metering, carbon, and the likelihood of a hosepipe ban. <p>SHOW SLIDE 27 – MUST-DO BILL IMPACT</p> <ul style="list-style-type: none"> • Looking at the must-do plan, by implementing this plan, rather than the proposed plan, on average, customers would save approximately £3 on their annual bill each year. <ul style="list-style-type: none"> ○ Do you feel that the smaller improvement is acceptable in order to

	<p>save money on your bill?</p> <ul style="list-style-type: none"> ○ Why/why not? ○ [**Moderator: if participants have specific questions about why the must-do plan increases cost broadly in line with the proposed plan, use the three statutory requirement costs below to explain] <ul style="list-style-type: none"> ● Are there any areas of the plan that you <i>would</i> be prepared to lose or reduce, in order to reduce the overall impact on your water bill? <p>**If needed:</p> <ul style="list-style-type: none"> ● <i>United Utilities Water has a target in its least cost ('must do') business plan to comply with new environmental standards for 2025-2030, and this will add £60 in 2030 to the average household water bill.</i> ● <i>United Utilities Water has a target in its least cost 'must do' business plan to reduce the chances of sewers flooding into properties by 36% for 2025-2030. The least cost 'must do' business plan will also adapt to climate change challenges and reduce the chances of sewer water overflowing into rivers. This will add £3 in 2030 to the average household water bill.</i> ● <i>To work towards these longer-term targets, United Utilities Water has a target of an average of 20 spills per overflow in its least cost 'must do' business plan for 2025-2030. This will increase the average household bill in 2030 by £19.</i>
<p>Review of phasing</p>	<p>As noted previously, United Utilities needs to consider the balance of responsibility amongst current and future customers for paying for investments, as not investing now could mean a higher cost in the future as issues may get worse.</p> <p>There is an option to make additional investments to 'future proof' now so that the benefits can be experienced sooner, and fewer problems arise in the future. An increase in bills would start sooner, spreading increases across different generations of bill payers.</p> <p>Alternatively, United Utilities could invest less in 'future proofing' now and tackle any future issues as and when they arise. The increase in bills and benefits experienced would start much later (i.e., years down the line) and would cost more to fix.</p> <p>SHOW SLIDE 32-PHASING OVERVIEW</p> <ul style="list-style-type: none"> ● What are your thoughts on the three investment options you have been shown? <ul style="list-style-type: none"> ○ Why? ● For you, what do you feel are the benefits of each approach? ● And what about the drawbacks? ● Which would you be happiest to see United Utilities implement? ● Thinking about the ten individual service improvement areas detailed in the plan, which would you like to see implemented soonest? <ul style="list-style-type: none"> ○ Which would you be happy to see introduced later in the plan? ● Which do you think is fairest to future generations like yourself living in the North West?

(VIII) Wrap-up including the post-task		10 mins
Wrap-up (Guidance section 10)	<ul style="list-style-type: none"> • Before we finish, do you have any other thoughts or remarks about the topics we've discussed? • Do you have any questions about what we've discussed or anything you're not quite clear about? <p>Before you go, there is a quick survey that we need you to complete. Please complete the survey then come to me or my colleague for your thank you payment.</p>	

Any final questions from the clients/observers

Thank & Close