



United Utilities: Drainage Wastewater Management Plan acceptability testing 2022

December 2022



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Background, objectives & methodology

Context

The following events happened before or during the fieldwork period and may have influenced respondents' answers.



October 20th

Liz Truss resigned as Prime Minister after just 44 days in office following financial turmoil and rising borrowing costs attributed to her Government's 'mini-budget'.



October 25th

Rishi Sunak became Prime Minister following an emergency leadership contest, pledging to 'fix' his predecessor's mistakes and prioritise economic stability.

October-November: controversy over water companies' storm overflow sewer discharges continued to make headlines.

October-November: government support was implemented to help households and businesses with rising energy costs over winter.

November 3rd: the Bank of England increased interest rates by 0.75% to 3% and forecast a recession until 2024.

November 16th: household finances were squeezed as inflation reached 11.1% for October.

Background & objectives

All water companies have a statutory obligation to produce a Drainage Wastewater Management Plan (DWMP) which sets out their strategy for managing wastewater over the next 25 years.

After taking into account the opinions of experts, stakeholders and customers, United Utilities has produced a draft version of its DWMP. The DWMP defines United Utilities' strategy to achieve a long-term, best value and sustainable plan for wastewater management in the North West for 2025-2050.

United Utilities needed to test its draft DWMP with both household and non-household customers, as well as future bill payers, to understand its acceptability and to see what, if any, tweaks should be made, ahead of full business plan acceptability testing next year.



Methodology

Quotas and weighting were used where appropriate to ensure the samples were representative of United Utilities' customer base.

Household

Fieldwork was carried out
October 2022 – November 2022

803
interviews



Online &
face-to-face



10 online
depths



Future bill payers

Fieldwork was carried out
November 2022

102
interviews



Online



Non-household

Fieldwork was carried out
October 2022 – November 2022

222
interviews



Online &
face-to-face



Prior to fully launching the survey, 10 cognitive pilot interviews were carried out with household customers to optimise respondent experience and understanding.

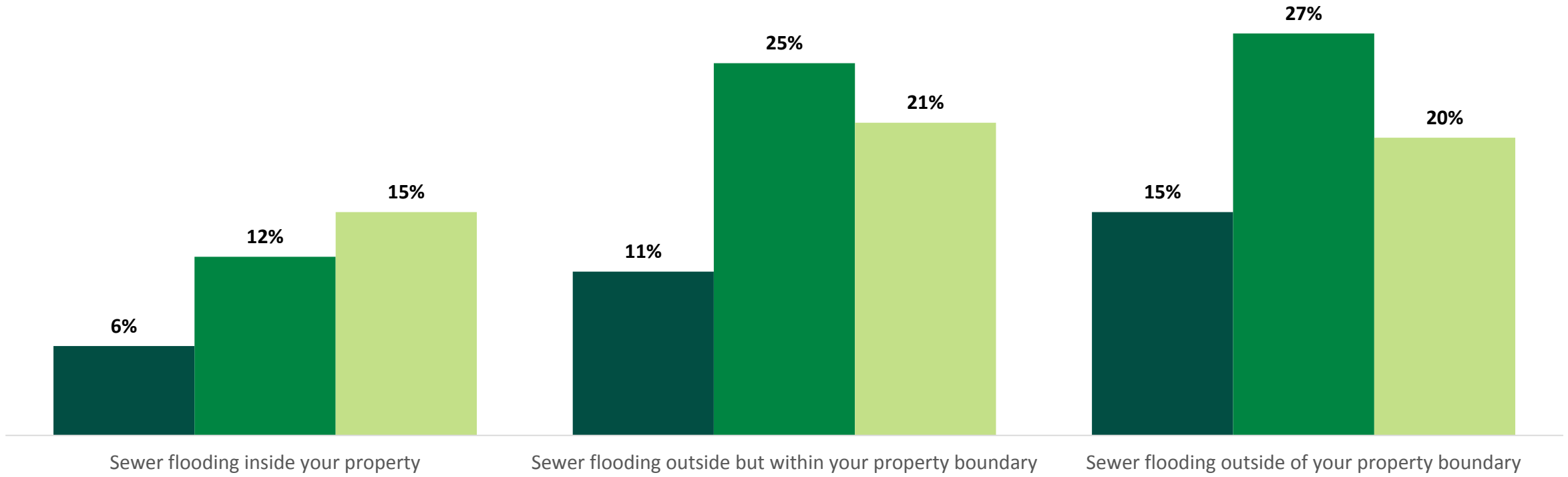
Understanding respondents' experiences

Experience of sewer flooding

The vast majority have never experienced any form of sewer flooding.

The proportion of future bill payers experiencing sewer flooding outside but within their property boundary is higher than levels seen in the WRMP Acceptability Research conducted in July/Aug 22 (11%). Two thirds of the 25% also said yes to noticing flooding outside of their property boundary, suggesting possible confusion between the two.

% who have experienced incident



Household

Future bill payers

Non-household

Levels of investment choices

SIMALTO: a statistical tool which helps build a tailored, ideal package



Customers were shown different investment levels for each of the five areas on the right and were asked to pick their preferred level.



To inform their choices, customers were shown the impact the levels had on a number of key metrics: customer bills (average monthly 2030 bill for HH/FBP and % change for NHH), inside home flooding risk, pollution to the water environment, United Utilities' carbon footprint and the benefits to environment/society. Other metrics (e.g. external flooding risk) were omitted to avoid overburdening respondents.



After customers had selected their preferred level of investment for each of the five areas, they were then shown all of their choices on one page as well as a summary of how their plan compared to United Utilities'. Here customers could either proceed with their choices or make final adjustments.

Areas
Raising customer awareness
Separation of sewers
Sewer upgrades
Storage tanks
Sustainable drainage solutions

Bill impact context

The bill increases associated with the various levels of service was a highly important factor for customers to consider when making their choices. As such, every effort was made to illustrate the bill changes in a meaningful and appropriate way. For household customers and future bill payers, this meant displaying the monthly bill change, rather than annual, following learnings from the WRMP draft acceptability cognitive tests. Meanwhile, for non-household customers, this meant presenting bill changes as a percentage because an average bill for this segment would be meaningless given the degree of bill variability.

Moreover, to fully contextualise the bill impacts, the text preceding the exercise grounded respondents as much as possible to encourage them to make realistic choices. It explained that: bill impacts did not account for inflation; that other household bills could increase or decrease in the future; that money spent on service improvements would not be available for them to spend elsewhere; that water bills may also rise due to other factors and service improvements; and that future household expenses would also be affected by rises in costs to goods, services and other bills.



Developing and testing the choice model

In order to create an exercise that was both easy to use and understand for all customers, much of the user interface used was carried across from a similar exercise DJS conducted for United Utilities for WRMP draft acceptability testing, as this had already undergone multiple rounds of cognitive testing and had proven successful.

To optimise the interface for DWMP, a number of cognitive interviews were carried out prior to the survey's launch. This involved customers going through the exercise while observed by a DJS researcher in order to gather feedback and establish what improvements could be made.

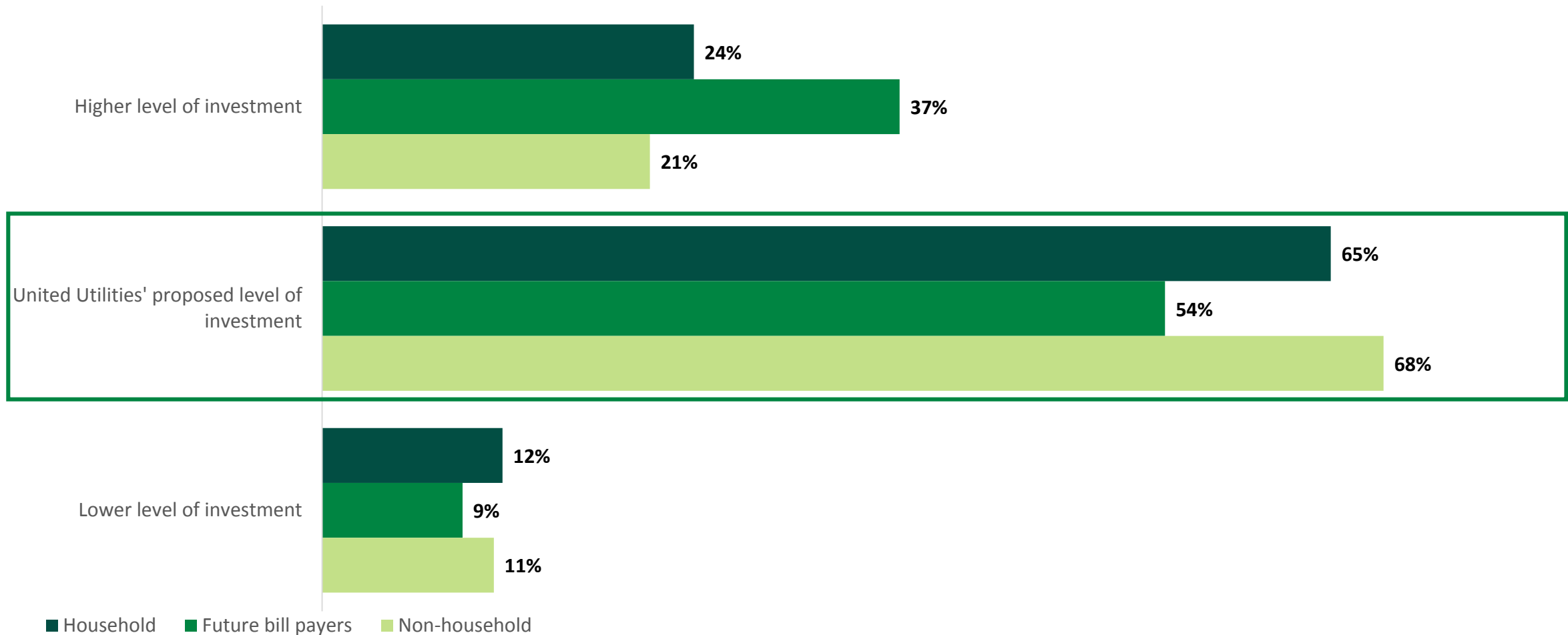
The screenshot displays a choice model interface. On the left, a vertical slider allows users to select an investment level, with three options: 'A Higher level of investment' (light grey), 'B UU proposed level of investment' (dark green), and 'C Lower level of investment' (light grey). The slider is currently positioned at level B. To the right, a summary box shows the following information:

- Average monthly bill: £35.17
- Predicted change from average monthly bill: + £1.03
- Inside home flooding risk: Low (green) to High (red) scale, with a red bar indicating a high risk level.
- Pollution to water environment: Low (green) to High (red) scale, with a red bar indicating a high risk level.
- UU's carbon footprint: Low (green) to High (red) scale, with a red bar indicating a high risk level.
- Environmental & social benefits: Low (red) to High (green) scale, with a green bar indicating a high benefit level.

At the bottom left, there is a 'Next' button. At the bottom right, there is a copyright notice: '© Copyright 2022. All rights reserved. Terms & Conditions'.

Raising Customer Awareness

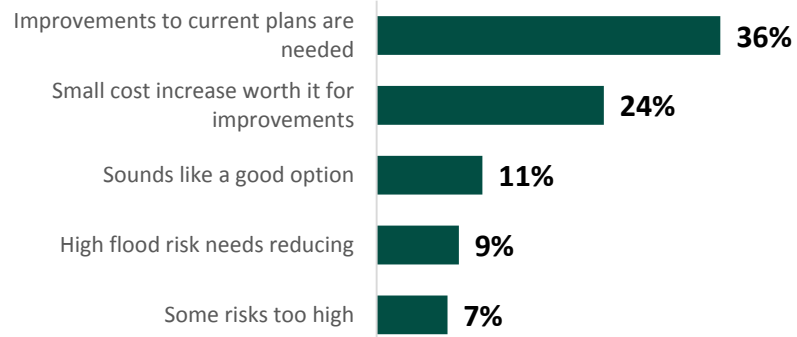
United Utilities' proposed level of investment is the most popular across all three segments. Those who deviate tend towards a higher level of investment, particularly future bill payers.



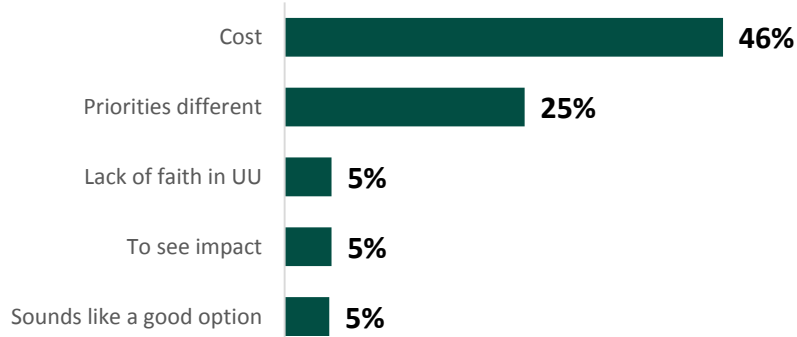
Q06A1/A. Raising Customer Awareness. Base: all respondents
[Subgroup analysis for each of the three segments can be found in appendix B.](#)
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Raising customer awareness: reasons for choice

Respondents who deviated from United Utilities' proposed level for raising customer awareness (higher level)



Respondents who deviated from United Utilities' proposed level for raising customer awareness (lower level)*



Qualitative findings

Those who favour higher levels of investment feel that the environmental and social benefits are worth the small increase in price. They think that educating younger generations in schools through campaigns should be a priority for investment as it will increase public knowledge and help in the long-term.

"It is a very manageable increase, with benefits both environmentally and socially."

"Kids should be taught about this in school... this would benefit the growing population."

"I am happy with the proposed extra cost."

The advocates for United Utilities' proposed level feel that this level of investment is reasonable.

However, those who opted for a lower level of investment are mostly concerned with the bill increase, with some feeling that this lower level might be more suitable as they are unsure how effective this endeavour will be.

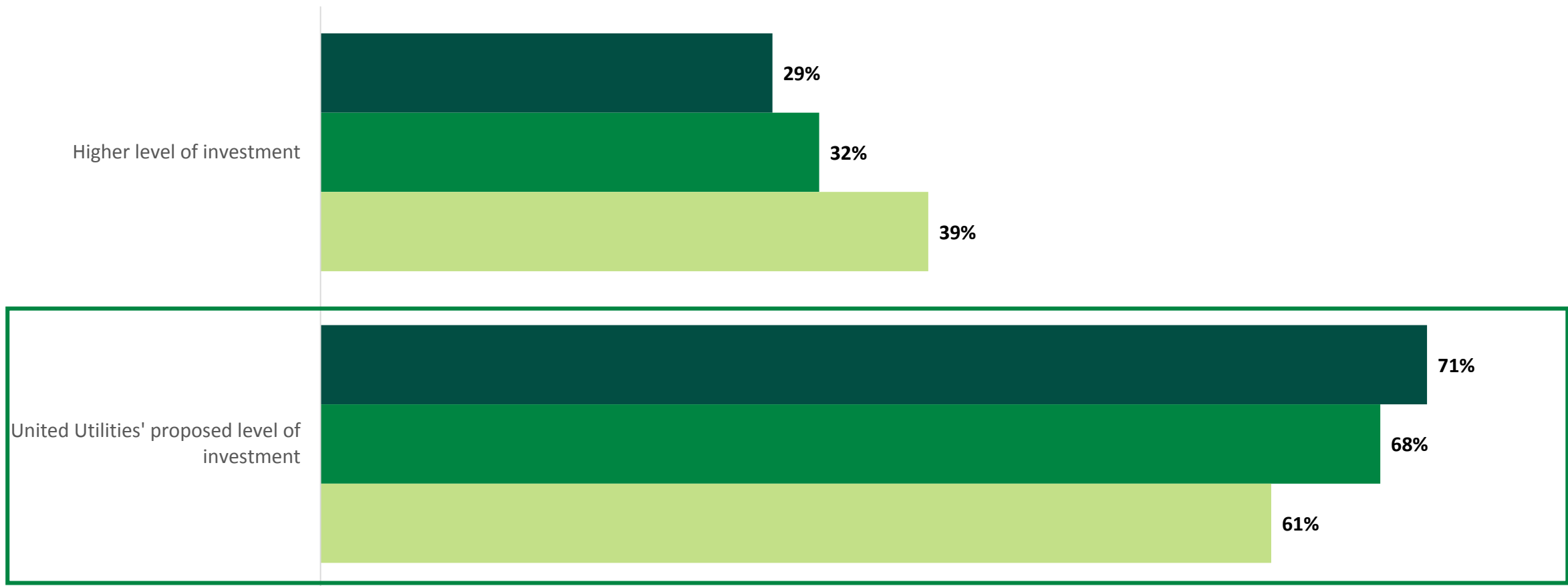
"It might be a waste of money on something that might not be effective."

Q06A2. Raising customer awareness: What made you move the slider away from United Utilities' proposed level of investment? Top 5 reasons shown. Base 79 (higher level) / 23 (lower level)

*caution low base size <30; Please note: respondents who deviated from the proposed level had a 3 in 5 chance of being asked the follow-up open.

Separation of sewers

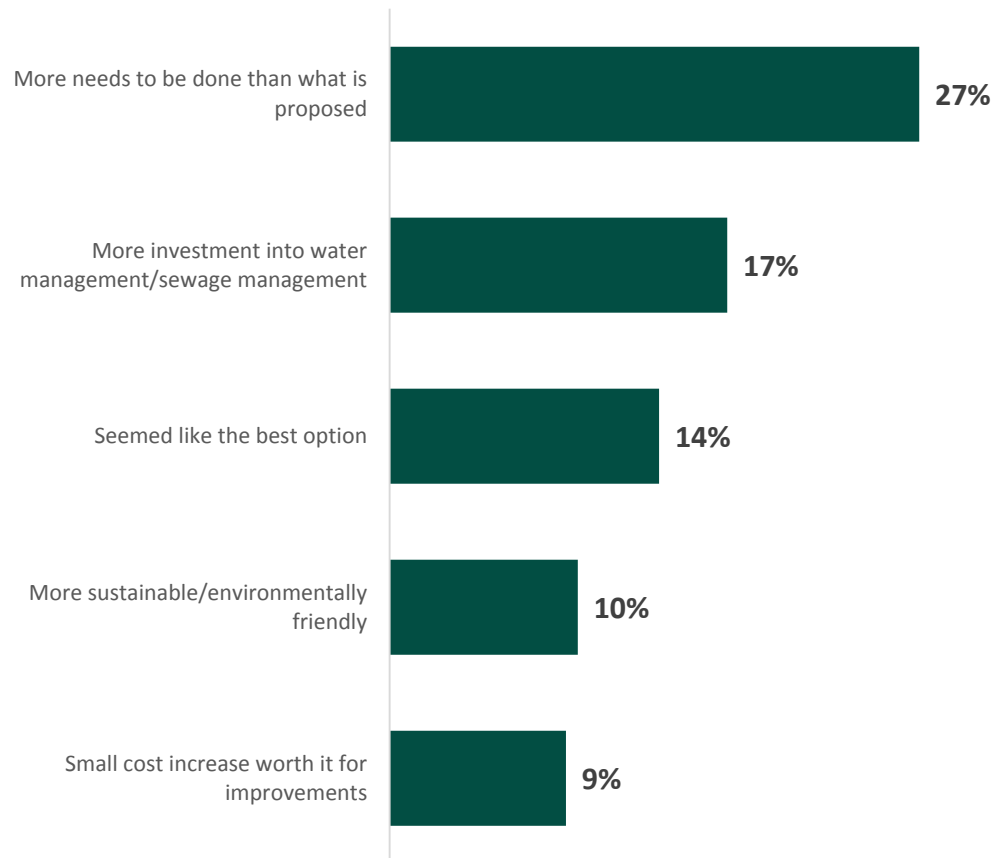
United Utilities' proposed level of investment is favoured by at least three in five across each of the three segments.



■ Household ■ Future bill payers ■ Non-household

Separation of sewers: reasons for choice

Respondents who deviated from United Utilities' proposed level for separation of sewers (higher level)



Qualitative findings

The participants who favour the top option are happy to pay more because they believe sewer separation is a worthy endeavour.

"Someone has to sort this out somewhere."

"There's not much difference environmentally, but a huge difference in the price."

"Sewers overflowing isn't a big risk, it doesn't happen that often for most households. It's a risk you have to take."

Those who selected the proposed level feel the price increase is not justified by the change in the impacts. Moreover, some consider the risk of internal sewer flooding to be low and are therefore disinclined to pay for further investment.

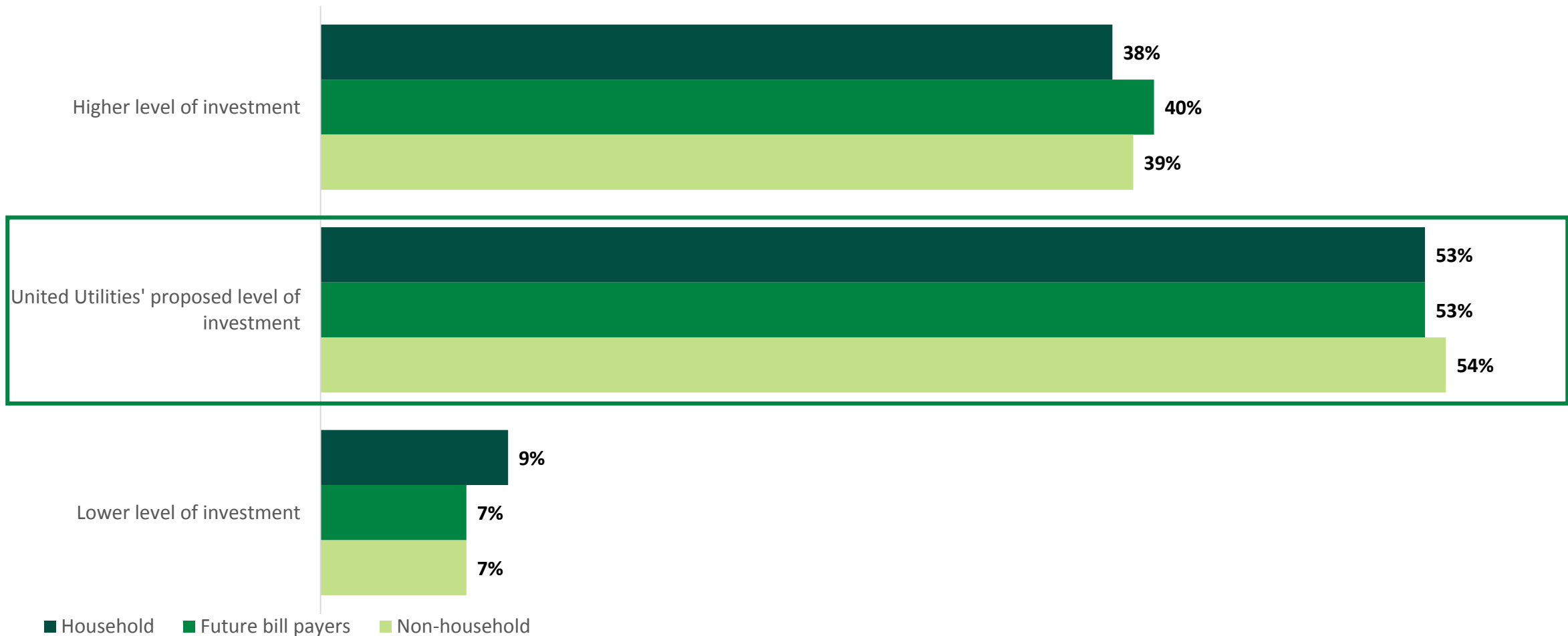
Some respondents also question why the separation of sewers had not already occurred and why United Utilities are only now thinking about investing in it.

"Shouldn't this have already been done? Why are they only just thought about doing this, it could have prevented a lot of problems if done already"

Q06B2. Separation of sewers: What made you move the slider away from United Utilities' proposed level of investment?. Top 5 reasons shown. Base 122
Please note: respondents who deviated from the proposed level had a 3 in 5 chance of being asked the follow-up open.
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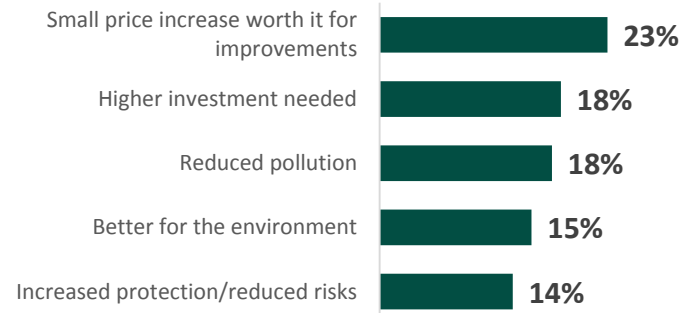
Sewer upgrades

United Utilities' proposed level of investment enjoys majority support across the three segments, although it should be noted that the higher level of investment also commands substantial support.

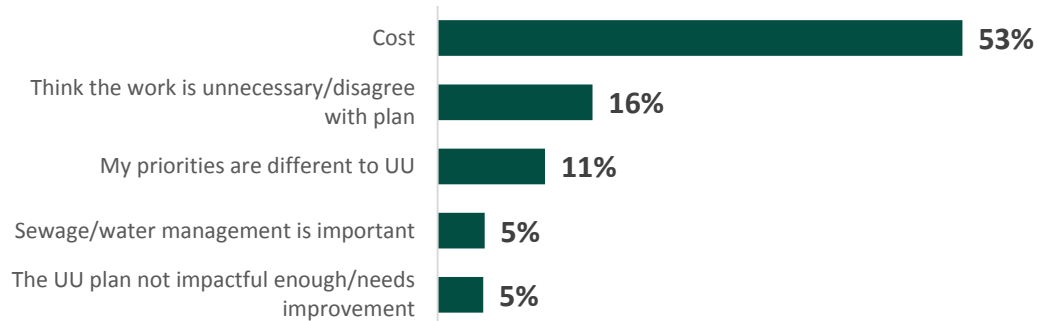


Sewer upgrades: reasons for choice

Respondents who deviated from United Utilities' proposed level for sewer upgrades (higher level)



Respondents who deviated from United Utilities' proposed level for sewer upgrades (lower level)



Qualitative findings

A third of customers in the depth interviews opted for United Utilities' higher level of investment, mainly because of water pollution concerns and greater environmental and social benefits.

"Pollution to the water environment is a pretty important factor."

"These things do need to be addressed but maybe not loads - an extra 80p is okay and I trust their level of proposed level."

The majority of customers selected the proposed level of investment, reporting cost and trust in United Utilities as factors.

However, some opted for the lower level of investment because of concerns regarding the cost implications involved in sewer upgrades. One customer is critical that repairs are needed at all and thinks it reflects poor quality construction when sewers were built.

"A lot of money would be needed - the sewer network is huge so that's a big expense to maintain."

"Making short term repairs won't help us in the long term, when they're built it should be done right and we shouldn't be fixing them down the line."

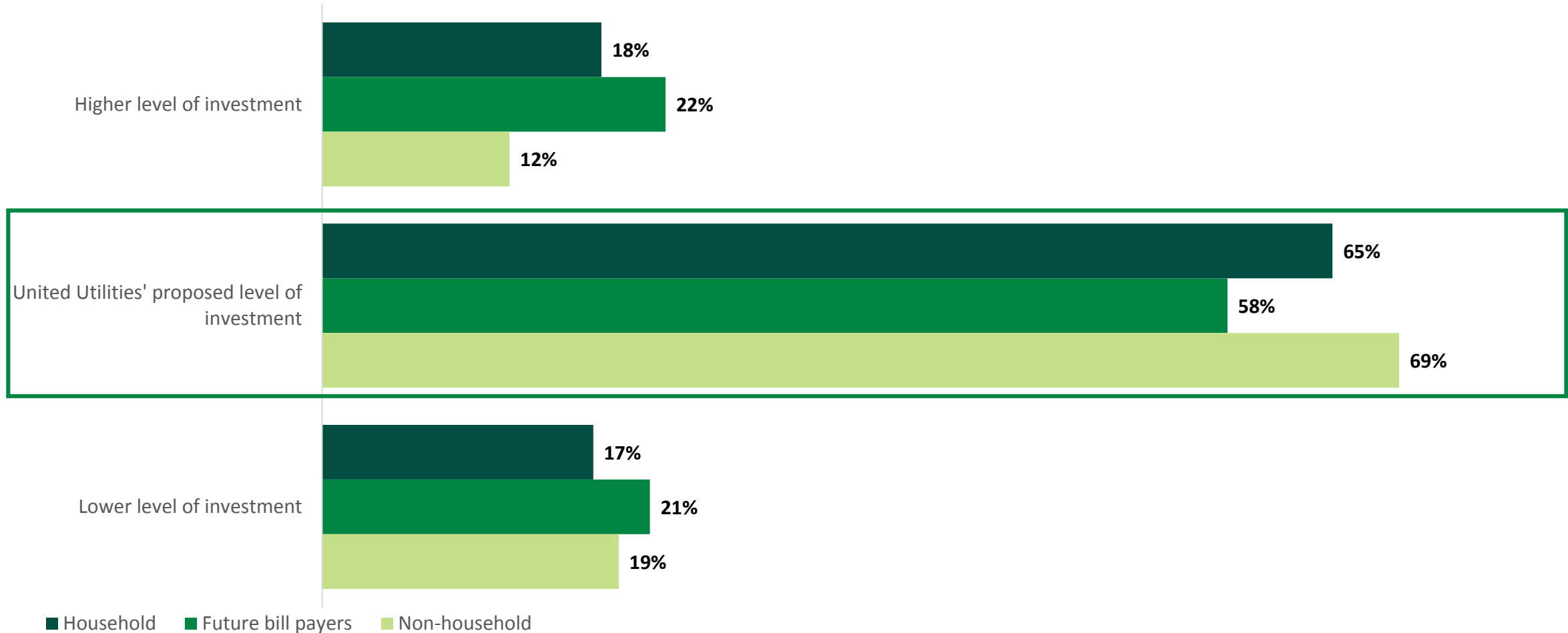
Q06C2. Sewer upgrades: What made you move the slider away from United Utilities' proposed level of investment? Top 5 reasons shown. Base 150 (higher level) / 34 (lower level)

Please note: respondents who deviated from the proposed level had a 3 in 5 chance of being asked the follow-up open.

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Storage tanks

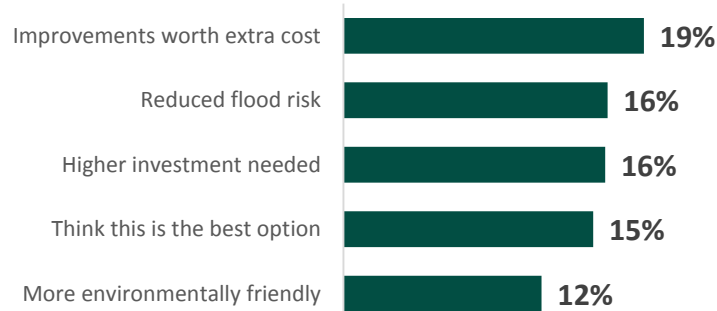
Again, United Utilities' proposed level of investment enjoys majority support across the three segments. Interestingly, those who deviate are more evenly divided between the higher and lower levels of investment.



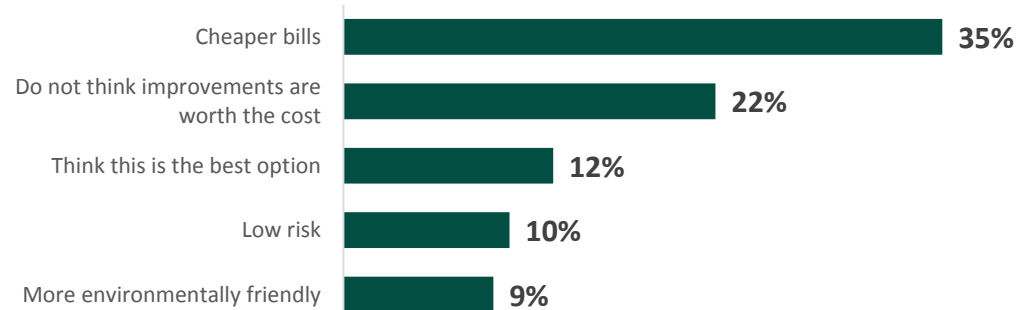
Q06D1/D Storage tanks. Base: all respondents
[Subgroup analysis for each of the three segments can be found in appendix B.](#)
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Storage tanks: reasons for choice

Respondents who deviated from United Utilities' proposed level for storage tanks (higher level)



Respondents who deviated from United Utilities' proposed level for storage tanks (lower level)



Qualitative findings

Those who went for a higher level of investment tend to be driven by concern for the environment and feel that the bill increase is reasonable to achieve this.

"Pollution to the water environment is a pretty important factor and I want to know that its being considered."

"I'm not as bothered about the home flooding risk so I'm happy to pay the proposed amount."

Some feel that UU's proposed level of investment is reasonable, as the bill increase to reduce inside home flooding risk is not as important to them personally.

However, some opted for less investment, feeling that that there are cheaper methods available to store wastewater.

"It isn't needed - there are cheaper ways to store drainage water and we shouldn't have to pay that much for it."

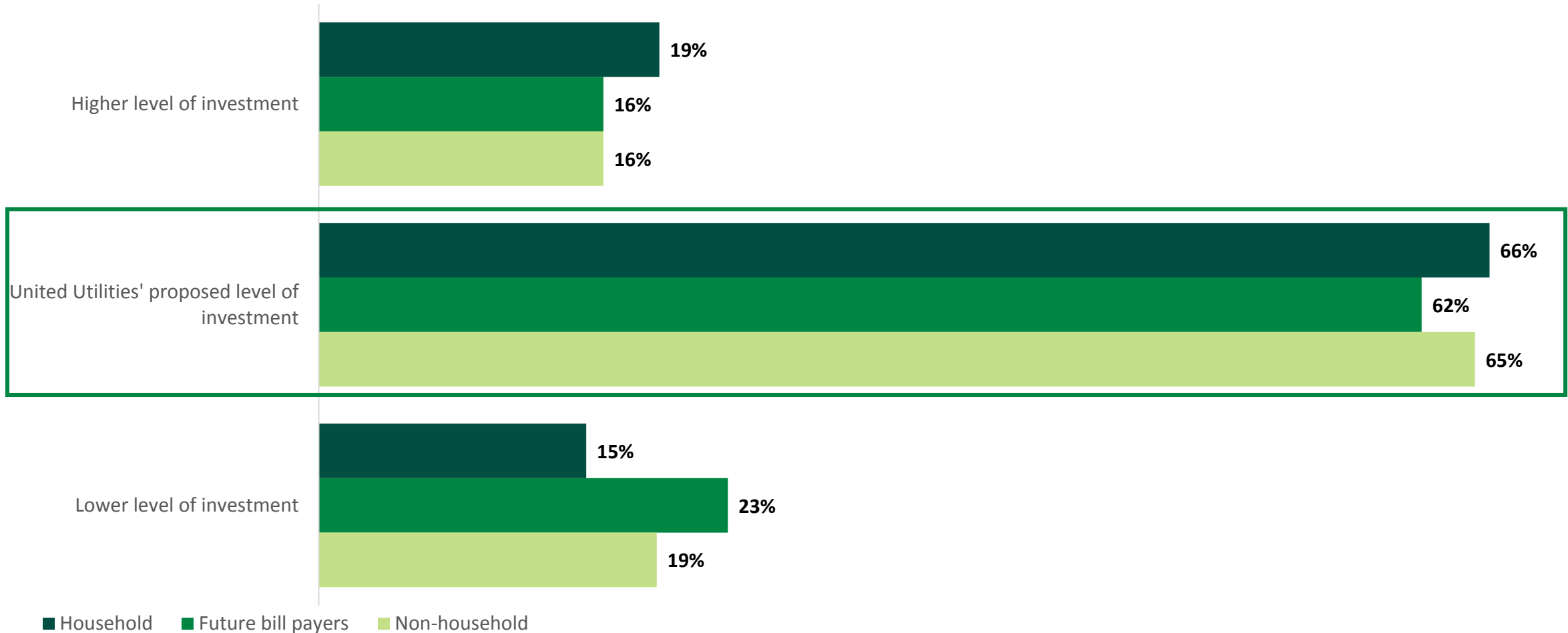
Q06D2. Storage tank: What made you move the slider away from United Utilities' proposed level of investment? Top 5 reasons shown. Base 61 (higher level) / 54 (lower level)

Please note: respondents who deviated from the proposed level had a 3 in 5 chance of being asked the follow-up open.

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Sustainable drainage solutions

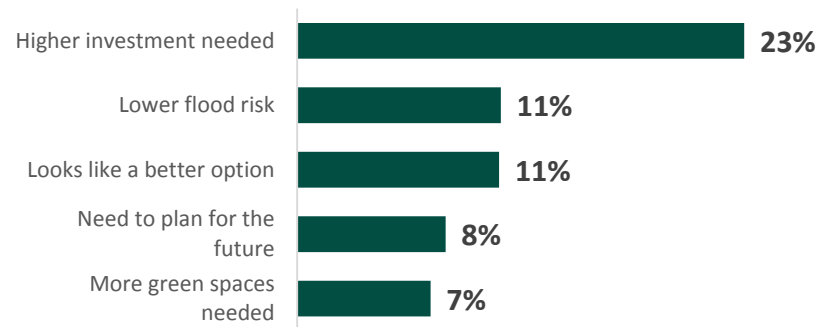
Around two in three support United Utilities' proposed level of investment for this attribute. Again, those who deviate are fairly evenly split between the higher and lower level of investment.



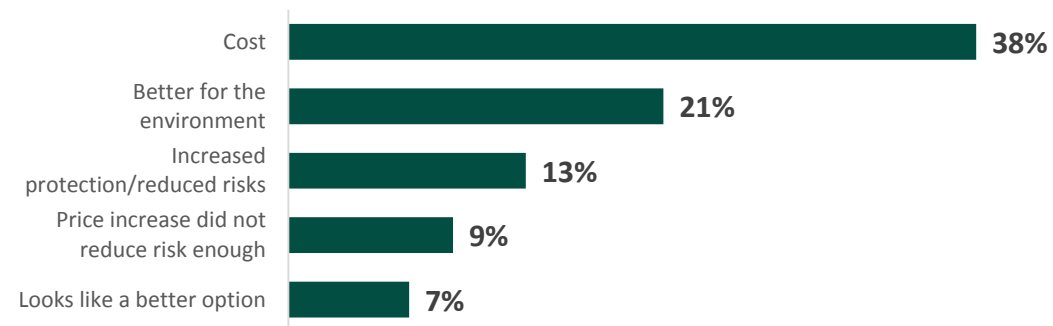
Q06E1/E. Sustainable drainage solutions. Base: all respondents
[Subgroup analysis for each of the three segments can be found in appendix B.](#)
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Sustainable drainage solutions: reasons for choice

Respondents who deviated from United Utilities' proposed level for sustainable drainage solutions (higher level)



Respondents who deviated from United Utilities' proposed level for sustainable drainage solutions (lower level)



Qualitative findings

Those who select a higher level of investment tend to be driven by the innovative notion of sustainable drainage solutions and their green nature, leading them to feel that the high cost is worth it.

"This is my favourite; the increase in price is so big, but I would be willing to pay though as this is a really good sustainable idea."

"The monthly increase is too high; I am happy with the proposed investment."

In contrast, others feel that United Utilities' proposed level of investment is reasonable, as the bill increase to achieve the higher level is too high.

Meanwhile, some feel that a lower level of investment is more suitable, due to the already high environmental and social benefits and the reduced carbon footprint. Moreover, some feel that this should not be United Utilities' responsibility and that it should be left to housing developers.

"There are still a lot of environmental and social benefits, and the carbon footprint is low so this would be my priority."

"The developers should be the ones building these and taking responsibility, not United Utilities."

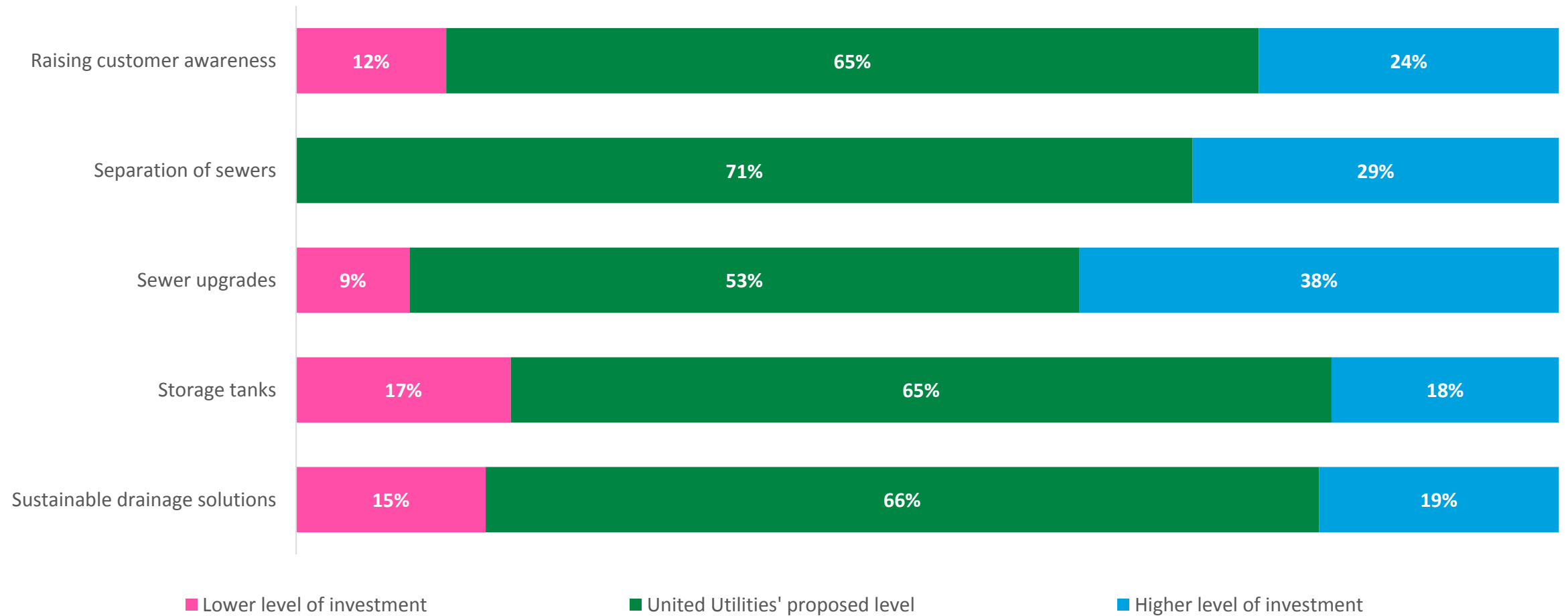
Q06E2. Sustainable drainage solutions: What made you move the slider away from United Utilities' proposed level of investment? Top 5 reasons shown. Base 69 (higher level) / 57 (lower level)

Please note: respondents who deviated from the proposed level had a 3 in 5 chance of being asked the follow-up open.

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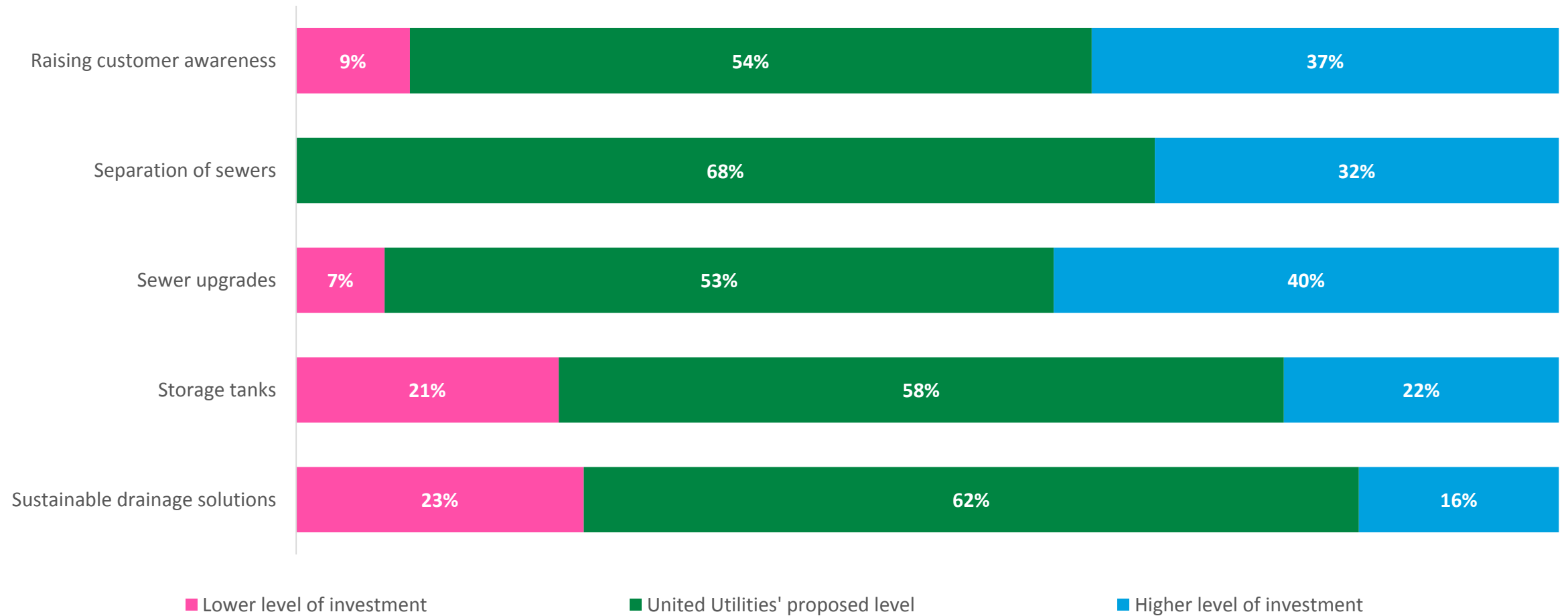
Overview of final customer preferences

A majority of household customers opt for United Utilities' proposed level in each of the five areas.



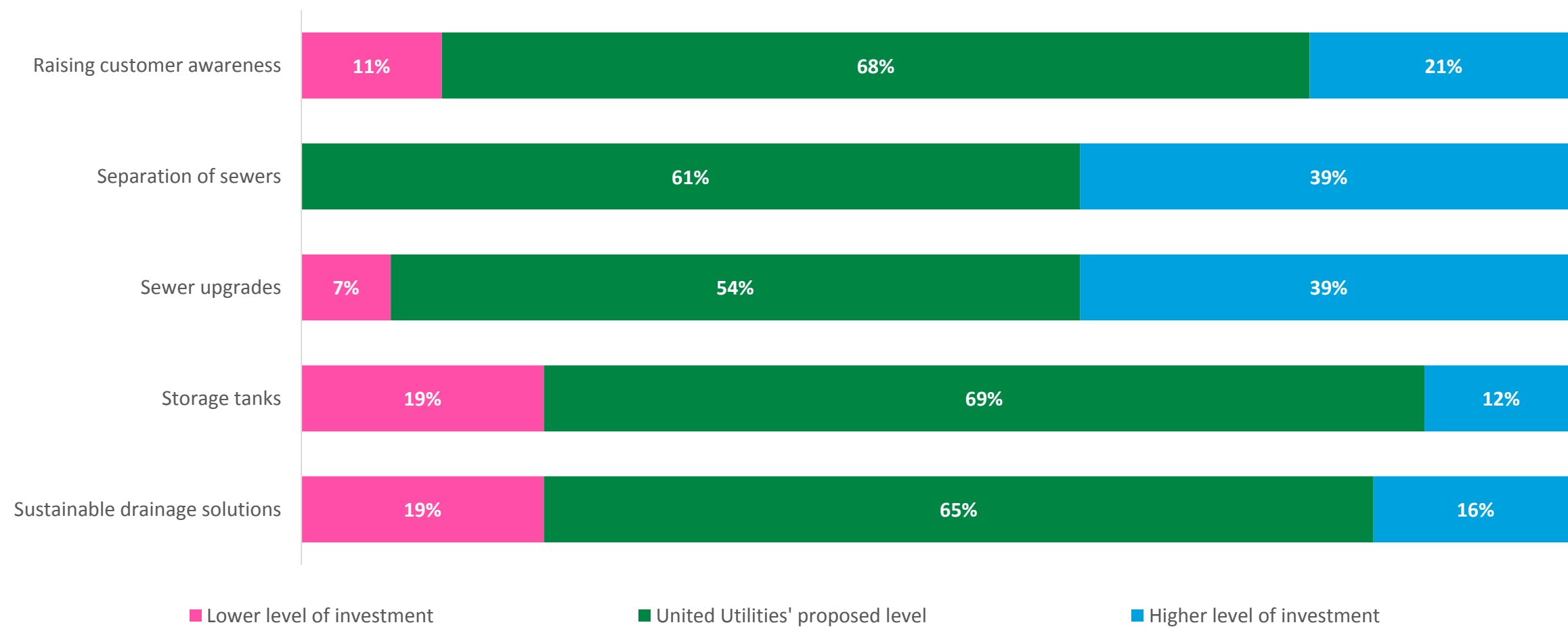
Overview of final customer preferences

United Utilities' proposed levels of investment also enjoy majority support among future bill payers. However, they are significantly less likely than household customers to back the proposed level for raising customer awareness, with the higher level proving more popular.



Overview of final customer preferences

A majority of non-household customers opt for United Utilities' proposed level of investment for each attribute.



Adherence with United Utilities' proposed levels of service

Agree with United Utilities' proposed level across all five attributes.

Deviate from United Utilities' proposed level on at least one attribute

Household

27%

73%

Future bill payers

23%

77%

Non-household

24%

76%

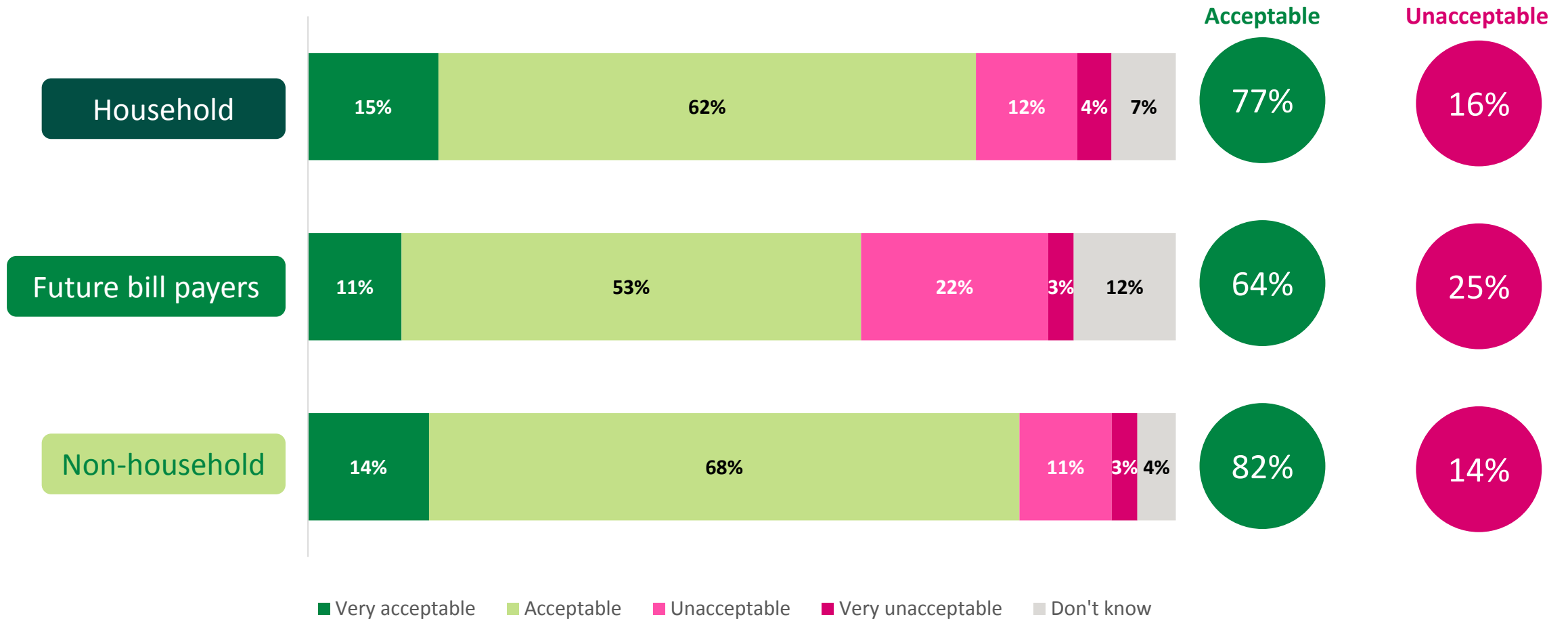
The overall agree figure does not represent the level of plan acceptability for the various segments. Instead, these figures are an overview of the choices respondents made, and the level of deviation is a testament to respondent engagement with the exercise. The high deviation score illustrates how respondents did not just go along with United Utilities' proposed level for every area and were proactive in crafting the plan that they thought was best.

The main reasons given for agreeing with United Utilities' plan is a sense that it is the best response and a feeling of trust in United Utilities.

There is a mix of reasons given for deviating from United Utilities' plan, representing the diversity of respondent preferences. Some are motivated by lower costs, while others think that further bill increases are small given the impact that higher investment will have and others want to see a plan which is better for the environment.

Plan acceptability

United Utilities' plan has a strong level of acceptability across all three segments, although this is mainly driven by 'acceptable' rather than 'very acceptable' ratings.



Plan acceptability: subgroup analysis (I)

Plan acceptability is strong across subgroups, although there are some variations...

	Metered (a)	Unmetered (b)	Cumbria (c)	Merseyside (d)	Greater Manchester (e)	Lancashire (f)	Cheshire (g)
Acceptable	78%	76%	66% <def	81% >c	78% >c	80% >c	74%
Unacceptable	16%	15%	22% >d	9% <cg	15%	16%	19% >d

	Inner-city (a)	Suburban (b)	Town (c)	Village/rural or countryside (d)	No formal qualifications (e)	GCSEs/A-levels (f)	Degree or higher (g)
Acceptable	76%	78%	76%	76%	65% <fg	78% >e	79% >e
Unacceptable	17%	14%	16%	19%	22%	14%	16%

	AB (a)	C1 (b)	C2 (c)	DE (d)	Never struggle with bills (e)	Sometimes struggle with bills (f)	Struggle and often behind with bills (g)	Always struggle with bills (h)
Acceptable	81%	79%	79%	70%	81% >h	76%	71%	63% <e
Unacceptable	14%	15%	14%	19%	15% <h	15%	17%	25% >e

Plan acceptability: subgroup analysis (II)

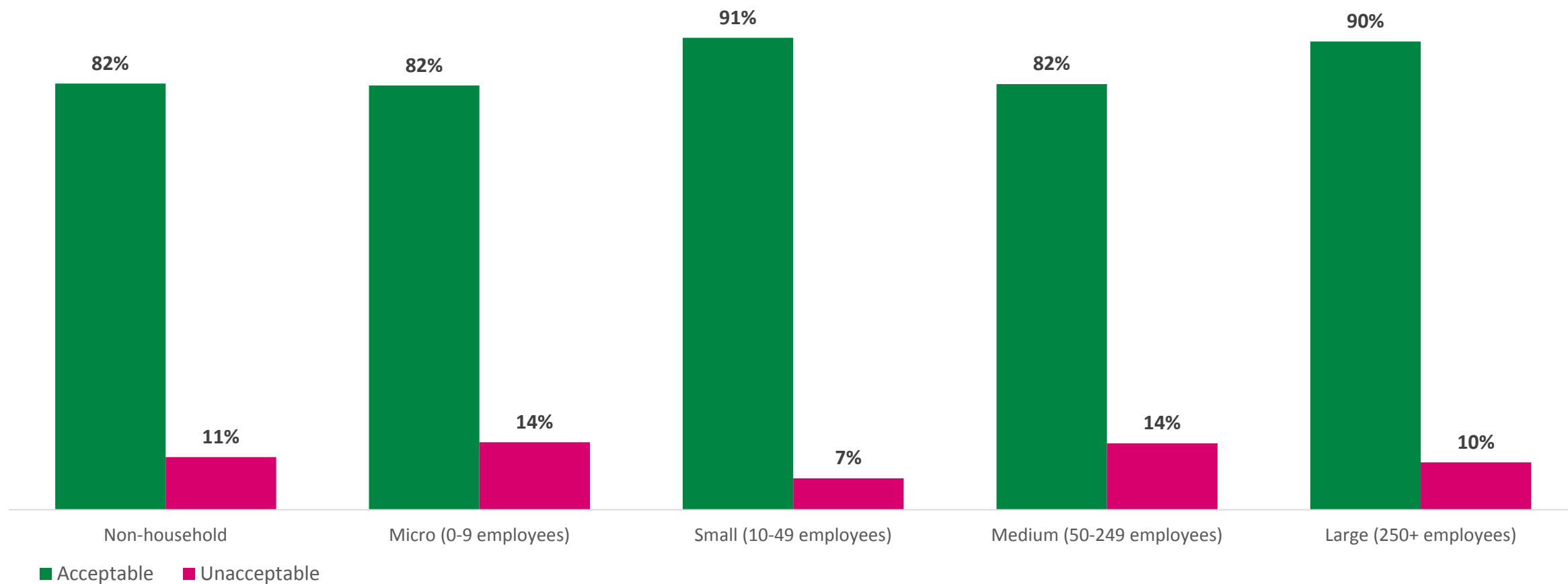
Plan acceptability is strong across subgroups, although there are some variations...

	HH income <£21k (a)	HH income ≥ £21k (b)	18-34 (c)	35-44 (d)	45-64 (e)	65+ (f)	Male (g)	Female (h)	Disability/ long-term illness in HH (i)	No disability/ long-term illness in HH (j)
Acceptable	76%	80%	81% >f	79% >f	79%	70% <cd	76%	78%	75%	78%
Unacceptable	15%	15%	14%	15%	14%	19%	19% >g	12% <h	18%	14%

	Not concerned by flooding (a)	Concerned by flooding (b)	Experience any type of sewer flooding (c)	Not experienced any type of sewer flooding (d)	Visit blue space – at least weekly (e)	Visit blue space – at least fortnightly-monthly (f)	Visit blue space – quarterly (g)	Visit blue space – yearly (h)	Visit blue space – less frequently (i)	Visit blue space – never (j)
Acceptable	74%	75%	75%	78%	75%	78%	79%	83%	76%	76%
Unacceptable	19%	17%	18%	15%	16%	17%	18%	10%	13%	16%

Plan acceptability: subgroup analysis

Regardless of business size, the overwhelming majority find United Utilities' plan acceptable.

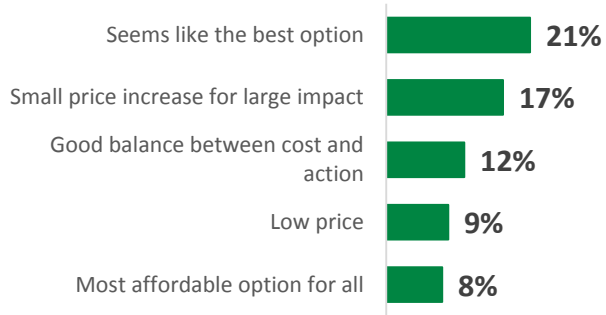


Reasons for plan acceptability rating

The top reasons for thinking United Utilities’ plan is acceptable is a feeling that it is the best option and that the price increases are worth it for the improvements. The minority who feel it is unacceptable feel the risks are too high or are concerned by the cost.

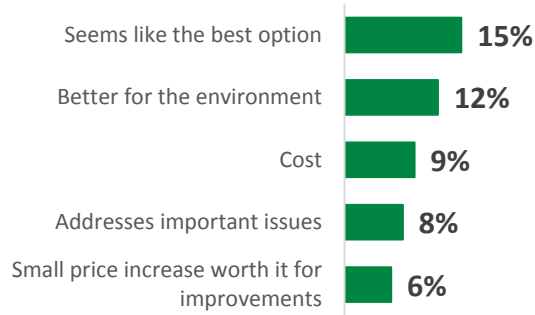
Household

Reason(s) United Utilities’ plan is acceptable (top 5)



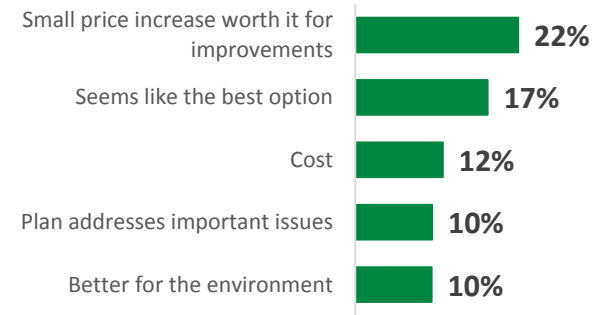
Future bill payers

Reason(s) United Utilities’ plan is acceptable (top 5)

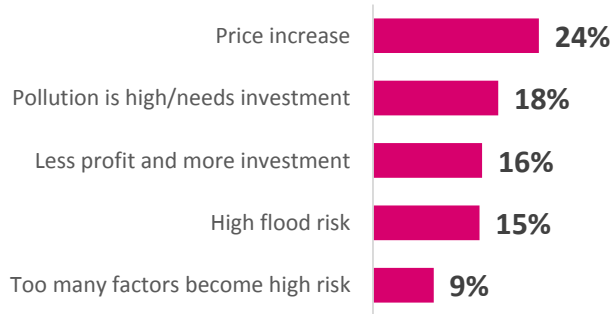


Non-household

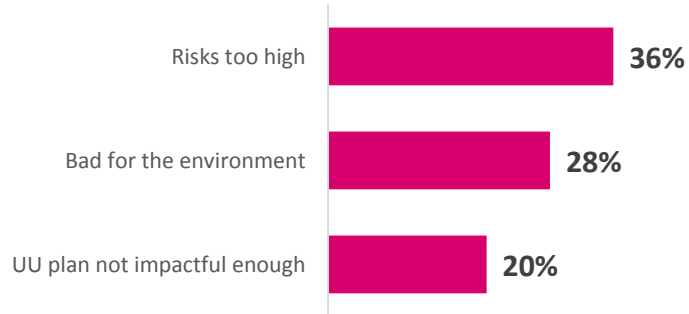
Reason(s) United Utilities’ plan is acceptable (top 5)



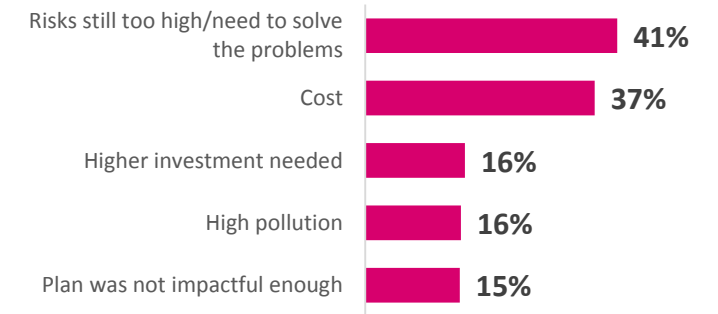
Reason(s) United Utilities’ plan is unacceptable (top 5)



Reason(s) United Utilities’ plan is unacceptable (top 5)*



Reason(s) United Utilities’ plan is unacceptable (top 5)*



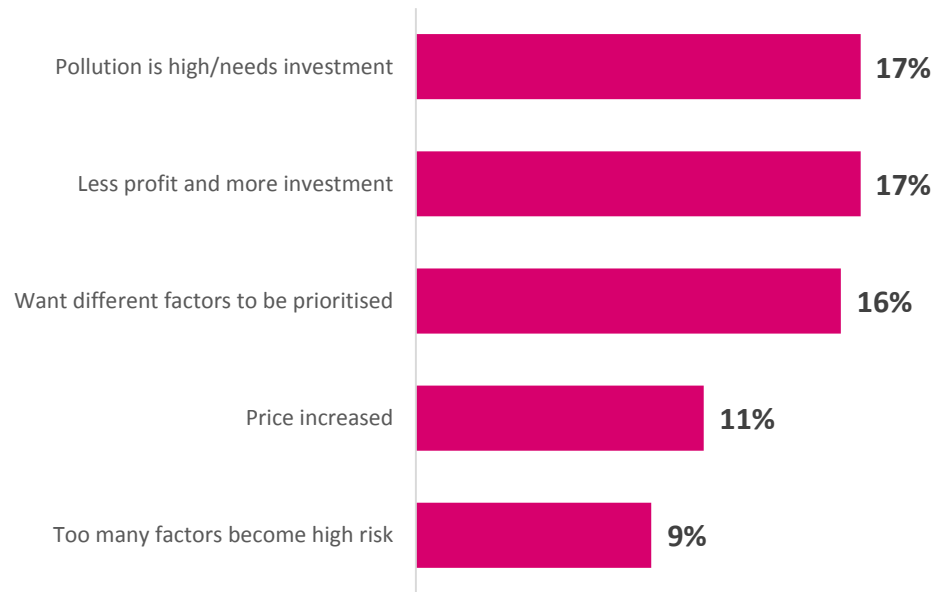
Q13C/D.. What is the main reason you think the proposed plan is acceptable/unacceptable? Base: acceptable 624 / unacceptable 121 (HH), acceptable 65 / unacceptable 25* (FBP), acceptable 190 / unacceptable 26* (NHH)

*Caution: low base size <30. Please note that there is a higher base size for ‘acceptable’ charts compared to the ‘unacceptable’ charts because the vast majority find United Utilities’ plan acceptable.

Reasons for higher than average plan unacceptability ratings

Residents in Cumbria and those who always struggle to pay their bills have the highest household unacceptability rating

Reason(s) UU's plan is unacceptable (top 5) in Cumbria



"The pollution to the environment is very high and they should be doing a lot more to protect the local environment."

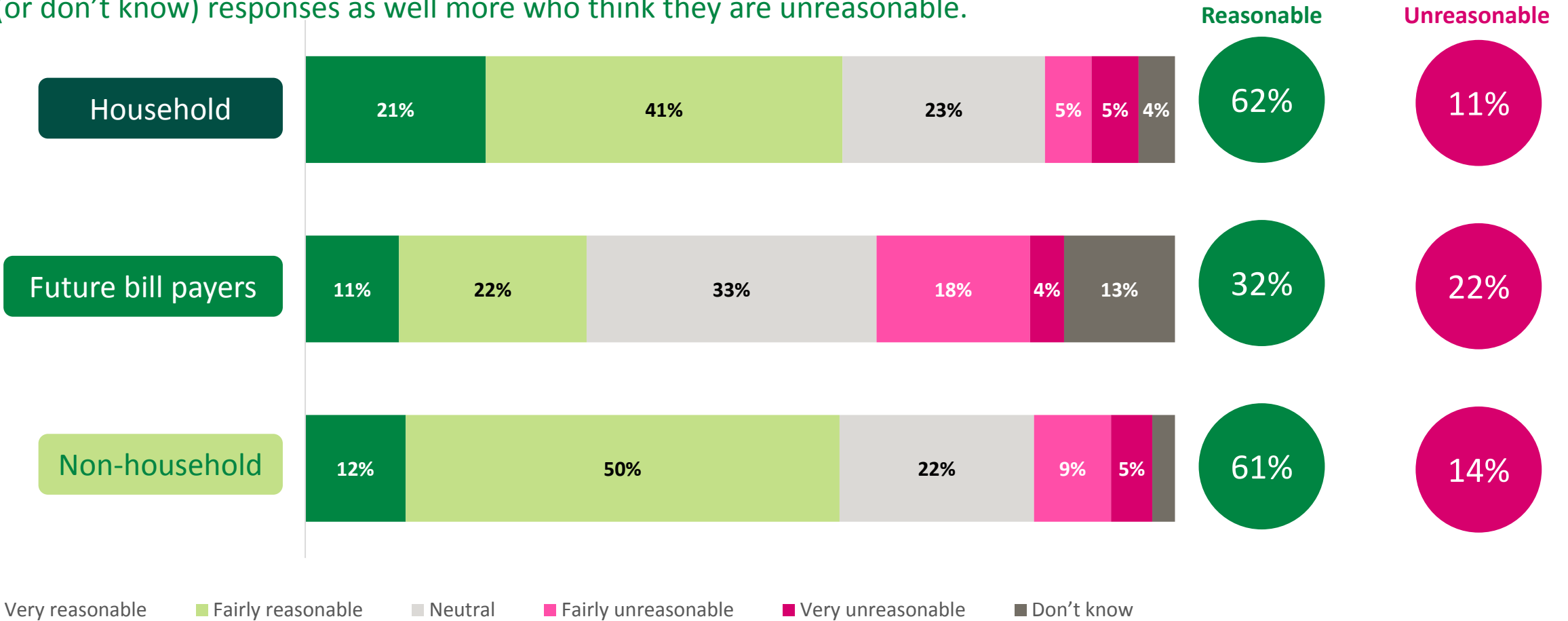
Reason(s) UU's plan is unacceptable (top 3) for those who always struggle to pay their bills



"Everything is high regardless, and with high profits they should be using that money instead of customers having to pay."

How reasonable bill increases mentioned in the exercise are...

The majority of HH and NHH customers feel that the bill increases proposed are reasonable given the other bill increases they have experienced recently. Agreement with this is lower among future bill payers due to more neutral (or don't know) responses as well more who think they are unreasonable.



Q15.. Taking into account other bill increases you may have experienced recently (e.g. energy bills), how reasonable do you feel that the bill increases mentioned in the exercise were?

Base: all respondents

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Reasonableness of bill increases: subgroup analysis (I)

In most subgroups, a majority feel that the bill increases in the exercise are reasonable.

	Metered (a)	Unmetered (b)	Cumbria (c)	Merseyside (d)	Greater Manchester (e)	Lancashire (f)	Cheshire (g)
Reasonable	63%	60%	59%	63%	63%	63%	57%
Unreasonable	10%	11%	15% >d	6% <c	12%	11%	11%

	Inner-city (a)	Suburban (b)	Town (c)	Village/rural or countryside (d)	No formal qualifications (e)	GCSEs/A-levels (f)	Degree or higher (g)
Reasonable	69% >d	65% >d	60%	51% <ab	58%	59%	66%
Unreasonable	14%	10%	12%	9%	15%	12% >g	8% <f

	AB (a)	C1 (b)	C2 (c)	DE (d)	Never struggle with bills (e)	Sometimes struggle with bills (f)	Struggle and often behind with bills (g)	Always struggle with bills (h)
Reasonable	64%	67%	60%	56%	71% >fgh	56% <e	56% <e	41% <e
Unreasonable	10%	9%	9%	15%	6% <fgh	12% <e >h	11% <e >h	30% <efg

Reasonableness of bill increases: subgroup analysis (II)

In most subgroups, a majority feel that the bill increases in the exercise are reasonable.

	HH income <£21k (a)	HH income ≥ £21k (b)	18-34 (c)	35-44 (d)	45-64 (e)	65+ (f)	Male (g)	Female (h)	Disability/ long-term illness in HH (i)	No disability/ long-term illness in HH (j)
Reasonable	58% <a	66% >b	61%	56%	62%	66%	60%	63%	60%	63%
Unreasonable	11%	8%	14%	14%	8%	11%	14% >h	7% <g	12%	9%

	Not concerned by flooding (a)	Concerned by flooding (b)	Experience any type of sewer flooding (c)	Not experienced any type of sewer flooding (d)	Visit blue space – at least weekly (e)	Visit blue space – at least fortnightly-monthly (f)	Visit blue space – quarterly (g)	Visit blue space – yearly (h)	Visit blue space – less frequently (i)	Visit blue space – never (j)
Reasonable	63%	60%	67%	60%	68% >i	60%	70% >i	65%	57% <ef	57%
Unreasonable	11%	12%	11%	11%	10%	13%	6%	11%	9%	14%

Significant differences represented by column letters and are highlighted by bold, blue text.
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SIMALTO analysis

SIMALTO: the optimum plan

So far we have seen an overview of customers' selections for each of the attributes and the reasons why. However, in total there are 162 combinations of bundles and different priorities for different customers. Some want to save money by picking lower levels of investment, others want a higher level of investment regardless of the cost, while many are happy with United Utilities' proposed plan or something similar.

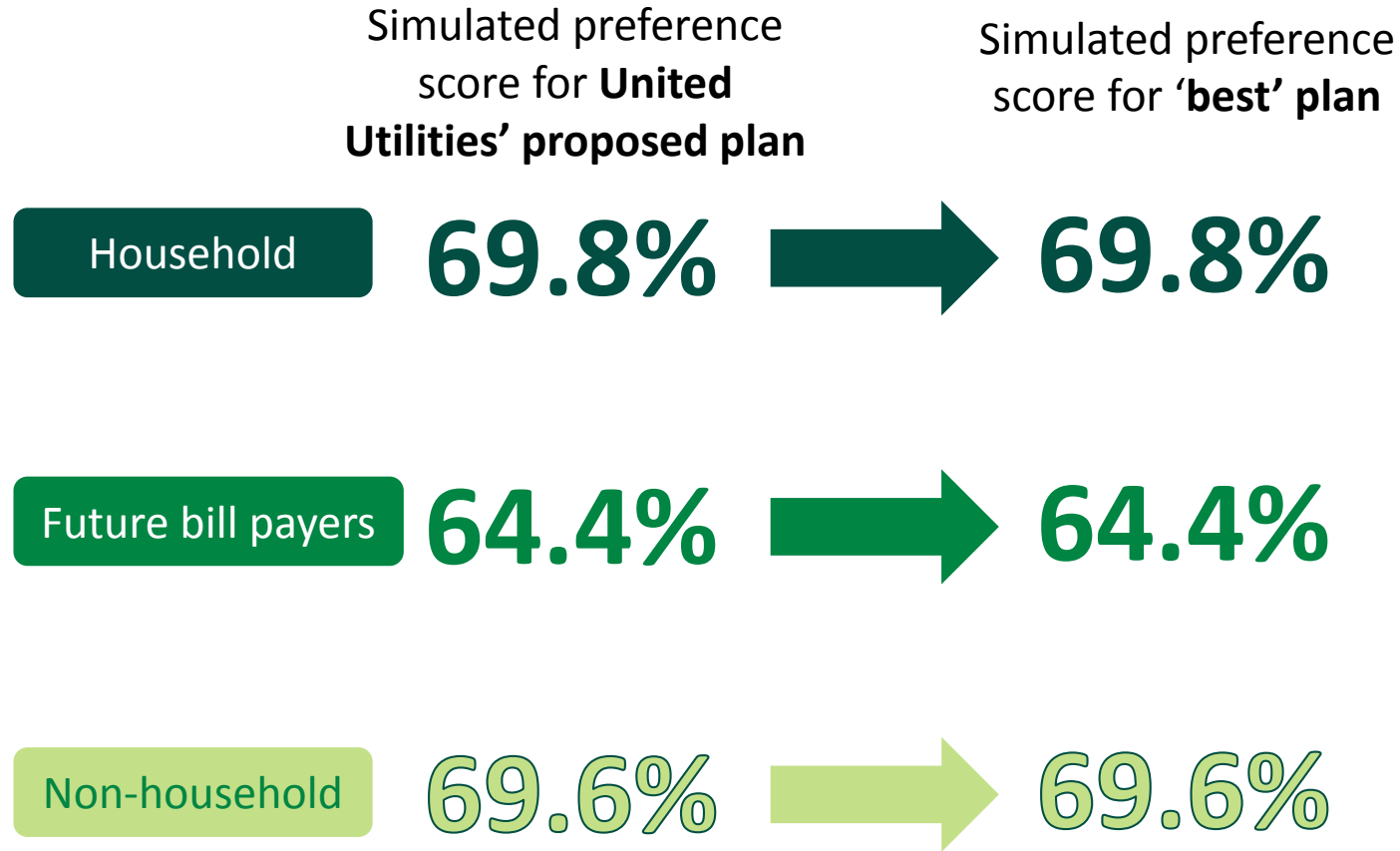
To distil this data and establish the 'best' package, a SIMALTO (simultaneous multi-attribute trade off) analysis models the optimum mix of investment levels for the five attributes which maximises plan preference score. It does this by taking all of the information about the plans the respondents designed (% choosing each level, bill amount, carbon footprint etc.) and analyses the data to discern how preferable each plan is for every respondent. It then aggregates this to give an overall plan preference score.

The model is able to do this because the fact a respondent chose a specific plan does not mean all other plans are equally un-preferable. An alternative plan that is very similar to a respondent's chosen plan is also likely to be highly preferable to that respondent (even if it is not their ideal).



Simulated plan preference score

United Utilities' proposed plan represents the 'best' plan in terms of preference score for all three segments.





The simulated preference score for United Utilities' proposed plan is higher than the actual percentage who chose United Utilities' preferred level for all five attributes because the simulation accounts for the likelihood that the proposed plan would also be acceptable to customers who only made slight adjustments.

The 'best' plan is defined as the plan which generates the highest preference score. There is no change in the preference score because United Utilities' proposed plan is also the 'best' plan for all three segments.

Simulated acceptance of plans: household subgroups (I)

The only significant preference share gain by changing United Utilities’ plan is for those with a household income of £21,000 or more, where a higher level of sewer investment increases the preference score by 6.4% points.

	CC Water financially vulnerable definitions					Household income	
	Metered	Unmetered	Most vulnerable	Potential vulnerable	Least vulnerable	<£21,000	≥£21,000
Simulated score United Utilities’ proposed plan	66.2%	72.7%	77.8%	72.2%	57.1%	78.8%	62.0%
Simulated score ‘best’ plan	69.6%	72.7%	77.8%	72.2%	63.0%	78.8%	68.4%
Preference share gained (% point difference)	+3.4	0	0	0	+5.9	0	+6.4 
Raising customer awareness	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Separation of sewers	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sewer upgrades	Higher level (+3.4)	UU proposed level	UU proposed level	UU proposed level	Higher level (+5.9)	UU proposed level	Higher level (+6.4)
Storage tanks	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sustainable drainage solutions	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level

Significant increase 

Simulated acceptance of plans: household subgroups (II)

A higher level of investment in sewer upgrades nominally improves the preference share among Lancashire and suburban customers.

	Cumbria	Merseyside	Greater Manchester	Lancashire	Cheshire	Inner-city	Suburban	Town	Village/rural
Simulated score United Utilities' proposed plan	78.4%	76.2%	68.6%	59.7%	71.8%	54.1%	68.1%	76.0%	77.0%
Simulated score 'best' plan	78.4%	76.2%	68.6%	62.8%	71.8%	54.1%	69.9%	76.0%	77.0%
Preference share gained (% point difference)	0	0	0	+3.1	0	0	+1.8	0	0
Raising customer awareness	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Separation of sewers	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sewer upgrades	UU proposed level	UU proposed level	UU proposed level	Higher level (+3.1)	UU proposed level	UU proposed level	Higher level (+1.8)	UU proposed level	UU proposed level
Storage tanks	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sustainable drainage solutions	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level

Simulated acceptance of plans: household subgroups (III)

Sewer upgrades are again the main driver of improved preference scores, but the differences are not significant.

	Under 35	35-54	55-64	65+	ABC1	C2DE	Male	Female	Disability/ long-term illness in HH	No disability/ long-term illness in HH
Simulated score United Utilities' proposed plan	51.7%	54.0%	80.4%	85.0%	67.2%	72.8%	66.3%	73.2%	71.9%	69.5%
Simulated score 'best' plan	57.5%	58.5%	80.4%	85.0%	70.3%	72.8%	68.8%	73.2%	71.9%	69.5%
Preference share gained (% point difference)	+5.8	+4.5	0.0	0.0	+3.1	0.0	0.0	0.0	0.0	0.0
Raising customer awareness	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Separation of sewers	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sewer upgrades	Higher level (+5.8)	Higher level (+4.5)	UU proposed level	UU proposed level	Higher level (+3.1)	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Storage tanks	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sustainable drainage solutions	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level	UU proposed level

Simulated acceptance of plans: non-household subgroups

The preference share of small and micro businesses can be improved through higher levels of investment in certain attributes. However, it should be noted that these increases are not significant.

	Micro (0-9)	Small (10-49)	Medium (50-249)	Large (250+)
Simulated score United Utilities' proposed plan	74.0%	49.5%	53.5%	66.8%
Simulated score 'best' plan	74.0%	67.7%	68.2%	66.8%
Preference share gained (% point difference)	+0.0	+18.1	+14.7	+0.0
Raising customer awareness	UU proposed level	UU proposed level	Higher level (+2.0)	UU proposed level
Separation of sewers	UU proposed level	Higher level (+6.8)	Higher level (+4.1)	UU proposed level
Sewer upgrades	UU proposed level	Higher level (+11.3)	UU proposed level	UU proposed level
Storage tanks	UU proposed level	UU proposed level	UU proposed level	UU proposed level
Sustainable drainage solutions	UU proposed level	UU proposed level	Higher level (+8.6)	UU proposed level

Annual willingness to pay (I)

Willingness to pay ranges in the displayed subgroups ranges from £14.04-£12.26*, while the average willingness to pay for household customers is £13.18. The higher income and least vulnerable groups have the highest willingness, while the reverse is true for their comparators. Those in towns also have a lower willingness to pay.

**United Utilities' plan
bill impact: £9.96**

While it may seem strange that willingness to pay is so high given the current cost of living crisis, it should be considered that the bill increases in this exercise are relatively small in comparison to the increases seen in energy and gas bills. This is best exemplified by 62% of HH customers saying that they think the bill increases in the exercise are reasonable, while just 11% think they are unreasonable. However, it should be noted that respondents may be more sensitive to price increases when the impact on bills caused by service improvements in other areas is added on.



CC Water financially vulnerable definitions

WtP amounts based on average customer annual bill. [For details on how vulnerable groups are defined, please see the appendix.](#)

*see next page.

Annual willingness to pay (II)

Willingness to pay ranges in the displayed subgroups ranges from £14.04-£12.26, while the average willingness to pay for household customers is £13.18. The higher income and least vulnerable groups have the highest willingness, while the reverse is true for their comparators. Those in towns also have a lower willingness to pay.

**United Utilities' plan
bill impact: £9.96**

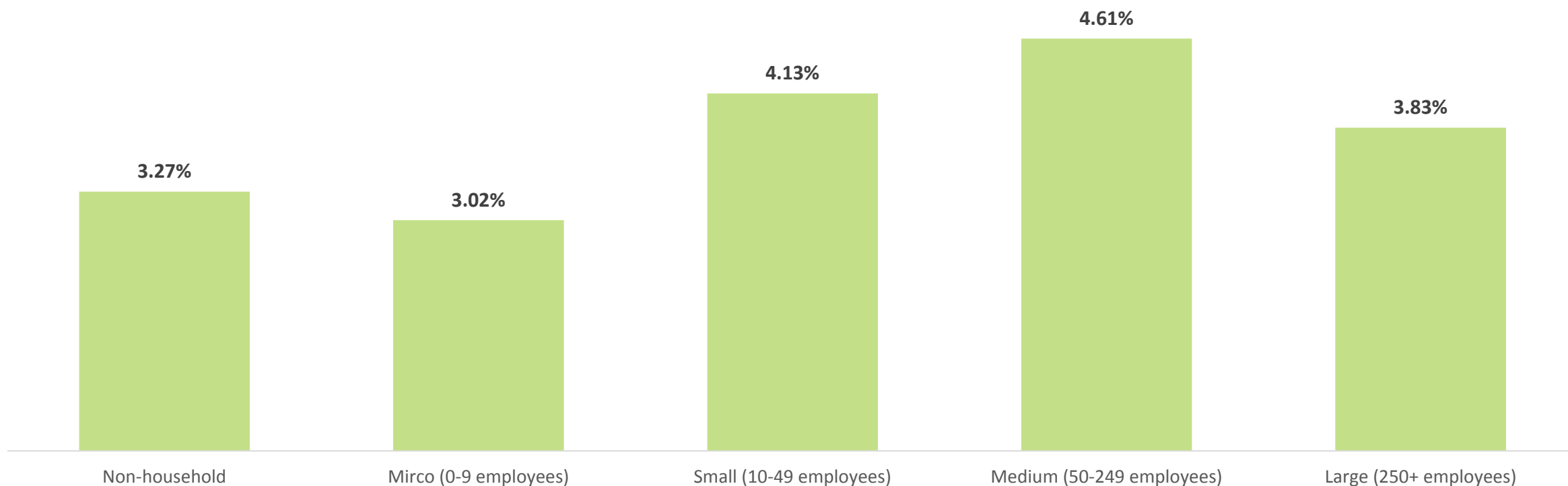
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Willingness to pay

The willingness to pay is lowest among micro businesses and is highest among medium businesses. That being said, the willingness to pay of all businesses is above the bill impact of United Utilities' proposed plan.

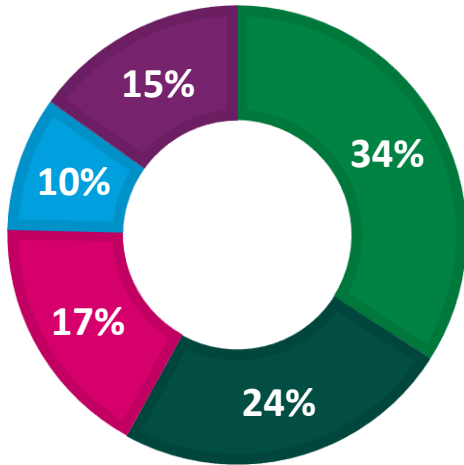
United Utilities' plan bill impact: 2.36%



Importance of impacts & willingness to pay summary

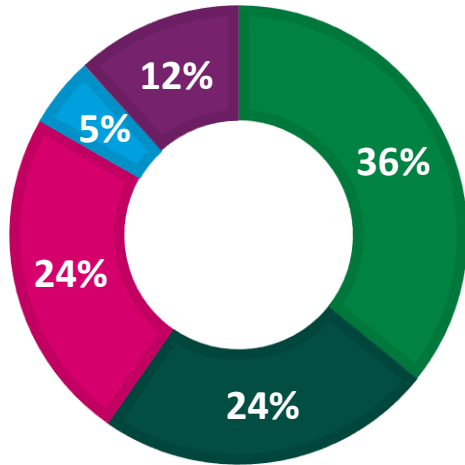
Using SIMALTO, we can assess the relative importance each impact has on respondent choice. Interestingly, the importance of the various factors is relatively similar across the segments and bill impact is the most important.

Household



WtP: £13.18

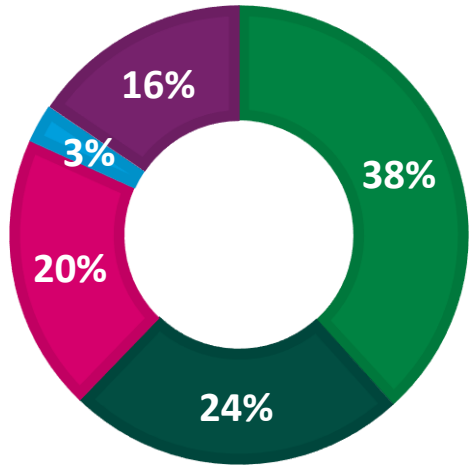
Future bill payers



- Bill impact
- Carbon footprint
- Environmental & social benefits
- Pollution to water environment
- Internal Flooding Risk

WtP: £13.41

Non-household



WtP: 3.27%

Summary

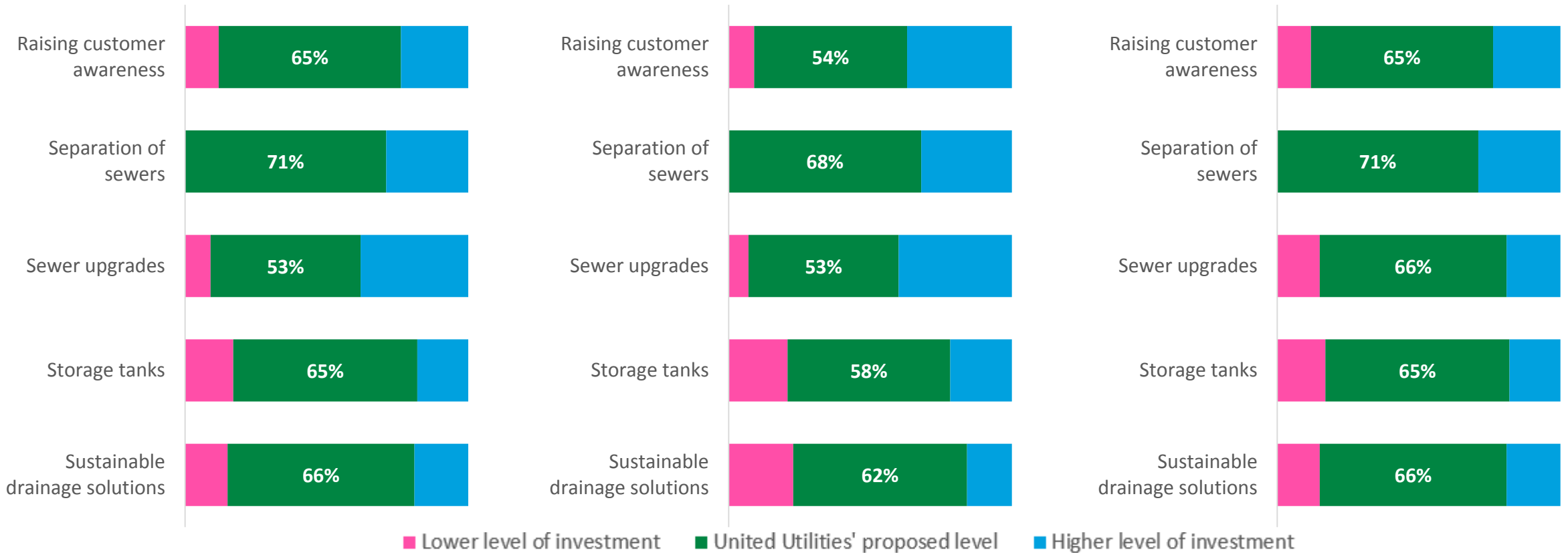
Key findings (I)

United Utilities' proposed level is the most popular choice for each area in all segments.

Household

Future bill payers

Non-household



Key findings (II)

For all three groups, the 'best' plan is United Utilities' plan according the preference score. This demonstrates that United Utilities' plan is already optimal in terms of maximising customer (and future bill payer) preferences.

Household
70%

Future bill payers
64%

Non-household
70%

This is underlined by the high level of plan acceptability.

Household
77%

Future bill payers
64%

Non-household
82%

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 United Utilities' DWMP with customers and future bill payers and assess whether tweaks need to be made ahead of the final plan's submission.

Fit for purpose

This research followed a similar methodology employed in United Utilities' WRMP acceptability testing. Further 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. Visual stimulus was created in order to aid participant understanding, using images and sliders to portray the various plan options.

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

The customer acceptability outputs from this research were directly fed into the final plan submission for the DWMP.

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

Inclusive

A mix of online and face-to-face interviews were conducted to ensure that digitally vulnerable and hard-to-reach customers were included in the research. Quotas were set based on the known profile of United Utilities' customers and weighted to mitigate variations in the sample population.

Shared in full with others

The full final report and research materials will be shared on the United Utilities' research library webpage.

Independently assured

All research was conducted by DJS, 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

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