

8942/United Utilities
Vulnerable Customer Depth Discussion Guide (75 mins)
Version 4

(I) Introduction	5 mins
<p>Brief explanation of the purpose of the research</p>	<p><i>Moderator to explain the nature of the research;</i></p> <ul style="list-style-type: none"> • I work for a company called DJS Research, we are an independent market research company and today we are working on behalf of United Utilities • Our client is looking to speak to their customers about United Utilities’ business plan for the period leading up to 2030, the impact of this plan on the service customers will receive and their bills, and your views on whether the proposed plan is acceptable to you as a customer. United Utilities wishes to consult a wide range of customers and we have selected you because....INTERVIEWER ADD: YOU ARE ON THEIR PRIORITY SERVICES REGISTER/YOU ARE ELIGIBLE TO BE ON THEIR PRIORITY SERVICES REGISTER/YOU ARE ON UNITED UTILITIES SOCIAL TARIFF/YOU MAY BE ELIGIBLE FOR FINANCIAL SUPPORT FROM UNITED UTILITIES <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. • I am not an industry expert and, so, there may well be questions that you have that I cannot answer. If you do have any questions which I cannot answer I am happy to pass these back to United Utilities. • [Moderator: throughout, note down any unanswered respondent questions, along with response given]
<p>Introductions</p>	<p><i>IF HEALTH VULNERABILITY</i></p> <p><i>I’d first of all like to spend some time understanding more about you what life is like in your shoes...</i></p> <ul style="list-style-type: none"> • I understand that you [insert disability/condition from screener]... • Please could you tell me about this? • Length of time with the condition/in this situation • How it impacts on daily life • Difficulties it presents, firstly top of mind then probe specifically in relation to water <p><i>FINANCIAL VULNERABILITY/DIGITALLY EXCLUDED</i></p> <ul style="list-style-type: none"> • Tell me a bit about yourself; who you live with; working status; hobbies; worries

(II) Reactions to the pre-task	10 mins
Reactions to the pre-task	<p>MODERATOR: a few days ago, we sent out information packs to you. These included a link to a video, a short leaflet about United Utilities, and a one-page summary of United Utilities' business plan.</p> <ul style="list-style-type: none"> • Did you receive an information pack? • What were your initial thoughts on the materials provided? • Was there anything in the materials you saw that wasn't clear or that was difficult to understand? • What surprised you most out of the things you have read? <ul style="list-style-type: none"> • Why did it surprise you? • Having seen the information pack and video, what if anything, would you most like to know more about? • Has anything that you've seen, heard, or read within the information pack changed your opinion of United Utilities in any way? <ul style="list-style-type: none"> • (P) How?

(III) An introduction to United Utilities	10 mins
An introduction to United Utilities	<p>I'd like to move the discussion on now, and spend some time thinking about United Utilities and what they do:</p> <ul style="list-style-type: none"> • What do you know about United Utilities? What does it do? • What words would you use to describe United Utilities as an organisation? <ul style="list-style-type: none"> ◦ (P) IF NEEDED: If United Utilities were a person, what would they be like? • 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, services for customers with additional needs/financial support, <p>SHOW SLIDES 1-3: THE AREA UNITED UTILITIES COVERS AND ITS RESPONSIBILITIES/ ACTIVITES</p> <p>On the screen now, is a quick overview of some of United Utilities' key responsibilities and activities.</p> <p>[Moderator read through list of activities displayed on screen]</p> <p>One thing to note, there are two kinds of water service provider in England and Wales. Some provide water services only (known as WoCs) whereas others provide water and wastewater services (known as WaSCs).</p> <p>This means that some households will have two separate suppliers (ie both a WoC and a WaSC). Your water services provider, United Utilities, is a WASC and provides both your water</p>

	<p>and wastewater services.</p> <p>Some of United Utilities' responsibilities are required by law, also known as statutory. However, some areas not required by law but will provide more benefits to the service you receive, nature and society.</p> <ul style="list-style-type: none"> • Are any of these surprising to you? <ul style="list-style-type: none"> ◦ Which/why? • Was any of this information something you hadn't heard about or considered before? • So, how would you describe your relationship with United Utilities? <ul style="list-style-type: none"> • Do you feel like a valued customer of United Utilities? <ul style="list-style-type: none"> ◦ Why/why not? • What experience do you have of them? PROBE FOR ANY ADDITIONAL INFORMATION AROUND PRIORITY SERVICES/FINANCIAL SUPPORT/SOCIAL TARIFFS • What words would you use to describe how you feel about United Utilities? • Is there anything about the service United Utilities provides that you would like to see them improve? How about around the services they provide for customers with additional health or financial needs? • Finally, how would you rate the value for money you received for your water and waste water services provided by United Utilities? Again, please do this on a scale from 1-10 with 1 being the lowest value for money and 10 the highest. <ul style="list-style-type: none"> ◦ Why did you give this rating?
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(IV) Temperature check - household finances/cost of living.	5 mins
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Household finances	<ul style="list-style-type: none"> • Thinking about your own household finances, how positive or negative do you feel about them just now? <ul style="list-style-type: none"> ◦ Has the situation changed over the last 6 months? How? ◦ If you encountered an unexpected but necessary high-cost expense such as a new boiler, how easy would you find that to cover?
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(V) Focus on explaining the long-term picture to 2050	20 mins
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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</p>
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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.

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.

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.

United Utilities is planning for warmer and drier weather during summer months, and more intense storms, which impacts the capacity of its wastewater systems.

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

- 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?

NOTE ABOUT PHASING: Please bear in mind that 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.

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.

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.

(VI) Recap on the pre-task information	10 mins
Pre-task overview	<p>SLIDES 5-6: Comparative data for Priority Services and Social Tariffs.</p> <p>I'm going to talk you through 4 important areas which water companies in England and Wales are regularly monitored and compared.</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 with regards 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 7: List of ten service areas mentioned in the business plan, followed by slides 8-10 on financial support and PSR</p> <ul style="list-style-type: none"> • Looking at all the 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 addition investment or improvement? <ul style="list-style-type: none"> ○ Why those?

(VII) Focus on the shorter-term picture (proposed business plan)	25 mins
In-depth review of the business plan Understanding of the wider business plan vision under the 'four pillars'	<p>SHOW SLIDE 11: 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 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 interview.</p> <p>As you saw in the video, United Utilities has set out its plan under three 'pillars': stronger; greener; and healthier.</p> <ul style="list-style-type: none"> • Taking these three pillars as a whole, do you feel that United Utilities is going too far, not far enough, or striking a good balance, in terms of these longer-term goals? <ul style="list-style-type: none"> ○ Why do you say that? ○ What do you think is missing? ○ What might you like to see them drop? • Are there any specific goals on the screen now that you think are particularly

	<p>important for United Utilities to aim for?</p> <ul style="list-style-type: none"> ○ Why? • Are there any that you are concerned about? <ul style="list-style-type: none"> ○ Why? <p>SHOW SLIDE 12: Statutory requirements</p> <p>As part of its business plan for 2025 to 2030, United Utilities must adhere to the laws and regulations in place that affect how all water companies in England and Wales must act. These cover environmental legislation, as well regulations regarding their drainage, wastewater, and storm overflow infrastructure.</p> <p>These are mandatory requirements for all water companies, and we won't be evaluating them in this interview. However, they will provide you with useful background information to United Utilities' wider plans.</p>
<p>Overview of the ten service areas and their targets</p>	<p>SLIDE 7: List of ten service areas mentioned in the business plan plus PSR/Financial enhancements SLIDES 8-10</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. Indeed, in addition to these ten areas is everything United Utilities plans to do to help those who find themselves in difficulties, be these financial or health.</p> <p>In this next section, we're 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>Everything else we show you, 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>[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]. LEAD WITH PRIORITY SERVICES, AFFORDABILITY AND SMART METERS</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 going this service improvement, does that seem plausible to you? <ul style="list-style-type: none"> ○ Does it seem realistic? ○ Do you think this is an acceptable way of going about it?

	<ul style="list-style-type: none"> ○ 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 POINTS ON THE PLAN]</p>
<p>Acceptability and affordability of the proposed plan</p>	<p>SLIDE 7: 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> <p>SHOW SLIDE X – PROPOSED PLAN BILL IMPACT</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. <p>SHOW SLIDE X – PERSONALISED BILL IMPACT</p> <ul style="list-style-type: none"> • This next slide shows how much this would increase your annual water bill <ul style="list-style-type: none"> ○ Does this seem reasonable to you? <ul style="list-style-type: none"> ▪ Why/why not? ○ Would this increase affect how affordable your water bill is for you? <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. ○ DO NOT ASK IF ON SOCIAL TARIFF: 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>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 595,000 fewer smart meters installed in homes and businesses (75,000 compared to 670,000) ○ 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 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

	<p>benefits for leakage, smart metering, carbon and the likelihood of a hosepipe ban.</p> <p>SHOW SLIDE X – 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 save money on your bill? ○ Why/why not? • 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>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 X–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? <p>Which do you think is fairest to future generations of people living in the North West?</p>

<p>(VIII) Wrap-up including the post-task</p>	<p>10 mins</p>
<p>Wrap-up (Guidance section 10)</p>	<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?

Any final questions from the clients/observers

Thank & Close