

# United Utilities

Customer Research Methodology  
Assurance Report – Final

7<sup>th</sup> September 2023



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# 1.1 Objectives and scope

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**To support UUW’s PR24 business plan assurance statement on customer engagement (as set out in table 10.2 of the PR24 methodology), and their submissions around this activity, UUW have asked us to provide assurance that it has appropriately followed the guidance set out by Ofwat for high quality customer research.**

**The scope of the assurance was split into two parts.**

- Strategic Plans – this focused on the customer research aspects of key strategic plans: DWMP, WRMP and LTDS. We reviewed the methodology and approach outlined in the guidance document for high quality research and then whether the approach UUW adopted to assess whether it has followed the research methodologies and correspondence outlined in the guidance. We also reviewed how UUW has engaged with Your Voice (ICG), including feedback on the research and actions taken.
- Customer Priority Projects – this focused on a sample of four projects which represented a high customer priority, such as debt research. We reviewed the approach UUW adopted to assess whether this followed the high-quality research approach outlined in the customer engagement policy guidance. We also reviewed how UUW has engaged with Your Voice (ICG), including feedback on the research and actions taken.

We note there are a significant number (85+) of projects within UUW’s overall programme with some level of customer engagement. We agreed these two categories as a suitable method of prioritization; and further agreed to review a total of three strategic programmes and four projects with a high customer impact/ priority.

# 1.2 Key Conclusions

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**U UW has good evidence that its approach aligns to Ofwat’s high quality research requirements in the customer research methodology element of the PR24 process.**

**Our assurance of a sample of U UW’s customer engagement as part of its strategic programmes and projects, observed good evidence it had considered and could evidence the criteria. We did not identify material gaps or issues that would significantly impact the submission.**

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Based on our review of the documents provided to us and follow-up discussions with U UW’s teams as part of this assurance (including clarifications and additional evidence):

- We have seen good evidence that the team have undertaken a large number of engagement activities and have in place a method for evaluating robustness and relevance.
- From the list of projects we sampled, we have seen good evidence that the team has actively tracked and managed evidence in line with the high-quality research criteria.
  - The approach to customer engagement appears to be in sufficient alignment to the Ofwat requirements. For example:
  - There is good evidence against the majority of the requirements at a project level.
  - Where evidence at the project level was not specifically available, we were able to establish the programmatic approach (eg: to ensure an approach to neutral design was addressed consistently in project design).
  - Against the ‘shared in full with others’ criteria, as well as checking individual project publications, we were able to evidence an embedded process for UU reviewing and acting upon other published work.
  - We note the ‘Insight to Action’ and the ‘YourVoice’ trackers provide a valuable source of evidence.
- Reflecting the evidence seen and the point in the engagement process, we have no meaningful recommendations for the team. We note the team understands the need to make their evidence against the criteria as tangible and specific as possible in the main business plan submission.

## 2. Our Delivery Methodology



# 2.1 Current Scope for U UW – Our approach to this assurance

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We have provided targeted assurance for U UW following the approach below:

## 1. Understanding of the high quality research requirements

We have created an assurance template designed for project and programme level review against the Ofwat requirements.

## 2. Approach to sampling and priority projects

We worked with UU to understand the scale of the PR24 engagement programme and the process for rating/ ranking the individual engagement activities. This allowed us to agree a shortlist of projects to sample for this assurance.

## 3. Assurance interviews

We conducted MS Teams sessions on each of the projects sampled to establish an initial assessment against the high-quality requirements

## 4. Evidence and documentation review

We undertook a deep dive into each project, looking at the report, the proposal, insight to action trackers and other documentation to further review against the high-quality requirements

## 5. Draft and Final Outputs

We produced a draft and a final report outlining the assurance findings, risk grades and recommendations with a summary of the assessments.

## 2.2 Testing approach

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Our proposed approach for this work comprised of a **deep dive review** into a sample of customer research projects feeding into the PR24 business plan. The sample covered three main strategic plans (WRMP, DWMP and LTDS) and a further sample of four individual projects.

We initially reviewed the triangulation document, a **long list of customer engagement activity** feeding into the PR24 plan and held a session to understand UU's process for scoring the engagement based on robustness and relevance, and how and where the research was feeding into the PR24 plan. This enabled us to agree a **short list of projects** to sample, representing a range of engagements, but also areas where the engagement insight had a higher weighting.

We then held **interviews** with the team on each project, followed by with **an offline review** of information provided against the Ofwat criteria for high quality research. The dual approach developed our understanding of and/or explored, for example, the following:

- If, in the round, the approach covered what we consider to be the material aspects of the high quality research guidance as articulated through the PR24 methodology and the Ofwat Customer Engagement Policy. We also considered Market Research Society (MRS) membership.
- The approach and the research materials and stimulus used.
- The extent to which the documents evidenced alignment to the Customer Engagement Policy requirements.
- UUW's interaction with the ICG.
- Any key risks/issues associated with UUW's approaches and/or their application – and their justification and/or mitigation.
- Linked to our understanding of the documentation of UUW's approach and its outputs, the extent to which these have been captured/evidenced for audit trail purposes.

## 2.3 Projects sampled

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The short list of projects which formed our sample consisted of 16 individual projects, of which 12 were feeding into one of the three strategic plans.

We conducted a MS Teams session on each of these, followed by an offline review of the associated documentation.

The suite of documentation on each project comprised of research materials as well as project trackers, relevant emails with YourVoice etc.

Programme	Project
WRMP (Water Resources Management Plan)	Customer Priorities Research*
	WRMP/ DWMP Immersive Research*
	WRMP Research - Water resources West
	WRMP Acceptability Testing Research
	Smart Metering Research (Qual and Quant)
DWMP (Drainage and Waste Water Management Plan)	DWMP Draft Acceptability Testing Research
	DWMP Final Acceptability testing research
	Storm Overflows Research
LTDS (Long Term Delivery Strategy)	LTDS Synthesis
	LTDS Ambitions
	Bioresources Research
	6 Capitals Decision Making framework
Other <i>(Customer Priority Projects which are not inputting into another strategic plan)</i>	In debt customers research
	Rainfall management research
	Northern Roots Oldham – behaviour change project
	Expectations of service response research



## 2.4 Assurance Questions

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We considered a number of questions against the high quality research criteria, looking at evidence both specific to the project and at a programme level.

Criteria	Question	
Useful and contextualised	Is it clear why the research has been undertaken and how it will be used?	Are the findings presented alongside any external evidence? Do UU review other published regulatory customer engagement research?
	Does the analysis explain how the findings will be used?	Has any other supporting feedback/ information from different sources (e.g. customer complaints) been considered?
Neutrally designed	Has the potential for bias been considered at each stage of the research?	What actions have been taken to negate any bias?
	How have questions been determined and stimulus materials been prepared?	Is any inherent bias acknowledged and explained?
Fit for purpose	How have the sample and methodology been arrived at?	Has this approach previously been challenged?
	Is there evidence to support participant understanding?	Is there [any/limited/no] use of forced choice options?
Inclusive	Does the research include different audiences/ socio demographics?	Does the research use mixed method approaches?
	Do the findings identify and details variances between groups?	What additional provisions have been made to allow for inclusivity? (e.g. translation, sight impairment etc)
	Are details provided for those who are excluded?	
Continual	Does the research draw on day to day insight gathering as well as specific research to inform the business plans?	How have areas of concern or change been identified?
Independently assured	Has the research been reviewed/ independently assured?	Are the research findings and ways in which it has been used shared in a transparent way?
Shared in full with others	Have the research findings been published and shared in full?	Has there been any interaction or communications with other water/waste water companies on the information shared? Do UU review others?
Ethical	Has the research been conducted in line with standards of a widely recognised research body?	

## 2.5 Feedback and scoring criteria

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We discussed clarifications and emerging findings with your team and summarise our feedback in section 3.

Within section 3, our scores/grades represent the **level of evidence** associated with the items reviewed. For this submission, our scoring/grading represents the following:

Grade/ Meaning	Summary
A	Good evidence that the criteria has been considered and accounted for in the process. This is reflected in the documentation provided and approach.
B	Moderate evidence that the criteria has been considered and accounted for in the process. The requirements are reflected in the documentation provided and approach but with some gaps
C	Limited evidence that the criteria has been considered and accounted for in the process. There are gaps in the documentation provided and approach.
D	No evidence that the criteria has been considered or accounted for in the process. There are material gaps and issues identified with the documentation provided and the approach.

### 3. Assessment of Audit Areas



# 3.1 Score by Area

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We present below the score/grade for each area, based on material reviewed and discussions held. The remaining slides in this section set out for each area a grade for each of the high quality research criteria and, to support and explain that grade, a summary assessment of the findings for each area reviewed. Reflecting the evidence seen and the point in the engagement process, we have no meaningful recommendations for the team.

Programme	Findings	Grade
WRMP	Good evidence against the majority of the criteria across the projects sampled. In particular the sample demonstrated a range of engagement techniques, different customer groups, and that the findings detailing variances between groups in the projects sampled.	A
DWMP	Good evidence against the criteria across the projects sampled. Some of the research sampled under DWMP has not been shared in full with others yet due to project sensitivities. UU have confirmed their intention to share in full with others post submission.	A
LTDS	Good evidence against the majority of the criteria across the projects sampled. We note that the work is underpinned by the customer priorities engagement and supplemented with a range of other, more specific, research activities.	A
Other projects	Good evidence against the majority of the criteria across the projects sampled. Whilst these projects don't form part of a strategic plan, they were clearly part of the continual thread of engagement.	A

## 3.2 WRMP

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Criteria	Findings	Grade
Useful and contextualised	We found good evidence across the projects sampled that objectives are clearly stated and there is explanation of how the findings will be used.	A
Neutrally designed	There was moderate evidence that bias was considered. Where a bias was identified e.g a heatwave during fieldwork, this was called out. We also note UU have design standards in place with external agencies.	B
Fit for purpose	UU demonstrated good evidence that participants understood the questions through multiple rounds of cognitive testing and use of engaging material. There was evidence of responding to previous challenge through the WRMP/DWMP Acceptability testing project.	A
Inclusive	There was good evidence that the research includes different audiences/ socio demographics, and that the findings identify and detail variances between groups in the projects sampled. Both quantitative and qualitative approaches were evidenced, even within the same project.	A
Continual	We found good evidence across the projects sampled that they form part of a continual process of engagement. The insight to action tracker demonstrates good evidence of how areas of change for the business plan have been identified and acted upon.	A
Independently assured	There was good evidence of the projects sampled being challenged by Your Voice, and further evidence of one project sampled which had been peer reviewed.	A
Shared in full with others	There was good evidence that the results are shared in full with others via the UU customer insight and research library.	A
Ethical	Project sampled were all carried out by partners who were members of the Market Research Society	A

## 3.2 DWMP

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Criteria	Findings	Grade
Useful and contextualised	There is good evidence of clear objectives. There is good evidence from our sampling on the need for insight, on both general (e.g. to inform views) and specific (e.g. business plan proposals) requirements.	A
Neutrally designed	UU provide evidence of the neutral presentation of both pros and cons of various options. There is evidence of consideration of bias ( external media events) in our sample.	A
Fit for purpose	There is good evidence of cognitive testing across the samples, and a specific example of a 'learning journey'. There was evidence of responding to previous challenge through the WRMP/DWMP Acceptability testing project.	A
Inclusive	There is good evidence of the research including different groups and good evidence of the reports presenting findings by group. We reviewed evidence of provisions for the hard to reach / digitally excluded.	A
Continual	There is good evidence of a continual thread of engagement, demonstrated both within the DWMP programme and linking with other programmes.	A
Independently assured	The ICG tracker demonstrates evidence of their challenge in a relevant and timely manner.	A
Shared in full with others	There was good evidence that the results are shared in full with others via the UU customer insight and research library.	A
Ethical	Projects sampled were all carried out by partners who were members of the Market Research Society	A

## 3.2 LTDS

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Criteria	Findings	Grade
Useful and contextualised	We found good evidence across the projects sampled that objectives are clearly stated and there is explanation of how the findings will be used.	A
Neutrally designed	We found evidence across most projects sampled that bias from both sides was considered, namely both in question formulation (which was addressed by discussion with Your Voice/ICG) and through bias in respondent views e.g from external media events, which was addressed in analysis.	B
Fit for purpose	UU demonstrated an overall approach of several rounds of initial preparation with the market research agency and UU SMEs, followed by refinement and amendment in iterative rounds via testing with customers. Materials used were varied and included infographics and animations to help aid understanding. There was evidence of responding to challenge.	A
Inclusive	We found good evidence that UU have taken an inclusive approach in considering the different audiences and socio-economic groups in each piece of research. However, the findings were not always fully summarised by different audience/group in each project (which constitutes a minor deviation from the guidance) – though the company notes that detailed analysis is weaved into the narratives; and that where there are significant differences, these are pulled through into the findings of the reports and it considers this approach is aligned to the guidance.	B
Continual	There is good evidence of a continual thread of engagement, demonstrated both within the LTDS programme and linking with other programmes (for which the LTDS engagement was a foundation).	A
Independently assured	We saw evidence of ICG challenge for all projects sampled.	A
Shared in full with others	The majority of projects sampled have been fully published on the United Utilities website, as well as being shared via their industry newsletter “The Source”.	A
Ethical	Projects sampled were all carried out by partners who were members of the Market Research Society.	A

## 3.2 Other projects

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Criteria	Findings	Grade
Useful and contextualised	We found good evidence across the projects sampled that objectives are clearly stated and there is a clear explanation of how the findings will be used.	A
Neutrally designed	We found moderate evidence of bias being considered overall – this was stronger in some projects than others.	B
Fit for purpose	The projects sampled represented a good mix of quantitative and qualitative methodologies, including iterative approaches dedicated to ensuring participant understanding.	A
Inclusive	The demographic make-up of two of the studies was narrow by their very nature, however, UU provided good evidence that this make-up had been carefully considered to be as inclusive as possible. We saw evidence of difficulties in recruiting hard-to-reach customers and several rounds of recruitment needing to be undertaken as a result. This was clearly called out in the analysis.	A
Continual	The insight to action tracker demonstrates good evidence of how areas of change for the business plan have been identified and acted upon.	A
Independently assured	Most projects were independently reviewed with UU's ICG, with the exception of the Northern Roots Oldham research.	B
Shared in full with others	The majority of projects sampled have been fully published on the UU website, as well as being shared via their industry newsletter "The Source". We note UU will share the research related to in-debt customer research at a later stage.	A
Ethical	Projects sampled were all carried out by partners who were members of the Market Research Society.	A



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