Water for the North West

Bioresources Enhanced Screening Research

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Alex McCluckie, Research Director
amccluckie@djsresearch.com

Alex Belcher, Associate Director
abelcher@djsresearch.com

Gabriela Szymanska, Research Executive
gszymanska@djsresearch.com

Head office: 3 Pavilion Lane,
Strines, Stockport, Cheshire, SK6 7GH

Leeds office: Regus, Office 18.09, 67 Albion Street
Pinnacle, 15th–18th Floors, Leeds, LS1 5AA

+44 (0)1663 767 857 | djsresearch.co.uk

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Background and objectives

United Utilities transports, treats and disposes of around 200,000 tonnes of sewage sludge every year. In 2022, United Utilities commissioned DJS Research to investigate customer perceptions of, and preferences for, various bioresource pathways. It became apparent that customers wanted to maximise the use and benefits that bioresources can offer.

As United Utilities' customers gave it the green light to explore new and innovative technologies, new screening technology may well be positively received in its quest to enhance and improve its sewage treatment process.

United Utilities commissioned this quantitative piece of research to understand the customers' support for implementation of, and willingness to pay for, the enhanced sludge screening investment.

Key objectives:

- To enable customers to weigh up the pros and cons of enhanced screening
- To understand the amount of increase on a customer's bill they are willing to pay
- To understand the reasons for and against willingness to pay
- To gather insight on general environmental views, and perceptions of United Utilities (e.g. trustworthiness) in order to provide context for this research

Background to screening

As part of sewage treatment, a debris screening process filters out things that also come down the pipes and end up at the sewage treatment works.

United Utilities' current filter has a 6mm screen to catch large debris such as sanitary towels, crisp packets, etc. This means that anything smaller than 6mm can currently flow through the screen and is mixed in the 'sludge' (also called bioresource). Consequently, when the sludge is heated and treated and made into fertiliser, there are small fragments of rubbish, such as microplastics present in the end product. This is then distributed across the region and onto farmland, causing potential issues such as ingestion by cattle or wildlife and run off into local water ways.

In order to combat this issue, United Utilities proposes to introduce 'enhanced sludge screening'. New filtering mechanisms would be able to screen the sludge at 0.6mm, meaning that approximately 23,000 tonnes a year more debris would be removed and a more refined Biosolids product created with less contaminants.

Customer voice

From previous research, we understand that customers are concerned about the presence of plastics and the impact on the environment, as well as advocating for farmers to receive a high-quality product.

This enhanced screening will have an impact on customer bills and is currently deemed outside of statutory responsibility by the Environment Agency. Therefore, this customer research is needed to establish whether customers are willing to pay for this enhanced measure.

Methodology: Quantitative

1,504 Total sample
1,404 Customers
100 Future Bill Payers

1,425 Online

79 CAPI
Digitally excluded customers

Prior to full launch, DJS conducted a soft launch of the online survey and cognitive testing of the CAPI survey to test participants' understanding of the survey and identify any areas for improvement.

Following this, a total of 1,504 interviews were carried out, split between online and face-to-face CAPI (Computer Assisted Personal Interview) methodologies, with the latter specifically targeting digitally excluded customers. To ensure that all customers' views are represented, the data included 100 Future Bill Payers (FBP).

Additionally, results have been weighted by age, region, gender, SEG (Socio-economic Grade) and water meter status to ensure they are reflective of the United Utilities customer base. Overall weighting efficiency was 88.8%.

Fieldwork Dates:
Online
- 10th – 30th August

CAPI
- 1st – 21st August

Context

The following events happened before or during fieldwork and may have influenced customers' answers…

Cost of living and increases in bills

Since late 2021, a large proportion of the UK population have experienced the effects of the cost-of-living crisis, which might have had an influence on the willingness to pay for any additional expenses.

In February 2023, United Utilities announced that 2023/24 bills would see a 6.4% increase. Some customers already feel financially squeezed by their water bills and might therefore be reluctant to fund 'additional' projects.

Negative public perception and media coverage

In March 2023, BBC2 released a documentary titled 'Our Troubled Waters' which explored the topic of Britain's river health. Water companies, including United Utilities, came under heavy scrutiny regarding their negative impact on the environment.

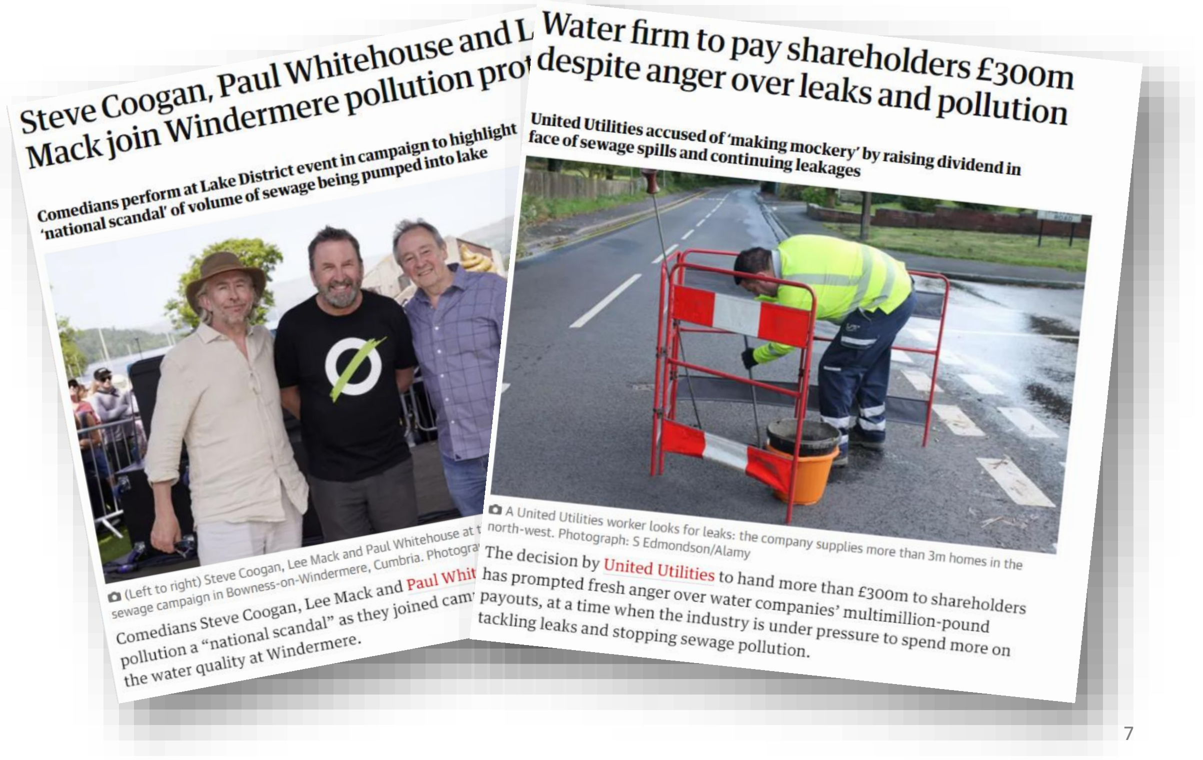
United Utilities has also been involved in a long running legal dispute with the Manchester Ship Canal Company (MSCC) concerning unauthorised and untreated sewage water discharges, which led to a Supreme Court hearing in March 2023.

Moreover, just a few months prior to the running of the survey (May 2023), chief executives of Yorkshire Water, Thames Water and South West Water declined to accept their bonuses following on from critical media coverage. This came following public outrage regarding the large shareholder profits and executive pay packets despite large volumes of sewage released into Britain's rivers and seas.

At the end of May comedians performed at a Lake District event as part of a campaign to highlight the 'national scandal' of volume of sewage being pumped into Windermere.

At the start of June, United Utilities undertook urgent repair work at Fleetwood following a burst pipe and storm which resulted in untreated sewage mixed with rainwater was released into the sea. This ignited further criticism from the public.

It is possible that these incidents have caused respondents to be more critical of United Utilities and other water companies, thus limiting their willingness to invest into new initiatives.



Steve Coogan, Paul Whitehouse and L
Mack join Windermere pollution pro

Comedians perform at Lake District event in campaign to highlight 'national scandal' of volume of sewage being pumped into lake

(Left to right) Steve Coogan, Lee Mack and Paul Whitehouse at t
sewage campaign in Bowness-on-Windermere, Cumbria. Photogra

Comedians Steve Coogan, Lee Mack and Paul Whit
pollution a "national scandal" as they joined cam
the water quality at Windermere.

Water firm to pay shareholders £300m despite anger over leaks and pollution

United Utilities accused of 'making mockery' by raising dividend in face of sewage spills and continuing leakages

A United Utilities worker looks for leaks: the company supplies more than 3m homes in the north-west. Photograph: S Edmondson/Alamy

The decision by United Utilities to hand more than £300m to shareholders has prompted fresh anger over water companies' multimillion-pound payouts, at a time when the industry is under pressure to spend more on tackling leaks and stopping sewage pollution.

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 customer perceptions of the acceptability and affordability of United Utilities' proposal for the implementation of enhanced screening technology. The results of the research will be used to inform decisions surrounding employment of the new technology.

Fit for purpose
The research was designed with the input from the industry experts, who also participated in the drafting of the stimulus material. To assure that material is easy to understand and engaging, DJS also conducted a soft launch of the online survey and a cognitive test as part of a CAPI pilot.

Ethical
This research was conducted by DJS Research who are a member of the Market Research Society. Participants were informed at the beginning of the survey 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
Research was contextualised using a wide evidence base including Bioresources Pathways research.
Customer views will be directly fed into the development of the enhanced screening initiative plan.

Inclusive
This research included customers from each of United Utilities regions, and included a mix of online and face-to-face CAPI surveys to assure the inclusion of digitally disfranchised customers. Additionally, supporting materials that were presented to customers have been cognitively tested during the pilot stage of the research to assure they were easy to understand.

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. The pricing exercise was designed to ensure that customer Willingness to Pay was gathered in a methodical and unbiased manner.

Independently assured
Research was conducted by DJS Research, 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.

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

Customer values & expectations

Customer Values: overview

Customers show relatively high levels of acceptance of personal responsibility for helping the environment…

Two thirds (61%) of United Utilities' customers believe they are 'doing everything they can to help the environment' with a similar proportion (64%) expressing an interest in 'doing more to be green'

Crucially, levels of disagreement with these values are low, at 12% and 9% respectively.

However, there is a gap between perception and action, when it comes to green issues…

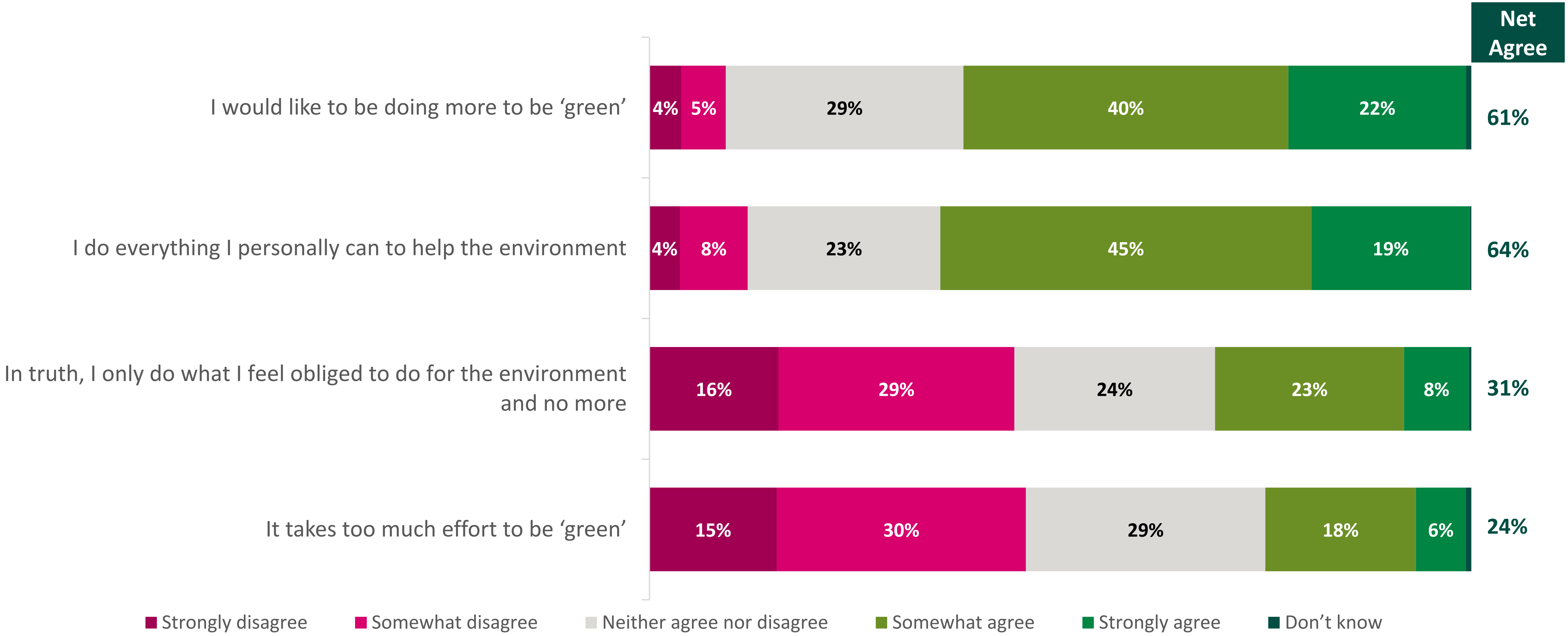
While nine-in-ten (90%) customers say that they 'try to recycle as much as they can', far fewer are likely to make a 'green' choice when it comes to travel (47% 'try to travel by public transport/walking/cycling as much as they can rather than by car) or consumer decisions that impact their wallets (49% 'look to buy sustainably produced goods wherever possible' and 33% are 'happy to pay more for eco-friendly products or services').

The enhanced screening technology proposed by United Utilities is likely to benefit from the fact that it addresses a number of customers' key expectations of how companies should behave…

A strong majority of customers expect companies to address issues that overlap with the enhanced screening technology aims, crucially in regard to minimising waste (82%) and using non-toxic products (71%).

Customer Values: environmental attitudes

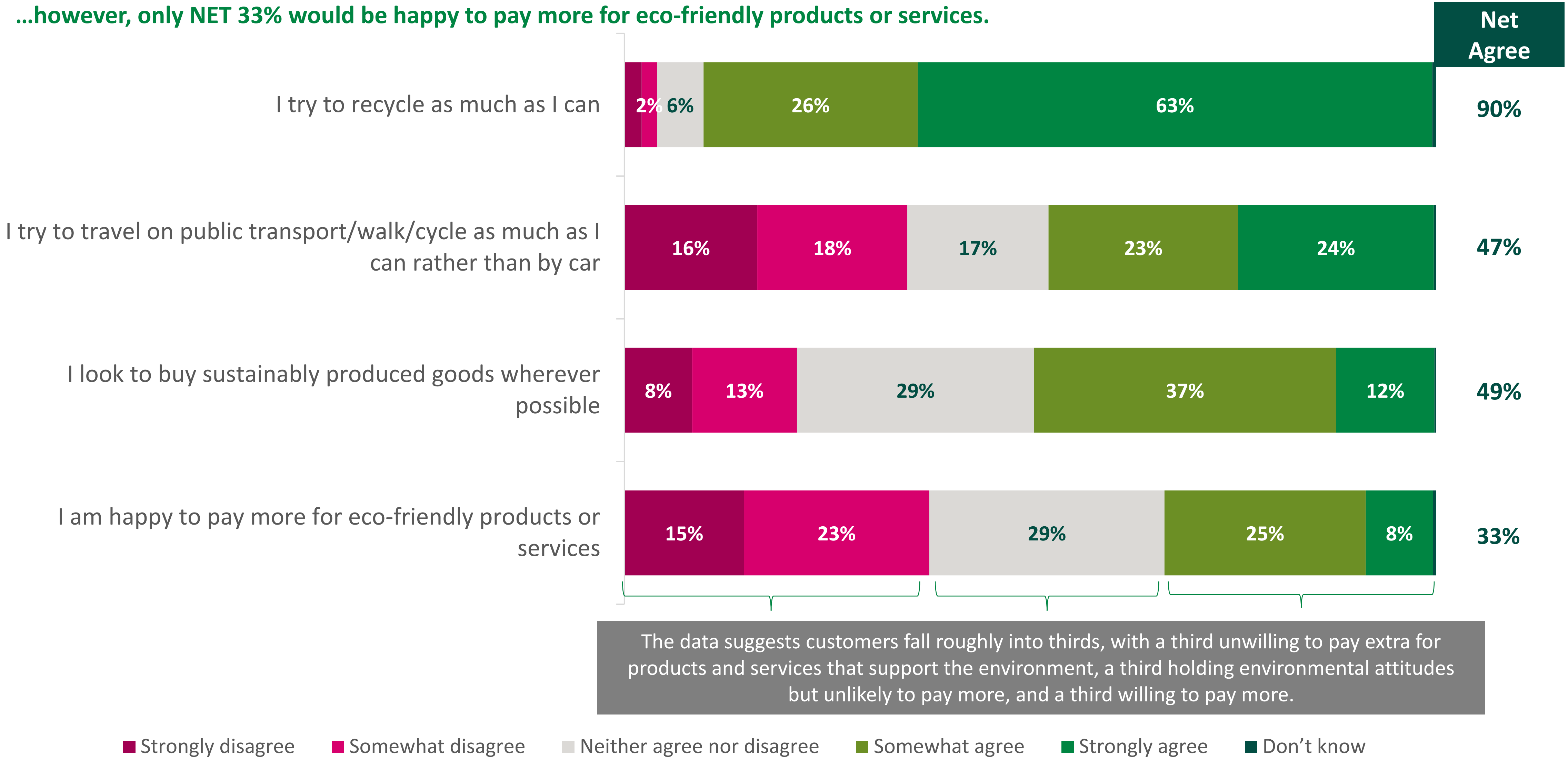
United Utilities' customers are generally interested in finding ways to do more to be green (NET agree 61%) and many believe they are already doing everything they can to help the environment (NET agree 64%)…



Q01a…How much do you agree or disagree with the following statements? **Base:** All respondents **(n=1404)**

Customer Values: environmental actions

...however, only NET 33% would be happy to pay more for eco-friendly products or services.



Q01a...How much do you agree or disagree with the following statements? **Base:** All respondents **(n=1404)**

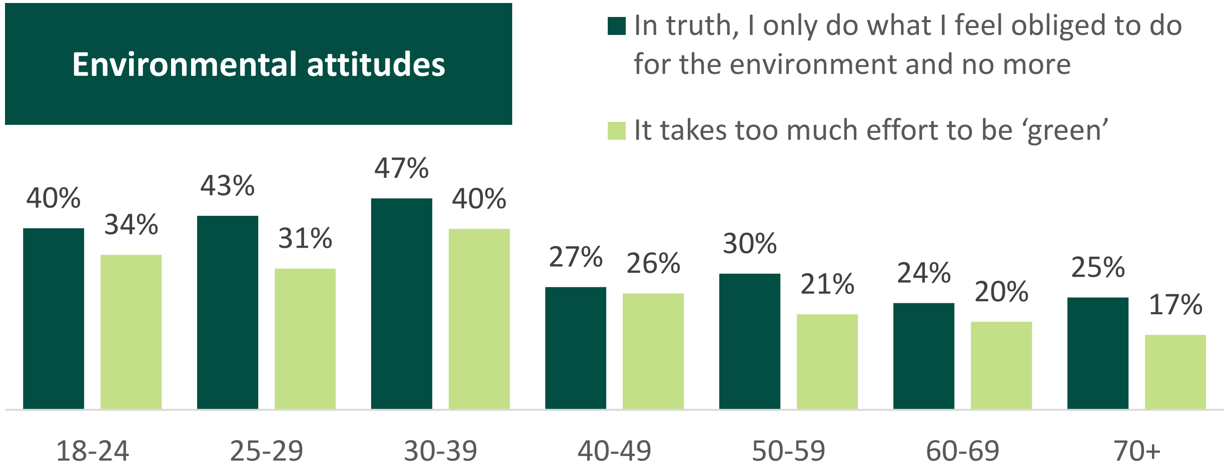
Customer Values: differences by age

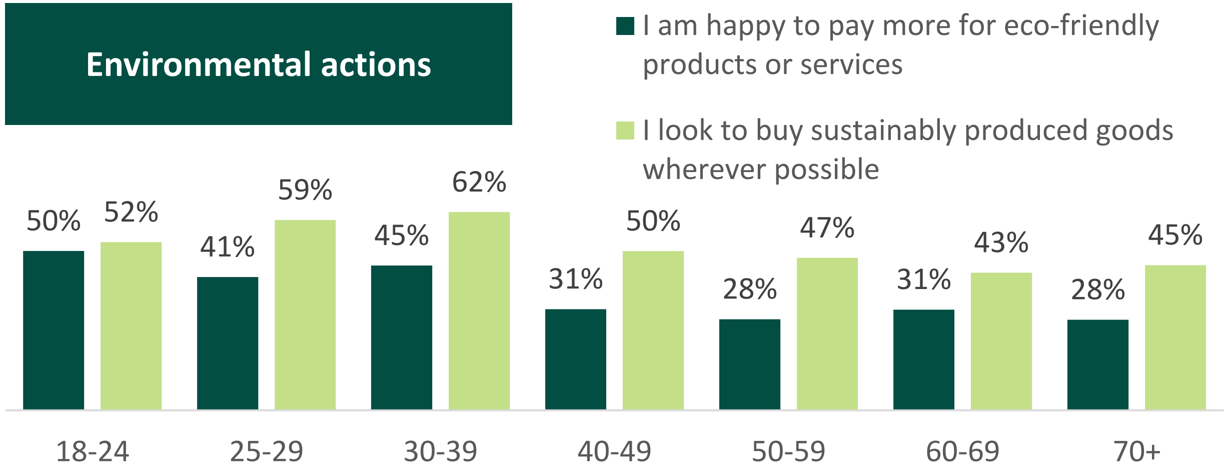
Younger customers appear to have greater expectations of themselves when it comes to green action and judge themselves more harshly….

While under 40s are much more likely to believe that their approach to environment fails to meet their own expectations, they are actually the most likely to make ecologically-informed consumer choices (see charts to right).

Other groups more likely to make green consumer choices include:

- AB socioeconomic groups
- Women
- Those living in rural areas
- Those on higher incomes (over £40k)
- Future Bill payers

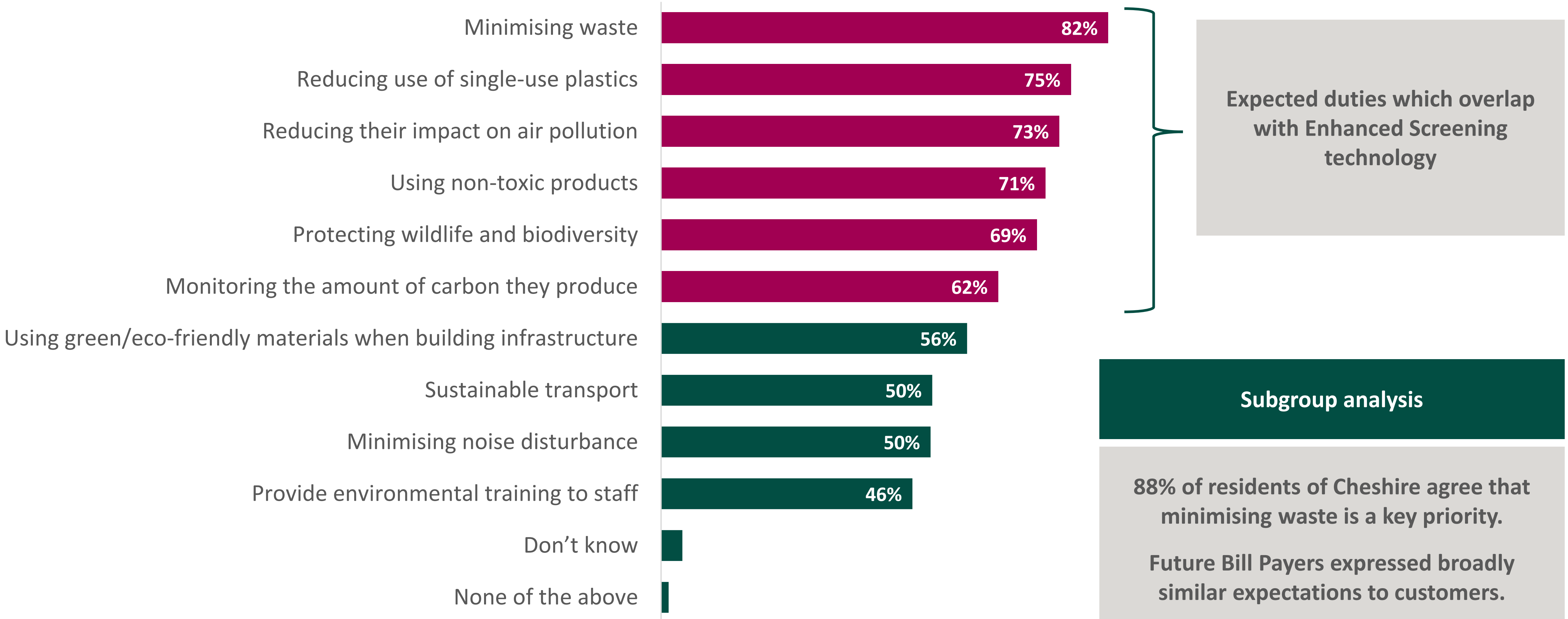




Q01a…How much do you agree or disagree with the following statements? **Base:** All respondents **(n=1404)**

Customer expectations of companies' standard duties

Encouragingly, customers prioritise standard duties which overlap with the issues and technology addressed by the enhanced screening initiative.



Subgroup analysis

88% of residents of Cheshire agree that minimising waste is a key priority.

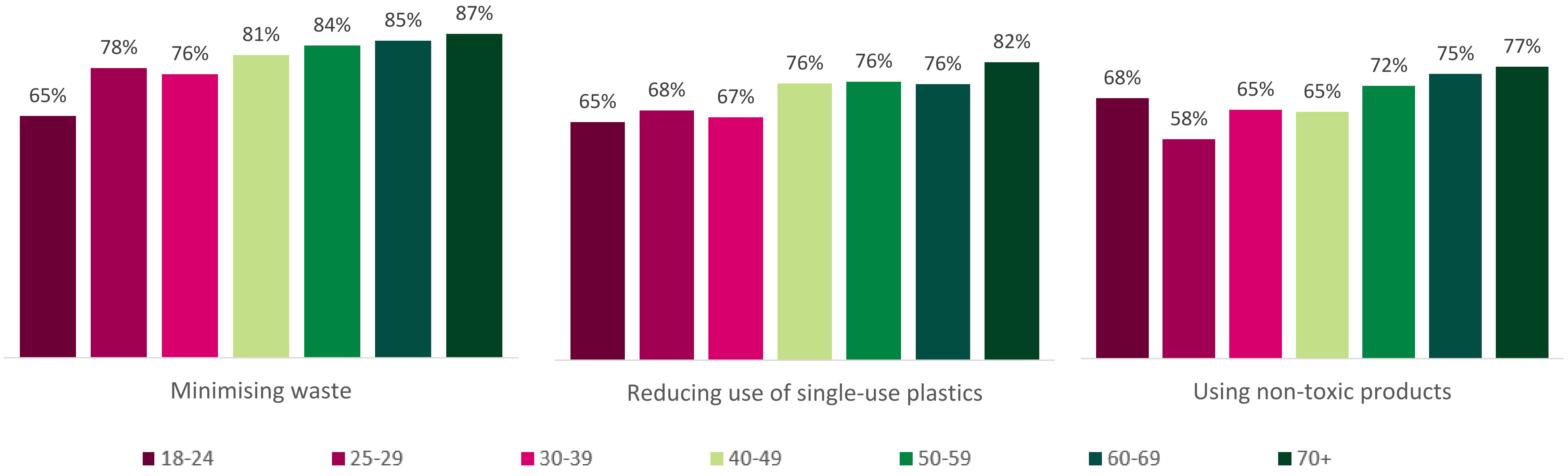
Future Bill Payers expressed broadly similar expectations to customers.

Q01b Which of the following would you expect companies to be doing as part of their standard duties? **Base**: All respondents **(n=1404)**

Customer expectations: differences by age

Older customers are most likely to prioritise duties which overlap with the issues and technology addressed by the enhanced screening initiative, with 70+ age group significantly more likely to prioritise minimising waste (87%) and reducing use of single-use plastic (82%) than the youngest age groups.

Top customer expectations overlapping with enhanced screening by age



Q01b Which of the following would you expect companies to be doing as part of their standard duties? **Base**: All respondents **(n=1404)**

Enhanced Screening Acceptability, Benefits & Drawbacks

Enhanced Screening Acceptability, Benefits & Drawbacks: overview

Customers show broad enthusiasm for the proposed enhanced screening technology…

More than eight-in-ten (81%) of customers support the introduction of the new enhance screening technology in the North West, with half (48%) 'strongly' supporting the initiative.

In contrast, opposition is very uncommon (just 2% of customers).

The consensus is broad, with no subgroup within the population registering more than 4% opposition.

Support is strongest among older customers and those from AB socioeconomic backgrounds.

A general regard for the local environment and concerns about plastics in the ecosystem are clear reasons for supporting the technology. However, customers are often unspecific regarding their reasons…

Those who state a clear reason for supporting the technology tend to value improved wellbeing for the environment and reduction of microplastics.

However, half who support the technology are unable to give a clear reason for doing so, past general support for a new technology. This supports the findings from previous research, which found the concept of innovation in this area to be generally well received.

Messaging around the increased removal of microplastics and other non-biodegradable materials is likely to have a strong impact on customers…

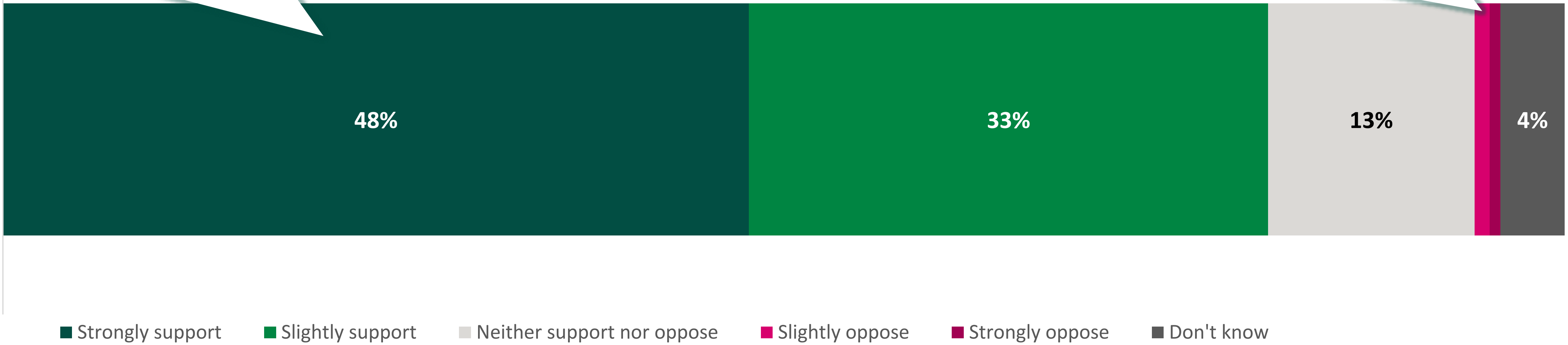
A prompted review of the benefits of the technology shows the removal of microplastics and other non-biodegradable material to be its main attraction.

Overall opinion on enhanced screening

The support for the initiative is very high with a NET support score of 81%. Similarly, support for the technology is broad among subgroups, with no analysable subsection of the population registering over 4% opposition to the technology.

Support
Overall support for the initiative is high, at 81%. We see similar levels of support across most population subgroups, with highest support among older and more affluent individuals (see next slide).

Oppose
Opposition to the initiative is extremely low across all subgroups with just 2% overall opposing the initiative.



Q06 Based on what you've read today, to what extent do you support or oppose United Utilities adopting enhanced sludge screening in the North West? **Base: All respondents (n=1404)**

Customer Values: differences by age

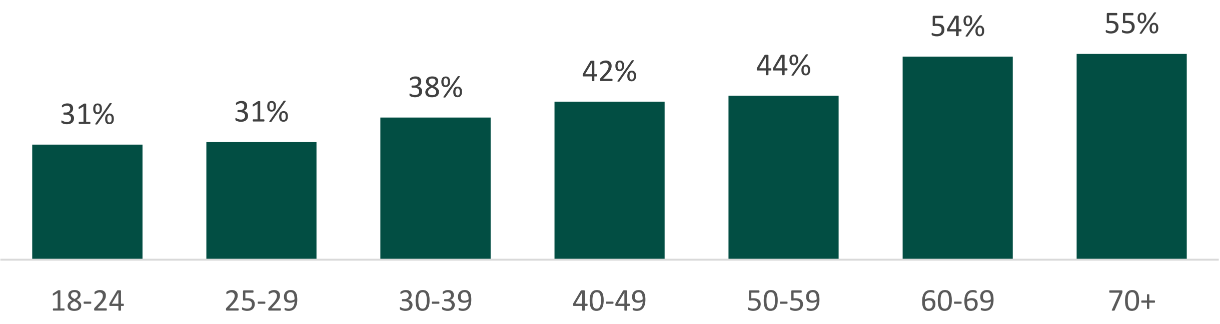
Older and more affluent customers are most enthusiastic about the technology…

Respondents in the 70+ age group are more likely to "strongly support" the initiative (55%), compared to younger age groups 18-39.

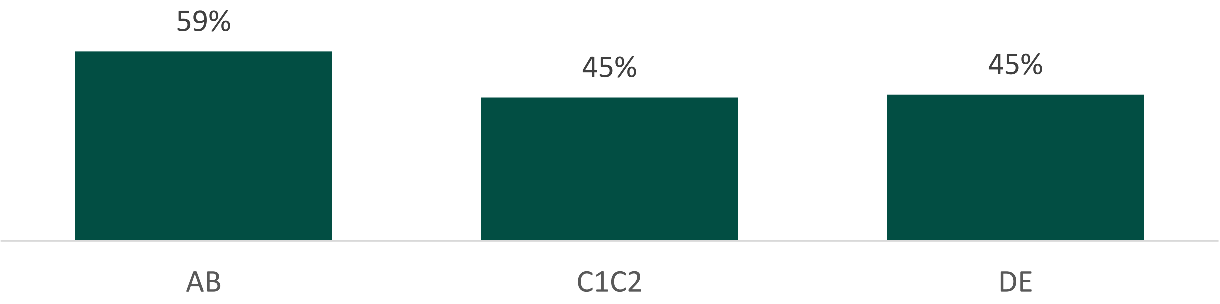
Those from AB backgrounds also show strong support for the technology (59% "strongly support").

At 69% supportive ("slightly" or "strongly"), Future Bill Payers showed slightly lower levels of support for the scheme than customers (81%). However, this is largely due to the higher rate of "don't know" responses among this group (11%) compared to customers (4%).

"Strongly support" by age



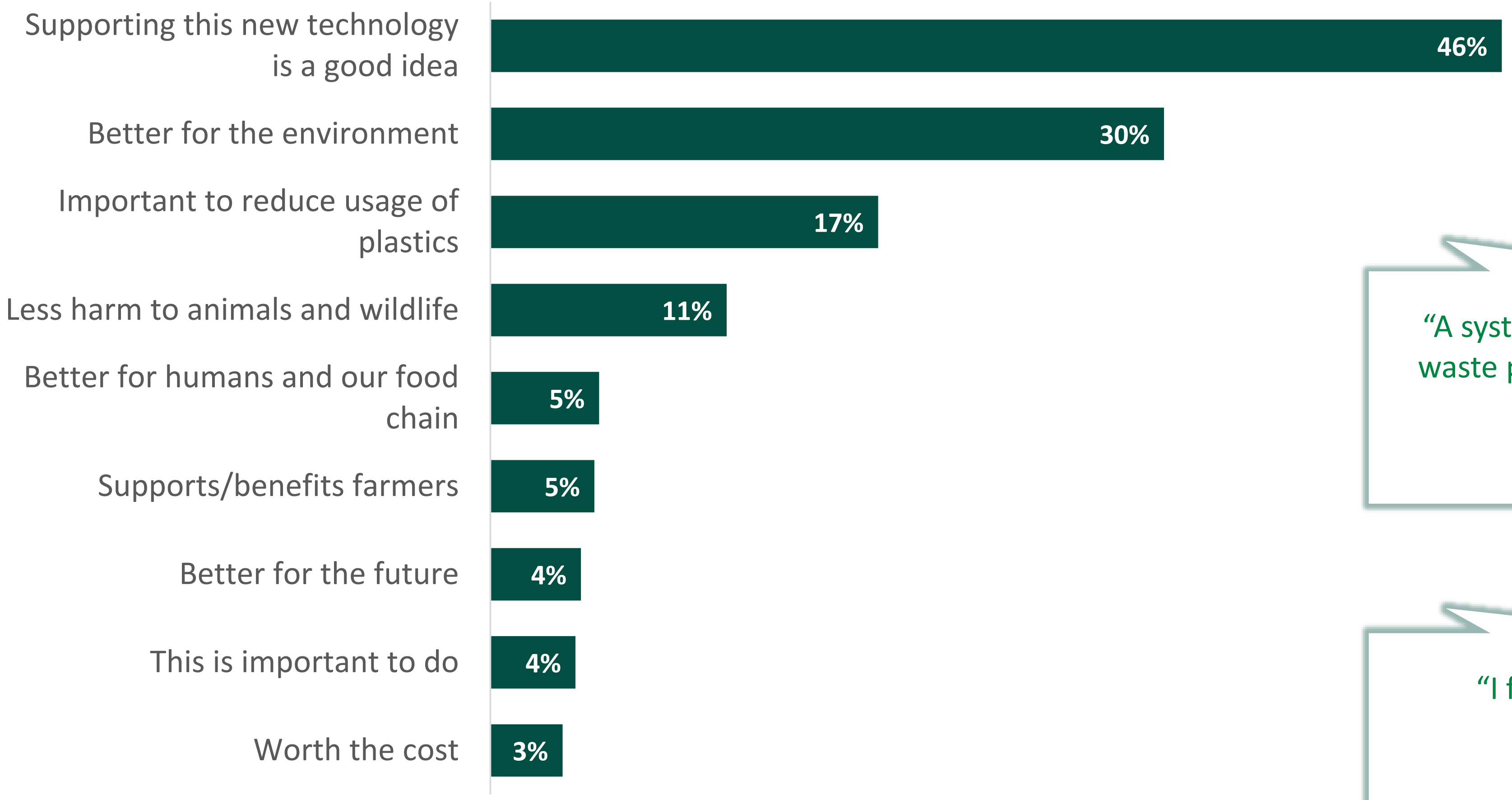
"Strongly support" by SEG



Q06 Based on what you've read today, to what extent do you support or oppose United Utilities adopting enhanced sludge screening in the North West? **Base: All respondents (n=1404)**

Customers' motivations for supporting

Nearly half of the customers who support the initiative indicate that this support is based on the technology being seen as a generally 'good idea' (46%) with little more detail. While some simply believe progress and innovation is a positive in itself, others follow with explanation, e.g. it's good for the environment, in which case, these responses have also been counted into support codes.



"A system that that can reduce the amount of waste plastic being incorporated into land and wildlife has to be a positive"
Support

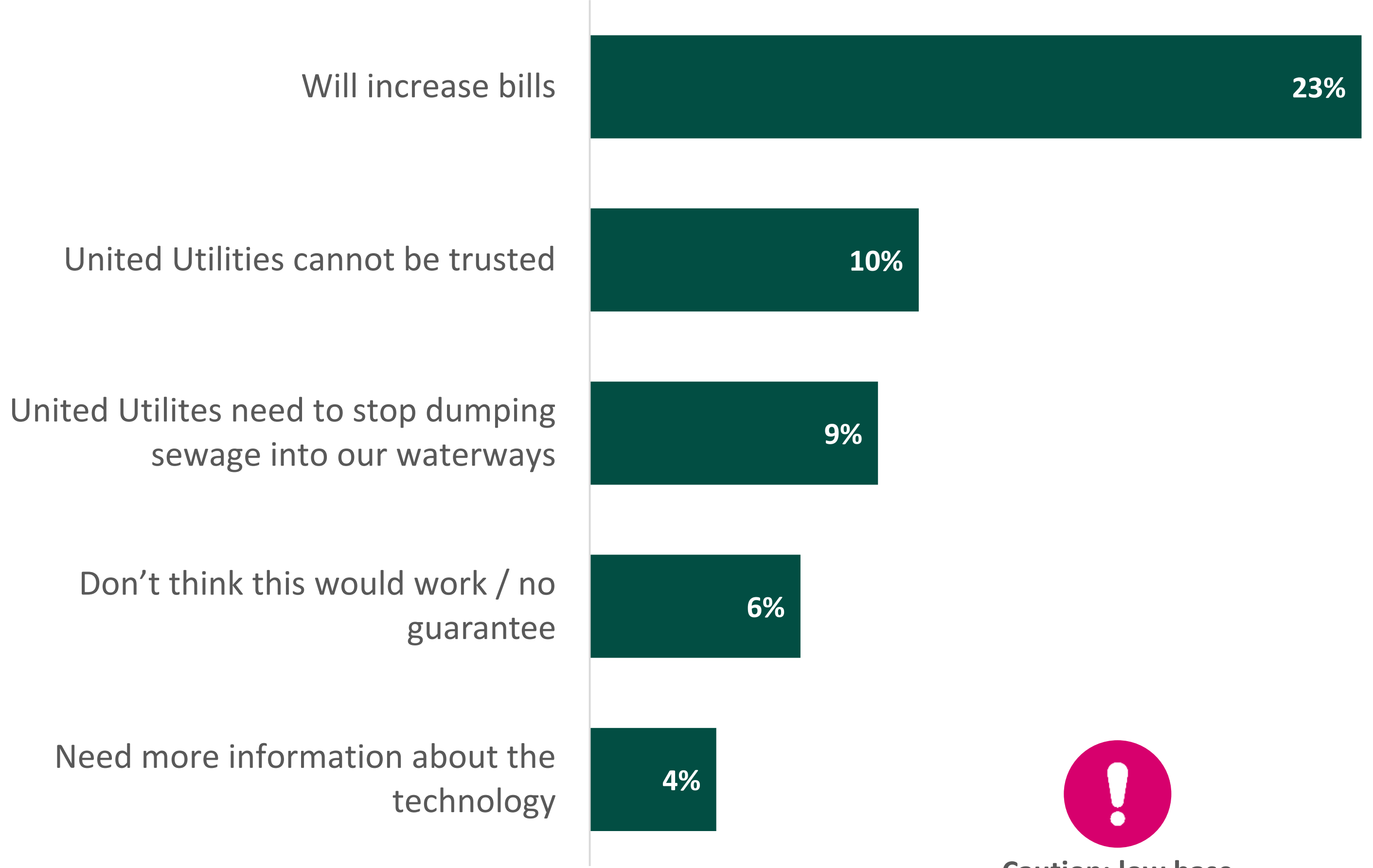
"I feel this is good for all of us and the environment."
Support

Q07 Why do you say that? **Base:** All who support with an opinion (n=1142)

Customers’ motivations for opposing

The small minority who oppose the technology (n=22) are most likely to be concerned about the impact of the initiative on bills (23%). Some customers relate their opposition to a lack of trust in United Utilities.

Across all customers regardless of their support or opposition (n=1348), 6% note concerns about the cost of the technology and 3% feel that United Utilities cannot be trusted.



Caution: low base

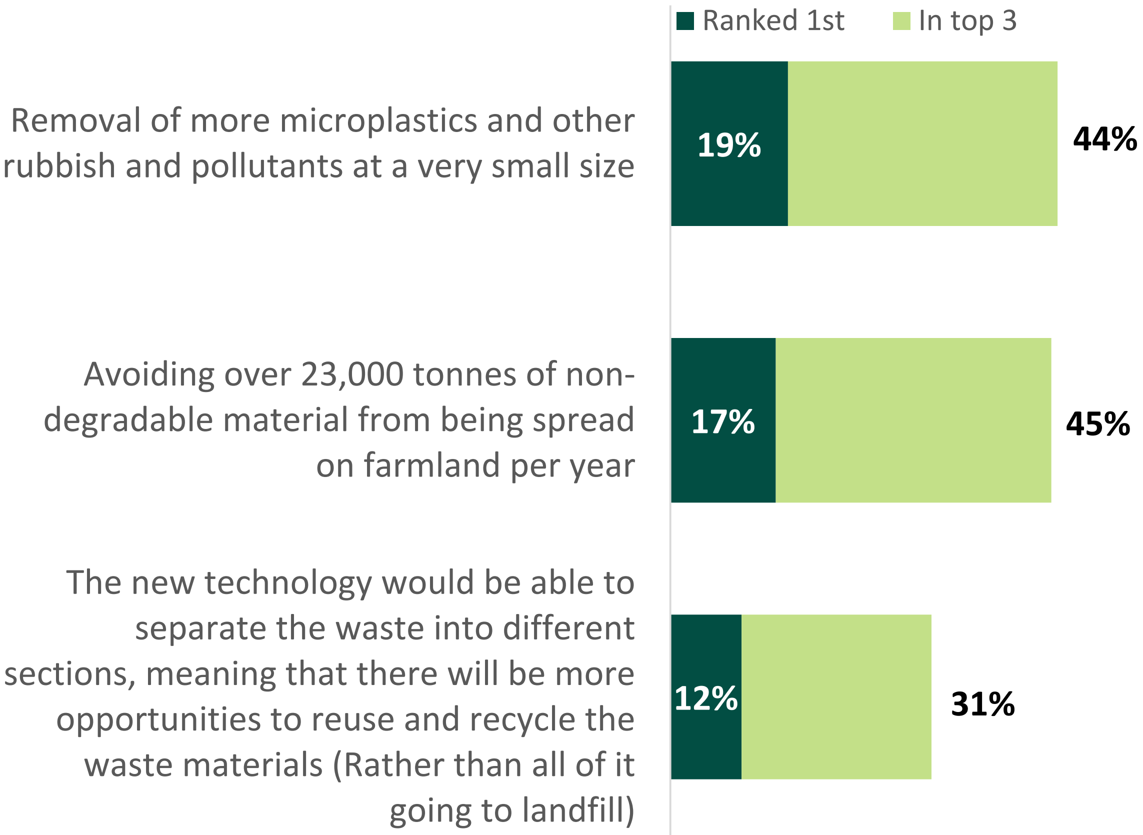
“United Utilities cannot be trusted. United Utilities are being taken to court for failing to report discharges which would have affected the price they can charge to their long-suffering over-charged customers”
Oppose

“Don’t know if I totally trust this company to tell the truth. They have consistently misled the public on pumping human waste in to water ways”
Oppose

Q07 Why do you say that? **Base:** All who oppose with an opinion (n=22)

Most attractive benefits of advanced screening technology

Customers view the increased removal of microplastics and other non-degradable material (44% in top 3) as the key benefit of the new technology.



Subgroup analysis

Respondents in the £40k - £79,999 income band and those living in coastal areas were more likely to support the removal of more microplastics and other rubbish, and pollutants at a very small size (25% and 26% respectively) than those in the lowest income band (under £21k) and those living in urban areas (16% and 19% respectively).

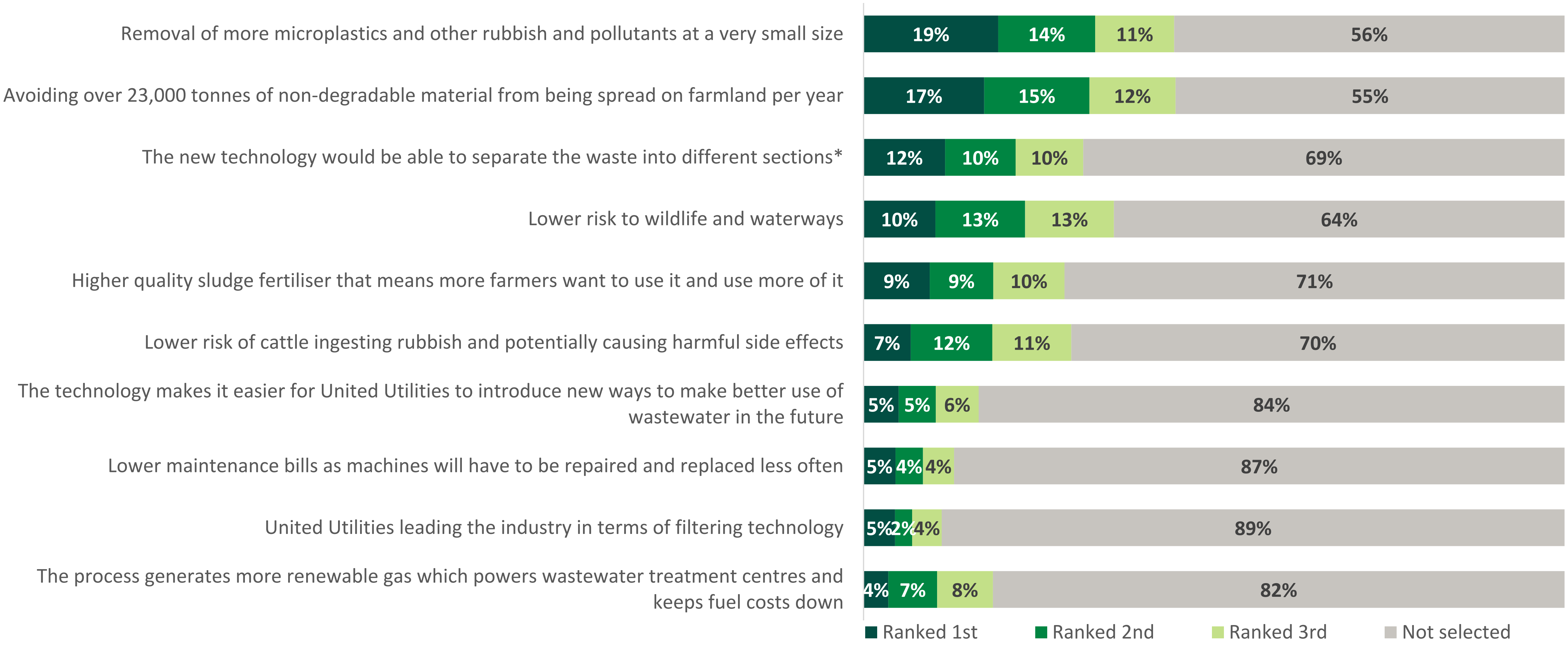
A fifth of respondents (21%) who support Enhanced Screening ranked the removal of microplastics and other rubbish pollutants.....as being of benefit compared to 8%* who oppose the initiative. And while 20% of supporters of the initiative felt avoiding over 23,000 tonnes of non-degradable material..... as benefitting the North West, only 3% who oppose the scheme felt it would be of benefit.

***(Caution- small base size)**

Q04 We would like you to review the list and then tell us which you think would be the **biggest benefit**, **second biggest benefit**, **and the third biggest benefit**, that adopting enhanced sludge screening would bring to the North West. **Base: all respondents (n=1404).**

Overview of benefits

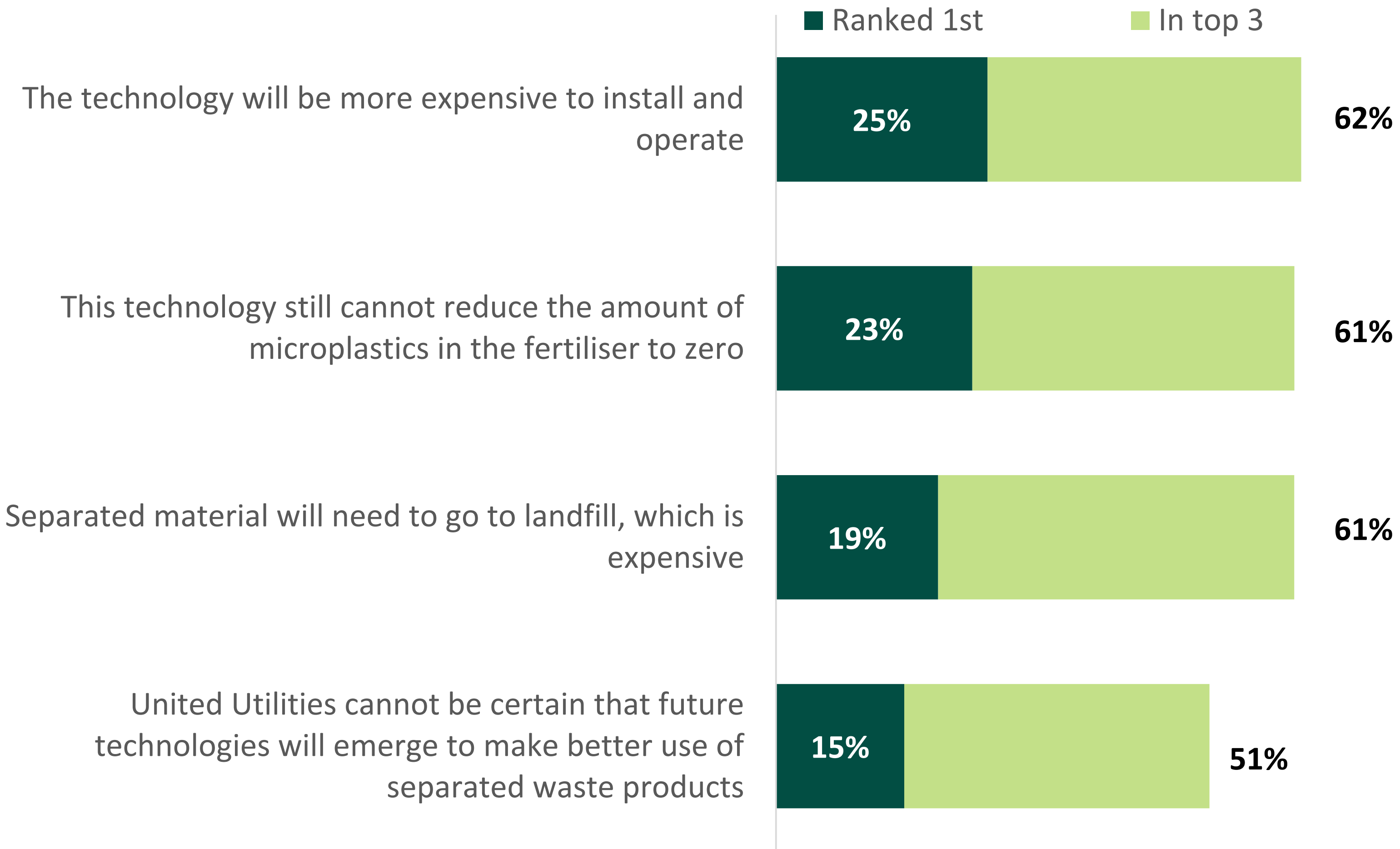
Overall, customers are less motivated to support the technology on the basis of United Utilities leading the industry in terms of filtering technology (89% not selected) or lowering United Utilities' maintenance bills (87% Not selected).



Q04 We would like you to review the list and then tell us which you think would be the **biggest <u>benefit</u>, second biggest <u>benefit</u>, and the third biggest <u>benefit</u>**, that adopting enhanced sludge screening would bring to the North West. **Base: all respondents (n=1404).**

Drawbacks

Of the four drawbacks presented, customers were most concerned about both the expense of the initiative (62% in top 3) and failing to remove all microplastics (61%).



Subgroup analysis

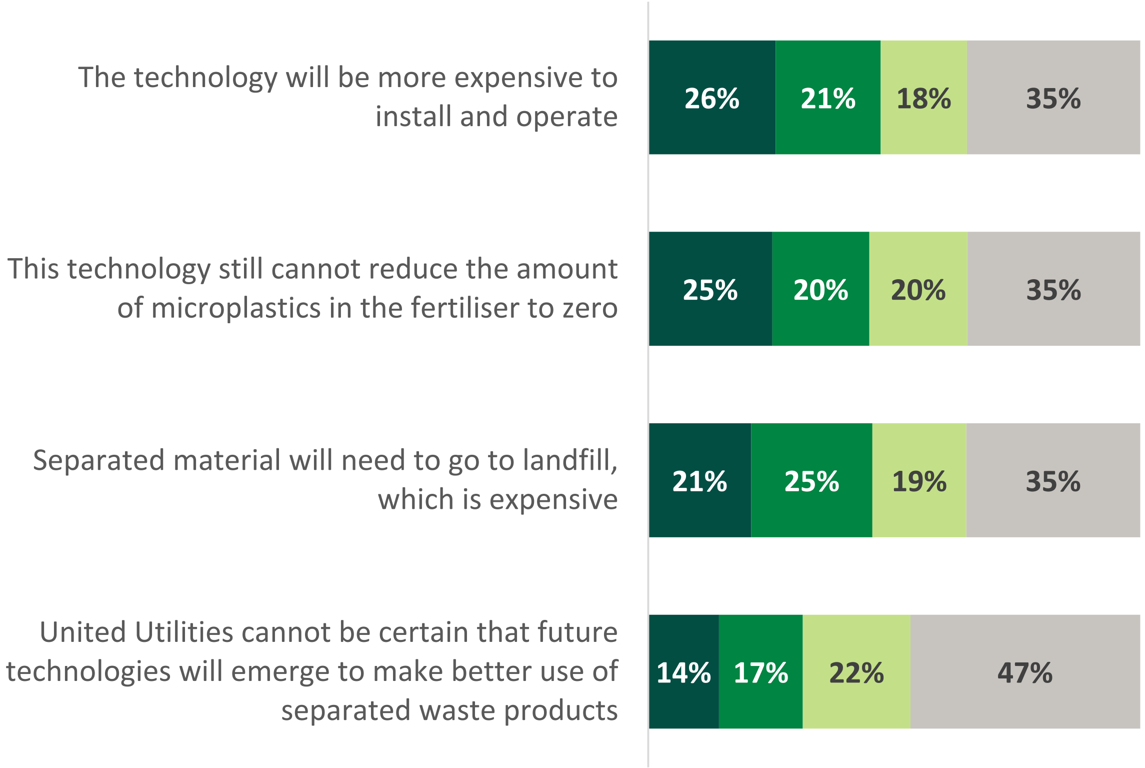
Urban and Rural areas are significantly more likely to *not* rank worry over the amount of microplastic in the fertiliser as a drawback (40% and 43%), than Coastal areas (25%).

Q05 This time, we would like you to review the list and then tell us which you think would be the **biggest drawback, second biggest drawback, and third biggest drawback**, that adopting enhanced sludge screening would bring to the North West. **Base:** All respondents (n=1404). Urban (n=955), Rural (n=309), Coastal (n=140).

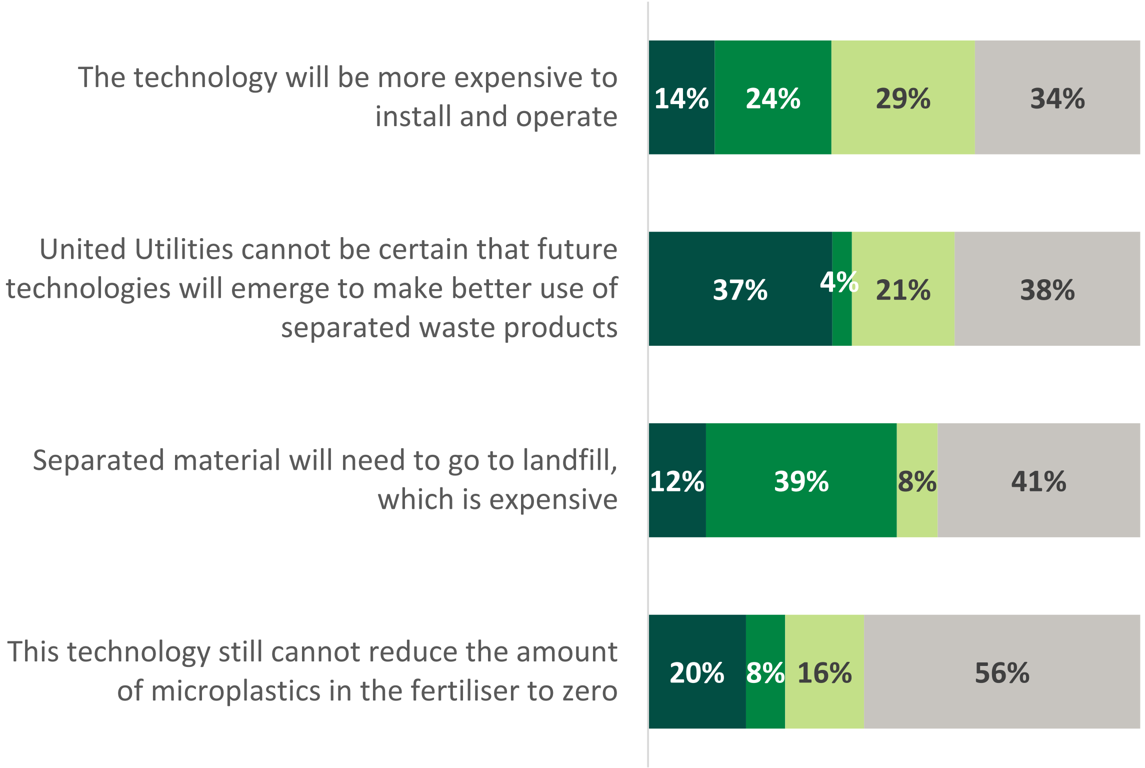
Drawbacks: support vs. oppose

Both supporters and opposers find the expense of installation to be the key drawback of the technology (ranked in top 3: 65% vs. 66% respectively), however, opposers are significantly more likely to place lack of certainty about future technology as the number one drawback (37% vs. 14%).

Support



Oppose



Ranked 1st Ranked 2nd Ranked 3rd Not Ranked

Q05 This time, we would like you to review the list and then tell us which you think would be the **biggest drawback, second biggest drawback, and third biggest drawback**, that adopting enhanced sludge screening would bring to the North West. **Base:** All respondents who support (n=1142); all respondents who oppose (n=22). ***Caution low base size.**

Willingness to Pay for Enhanced Screening

Gabor Granger methodology

This 'Willingness to Pay' analysis is derived from the *Gabor Granger pricing* exercise included in the survey.

The aim of the exercise is to establish what proportion of any given population will be willing to pay for a product across a range of price-points.

The *Gabor Granger* approach presents each respondent with a random starting point annual price increases from a list of six possible values, ranging from 50p per year to £3. The respondent is then simply asked whether they would accept an annual price increase of this amount in order to secure the product (in this case, implementation of the enhanced screening technology in the North West).

If the respondent says that the initial price *is* acceptable, they are ask again, but this time at a higher value (taken from the list displayed right). If they reject the initial price, we ask about a lower value. This is repeated a maximum of 3 times, with those respondents who do not reach a maximum acceptable price point during the exercise invited to say how much they would find acceptable (allowing a £0 response for respondents who do not think it is acceptable to contribute at all).

Price points tested

Price Point	Amount
p1	£0.25 extra per year
p2	£0.30 extra per year
p3	£0.50 extra per year
p4	£0.75 extra per year
p5	£1.00 extra per year
p6	£1.50 extra per year
p7	£2.00 extra per year
p8	£2.50 extra per year
p9	£3.00 extra per year
p10	£3.50 extra per year
p11	£4.00 extra per year
p12	£5.00 extra per year

Willingness to Pay for Enhanced Screening: overview

The 'willingness to pay' analysis shows that the maximum predicted annual bill impact of £1.66* would be an acceptable price among customers to pay for the implementation of the technology…

Almost three-quarters (72%) of customers would be willing to see their annual bills rise by this amount in order to implement the technology.

For most audiences, including Future Bill Payers, this approximate level of acceptance is seen.

Even among those who are on the lowest income bands, the predicted annual bill increase for the technology would be affordable to the vast majority…

Levels of bill increase acceptance among those on lower household incomes (under £21,000 per annum) lies at around at two-thirds (68%).

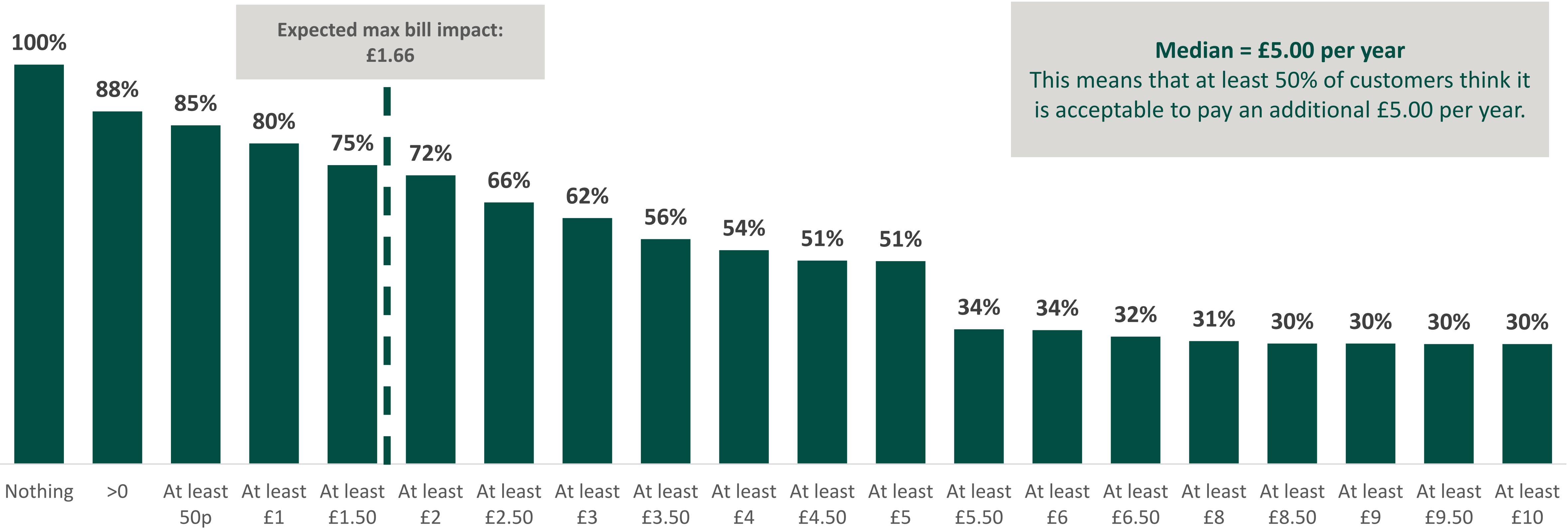
However, those who are already struggling with their bills are a cause for concern…

Only 41% of those who sometimes, usually, or always struggle to pay their water bill would accept the £1.66 annual increase, with 28% unwilling to see any rise at all.

*Willingness to pay at the £1.66 level was not directly tested but has been inferred from statistical analysis of the Gabor Granger exercise data.

Acceptability of paying extra towards enhanced screening

Almost three quarters (72%) of customers would find it acceptable to contribute the expected maximum bill impact of £1.66. This represents a strong acceptance of the projected bill impact from customers.



Q08 How acceptable or unacceptable would you find an additional [PRICE] being added onto your annual water bill in order to fund the enhanced screening procedure? **Base**: 1,404
Q08a What is the highest amount that you feel would be acceptable to add to your annual water bill in order to fund the enhanced screening procedure? **Base:** 1,404

Willingness to Pay: differences by ability to afford water bills

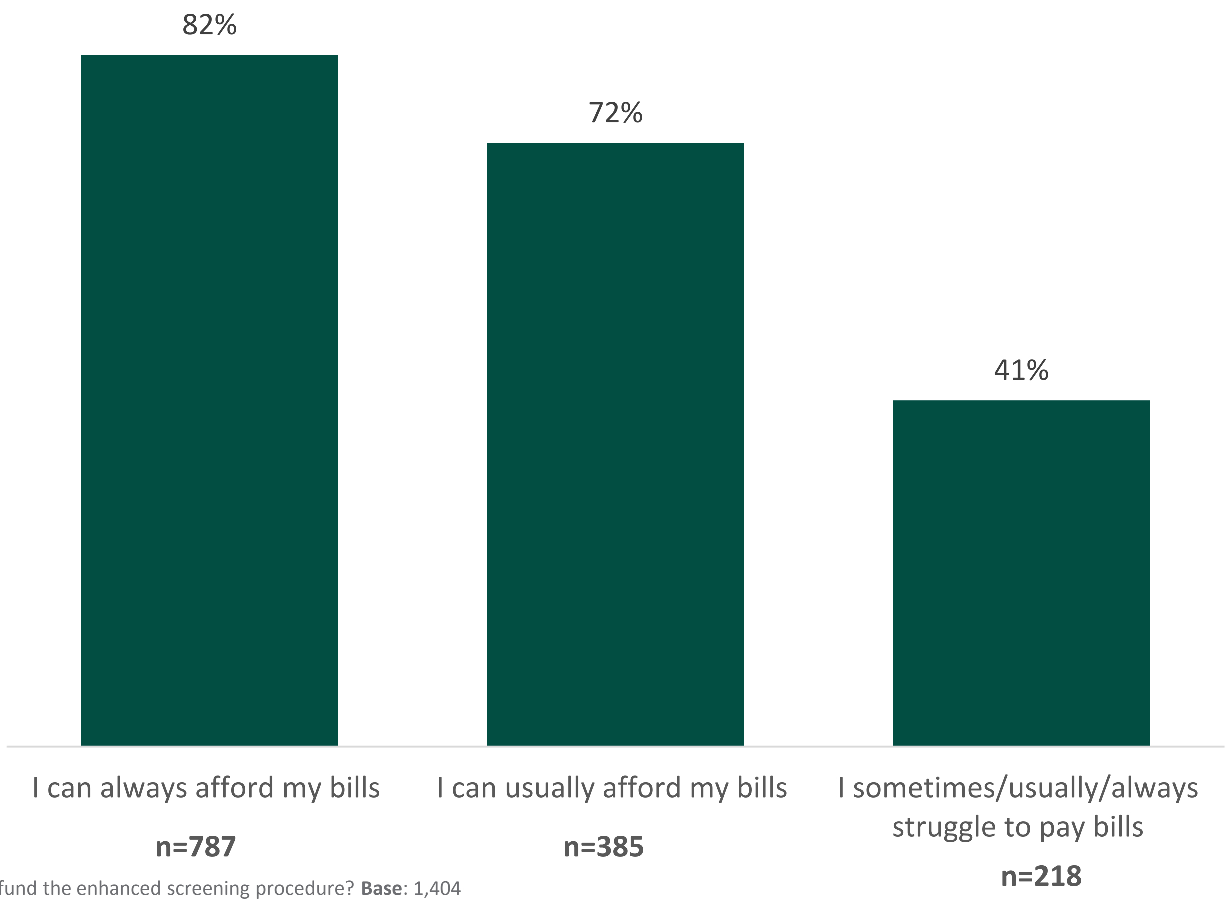
While there were a few minor variations by customer sub-population*, the only audience to register a notable lack of willingness to accept the £1.66 proposed maximum bill impact were those already struggling to afford their current water bill…

Only two-in-five (41%) of those who currently sometimes, usually, or always struggle to pay their water bills are likely to accept the increase of £1.66.

For this group 59% were willing to pay up to £1 more a year, with 28% not accepting any bill increase at all.

*See appendix C for details of all statistically significant subgroup differences

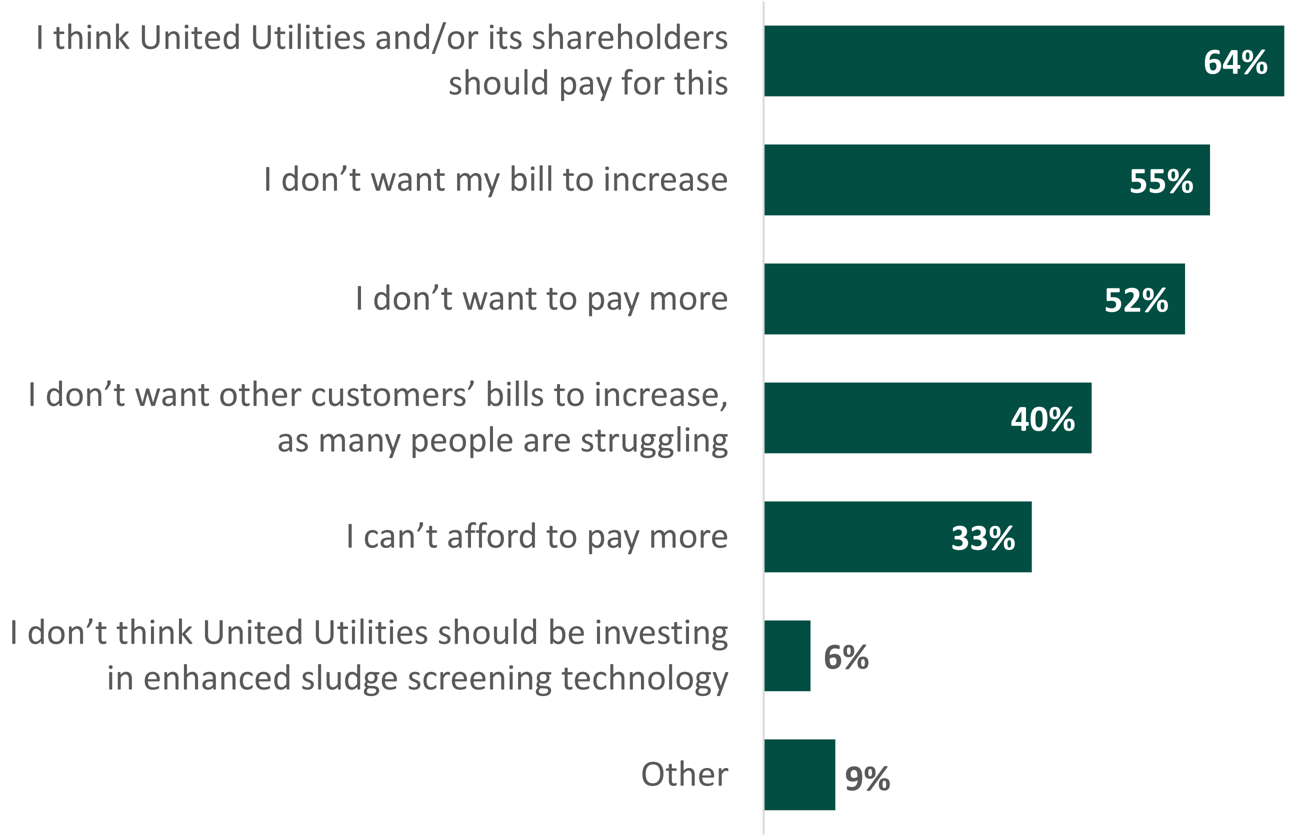
Willingness to pay the £1.66 expected maximum bill impact



Q08 How acceptable or unacceptable would you find an additional [PRICE] being added onto your annual water bill in order to fund the enhanced screening procedure? **Base**: 1,404
Q08a What is the highest amount that you feel would be acceptable to add to your annual water bill in order to fund the enhanced screening procedure? **Base:** All respondents (n=1,404)
Q014 Which of these statements do you most agree with? **Base:** All respondents (n=1404), Always afford the bill (n=787), usually afford the bill (n=385), sometimes/usually/always struggling (n=218),

Customers who are not willing to contribute anything extra

Just over one-in-ten (12%) of customers are not willing to see anything added to their annual bill to fund the introduction of the advanced screening technology. Typically, this was because they felt that United Utilities and/or its shareholders should cover the cost (64%), or that they didn't want bills to go up (55%) / to pay any more (52%).



Subgroup analysis

Of those who would not be willing to contribute, Urban residents (59%) are significantly more likely to state they 'don't want to pay more', than those from Rural (43%) or Coastal (26%) areas.

The 60-69 age group is more like to state that United Utilities and their shareholders should pay for the initiative (79%) than the younger age groups (18-24 38%; 25-29 51%; 30-39 55%).

Q010 You said that nothing would make you want to pay more via your bill towards the enhanced screening procedure. Why is this? **Base:** All respondents who stay they would not be willing to contribute anything extra (n=172)

Satisfaction and perception

Customer satisfaction: overview

Customer satisfaction is high…

Almost three-quarters (73%) of customers feel that they are satisfied with the service they receive from United Utilities.

Perceptions of United Utilities improved further once customers had been presented with the new technology…

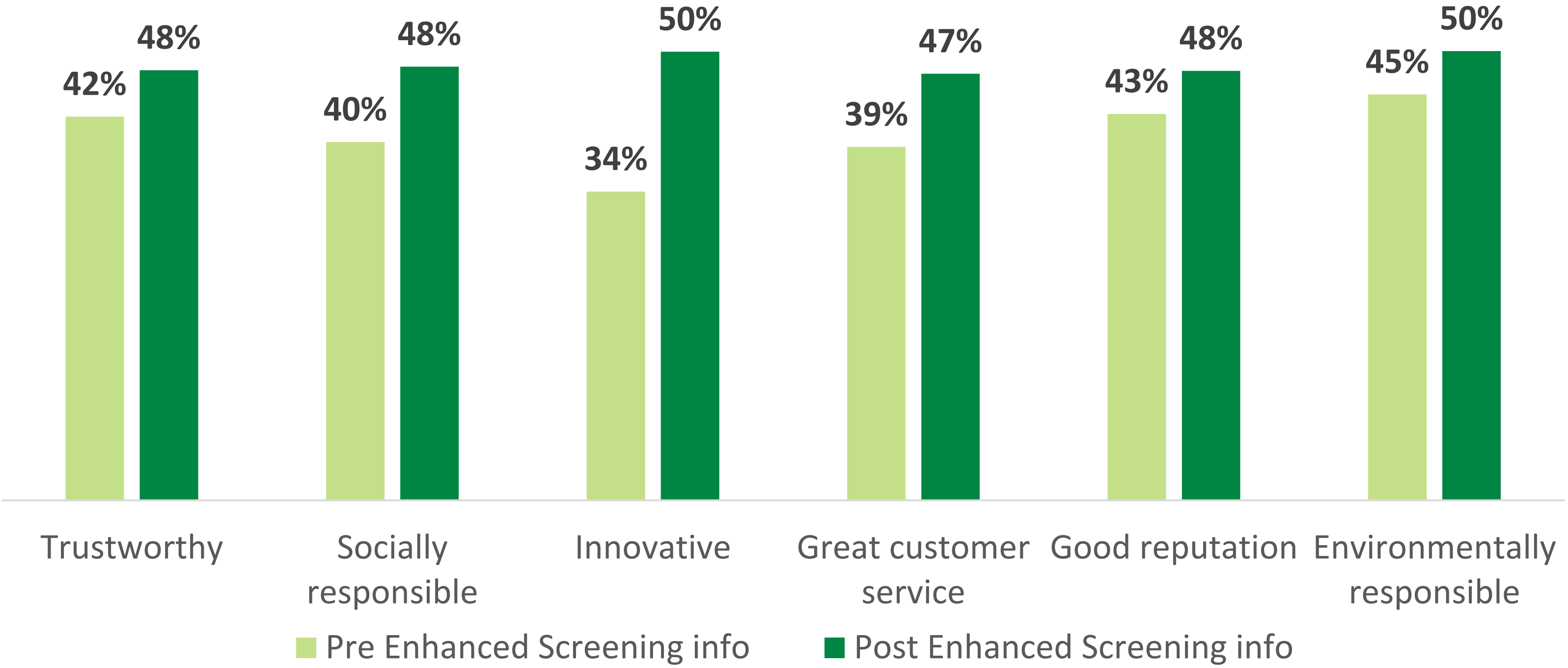
Perceptions of United Utilities’ brand improved after customers learned about the enhanced screening technology. Especially in regard to perceived innovation.

Customer Rating

Customers were asked to rate United Utilities on the following factors twice within the survey, once before the introduction of the enhanced screening proposal, and again after.

Overall, the customer ratings increased across all factors. Biggest increase is seen in the 'innovation' factor, which saw an increase of 15% after the presentation of the enhanced screening material.

Rated 8 or more out of 10



Sub-group analysis

Women were more likely to consider UU Trustworthy, Pre- and Post-enhanced screening info (their NET association was 47% and 55% respectively) compared to men (37% and 40% respectively). In fact, female customer's scores were significantly higher than males across all factors.

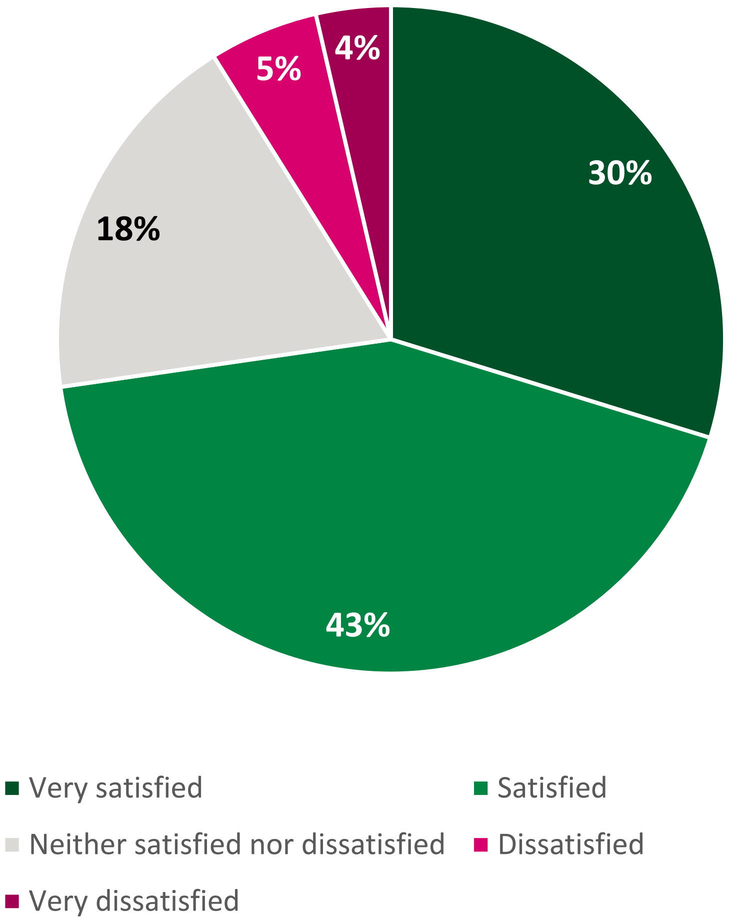
The impact of screening info on customer segments:

In all 6 areas of post-screening info, female ratings were higher across all 6 factors particularly Innovative (38% and 57% respectively) and Socially responsibility (46% and 55%).

Q03 Thinking about United Utilities and what they mean to you, please rate United Utilities out of 10 for the following factors **/ Q015** Given everything you have read today, please, again, rate United Utilities out of 10 for the following factors:
Base: All respondents **(n=1404)**

Customer satisfaction

Overall customer satisfaction in high, with 73% of customers being either Very satisfied or Satisfied.



"I've never had a problem with United Utilities. They provide me and my family with a great standard of water."
Satisfied

"If UU are found guilty of letting wastewater into our lake then they will go down in my estimation."
Neither

"They need to spend money, not mine, the shareholders or the company should pay".
Dissatisfied

Sub-group analysis

NET satisfaction is significantly higher among the 30-39 age group, reaching 84%. The 40-59 year olds are least satisfied, with NET satisfaction of around 68%.

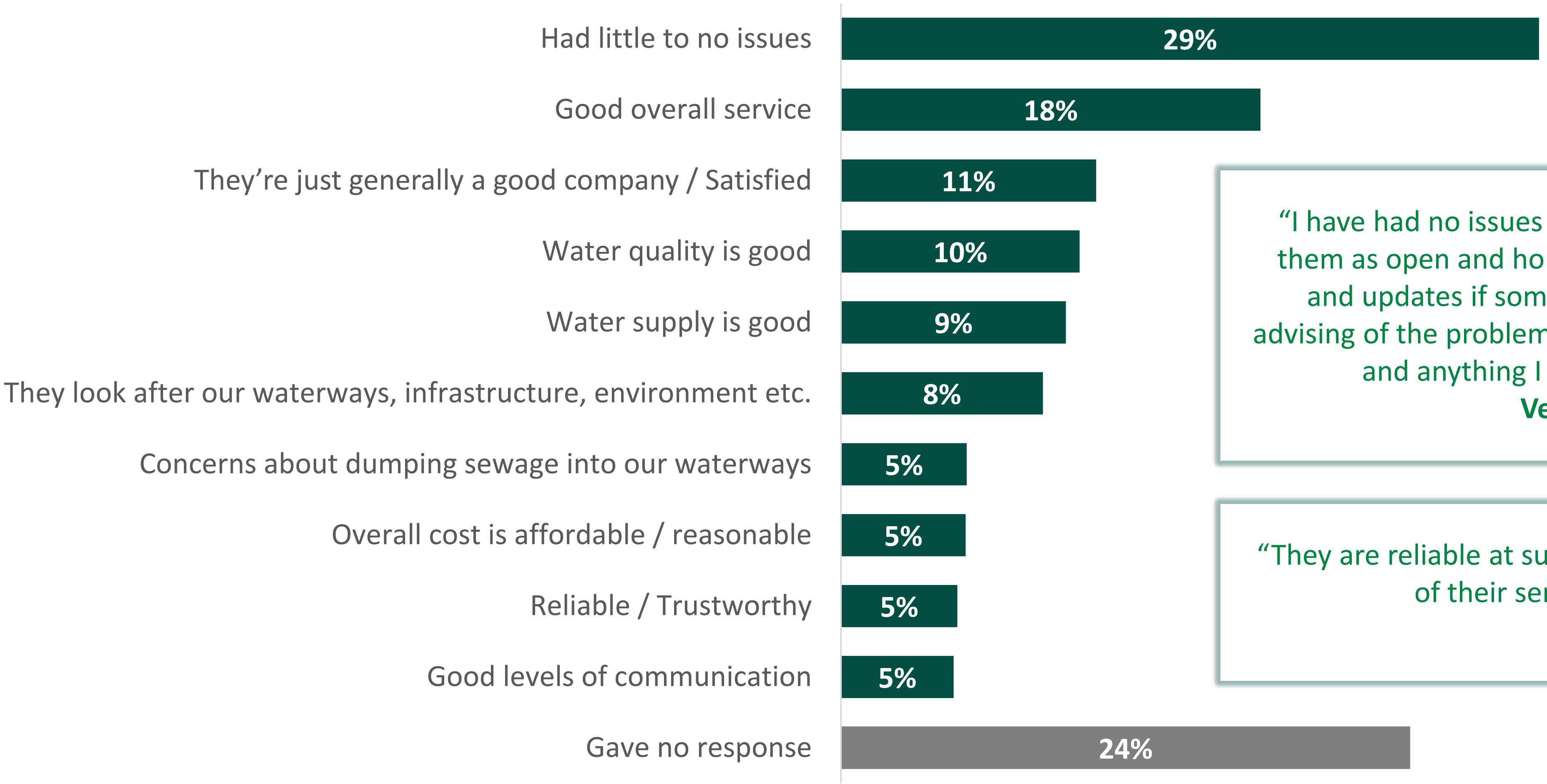
Disabled customers are also less satisfied (NET 66%), as opposed to non-disabled, who average 75%.

Vitally, those who support the introduction of the enhanced screening initiative are much more satisfied (NET 79%) than those who oppose the project (52%).

Q011 Overall, how satisfied would you say you are with United Utilities, your water and wastewater service supplier? **Q012** You said that you were [Q11 answer] with United Utilities. Why did you give this satisfaction rating? **Base:** All respondents **(n=1404).**

Customers’ reasons for satisfaction

Satisfied customers quote good service and lack of issues as key motivations for positive rating. However, a small percentage (5%) of satisfied customers point out their concerns over dumping sewage into waterways.



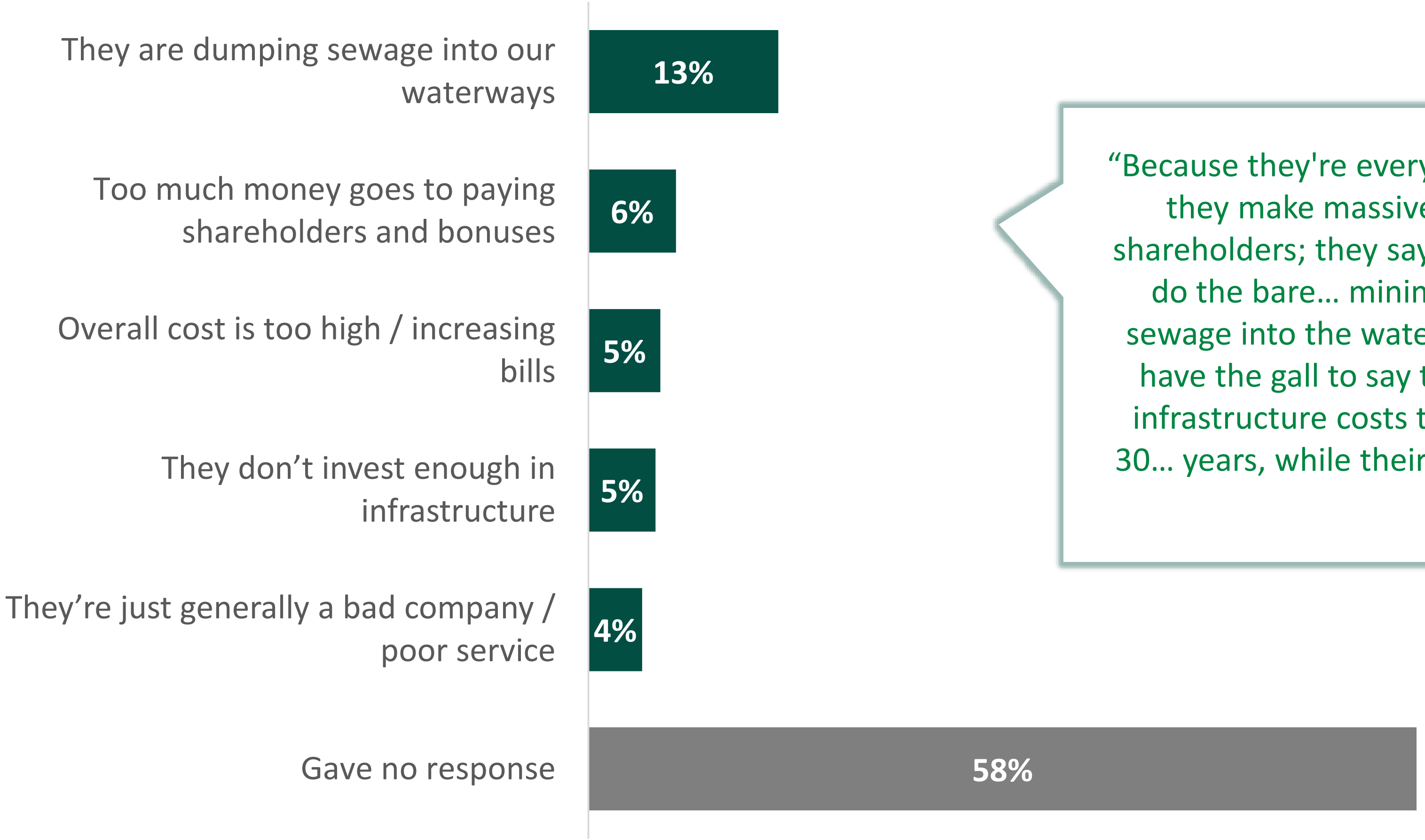
“I have had no issues at all with United Utilities I see them as open and honest and they always sent texts and updates if something is going on in my area advising of the problem how they are trying to resolve it and anything I need to do to stay safe.”
Very Satisfied

“They are reliable at supplying clean water and the cost of their services is reasonable”
Satisfied

Q012 You said that you were [Q11 answer] with United Utilities. Why did you give this satisfaction rating? **Base:** All Satisfied/Very satisfied respondents **(n=**1156); ***Codes which received 4% or lower are hidden for neatness.**

Customers’ reasons for dissatisfaction

Negative perceptions surrounding United Utilities mostly concertante on the lack of accountability in regard to dumping sewage into waterway and excessive shareholder bonuses and pay packages.

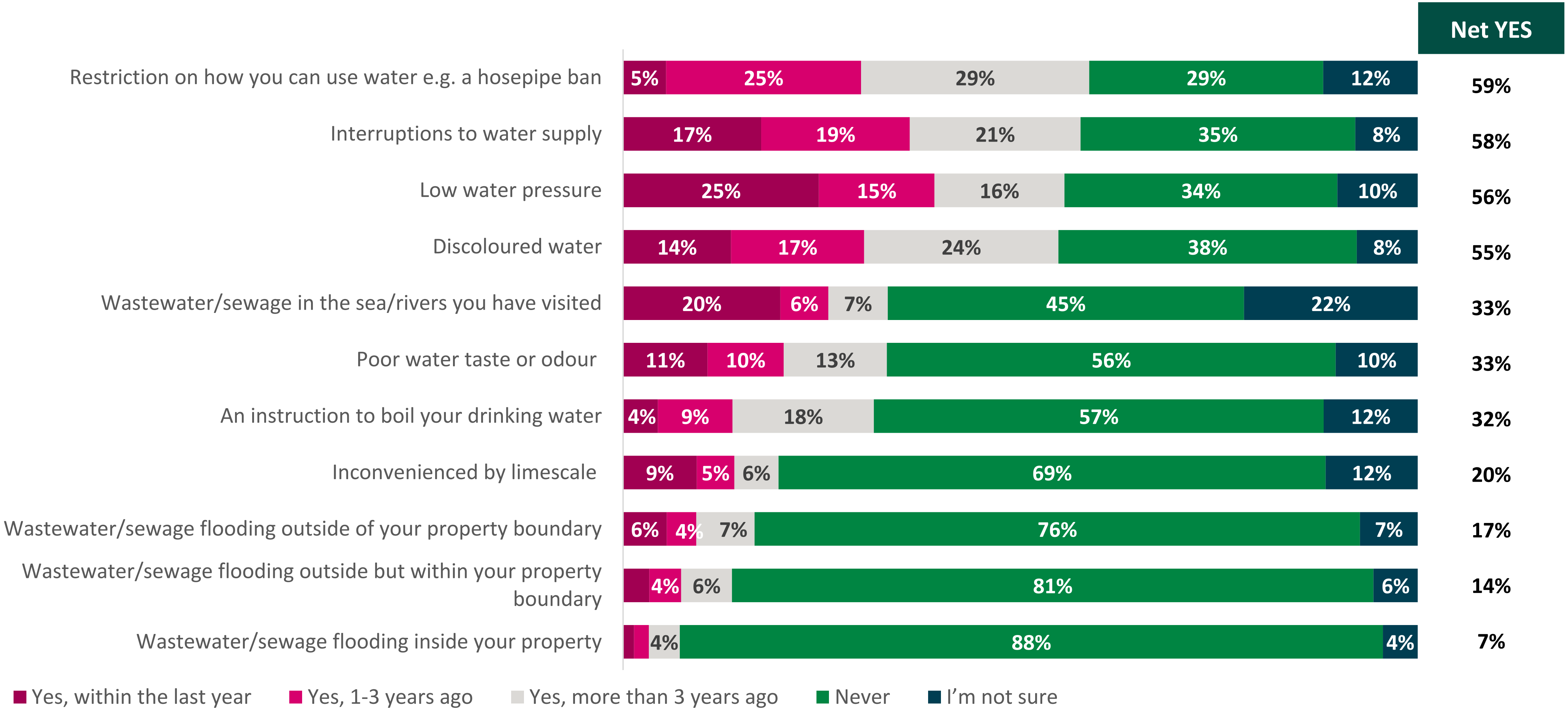


“Because they're everything that's wrong with the water industry: they make massive profits and then just give it all away to shareholders; they say they're innovating and upgrading but they do the bare… minimum; they discharge massive amounts of sewage into the waterways and then lie about it; and then they have the gall to say they need to raise prices to cover massive infrastructure costs that they should've been doing for the last 30… years, while their profits disappeared into investor pockets.”
Very dissatisfied

Q012 You said that you were [Q11 answer] with United Utilities. Why did you give this satisfaction rating? **Base:** All Dissatisfied/ Very Dissatisfied respondents (n=481**) *Responses under 4% hidden for neatness.**

Experiences with service issues

Customers who oppose enhanced screening were more likely to experience issues with service, including poor taste of water or odour (53% vs 34%) and indoor (18% vs 6%) or outdoor flooding (40% vs 16%).



Q013 I’d now like you to say if you’ve ever experienced or noticed any of the following situations whilst living in the North West of England? **Base:** All respondents **(n=1404)**

Summary of findings

Summary of findings (1)

Customers show relatively high levels of acceptance of personal responsibility for helping the environment. However, there is a gap between perception and action, when it comes to green behaviour when purchasing/consuming.

The enhanced screening technology proposed by United Utilities addresses a number of customers' key expectations of how companies should behave.

Customers show broad enthusiasm (81% support) for the proposed enhanced screening technology, with very little opposition (2%). While some concerns exist about the cost that may be passed on to the consumer, this does not seem to affect acceptance.

Messaging around benefits relating to increased removal of microplastics and other non-biodegradable materials is likely to have a strong resonance with customers.

Customers see the maximum predicted bill impact of £1.66 as an acceptable price to pay for the implementation of the technology (including those on low incomes). In fact, the analysis suggests that half of customers would be willing to pay up to £5.00 to see it implemented.

However, those who are already struggling with their bills are a cause for concern.

Summary of findings (2)

Customer satisfaction is high and perceptions of United Utilities, especially as an innovative organisation, improved further once customers had been presented with the new technology.

Almost all customers are able to identify United Utilities as their provider. However, far fewer Future Bill Payers can do the same.

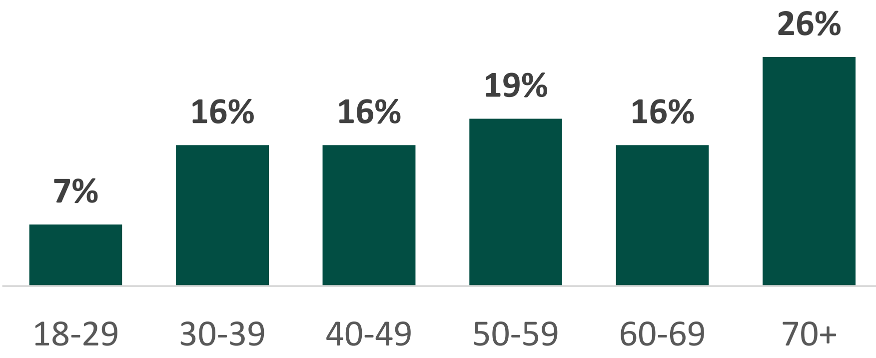
In general, customers had a good understanding of United Utilities key activities. However, fewer are able to recognise the environmental work it does.

Most customers feel able to pay their bills right now, however, certain audiences already struggle and more than a quarter of customers are concerned for the future.

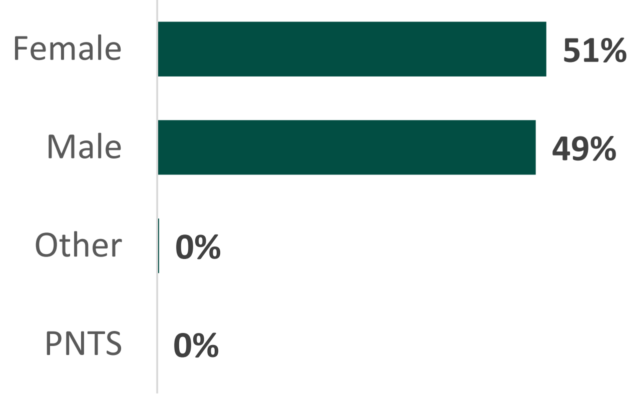
Appendix A: Demographics

Demographic (I)

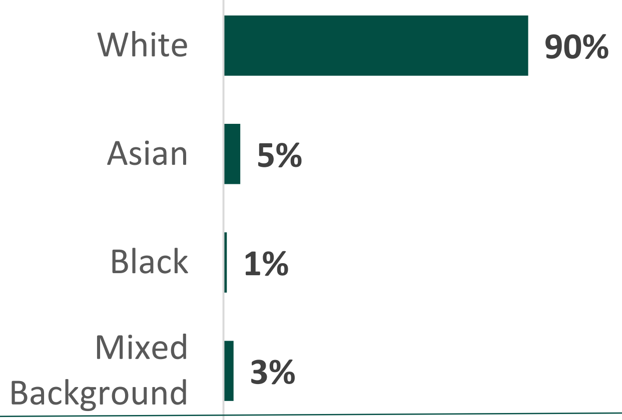
Age



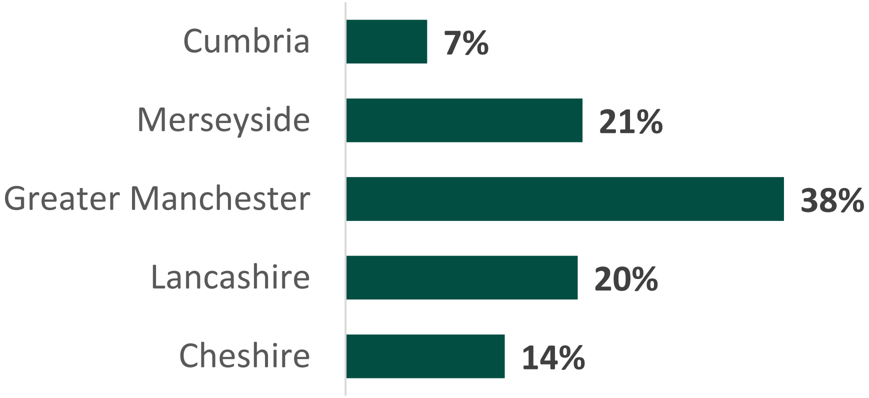
Gender



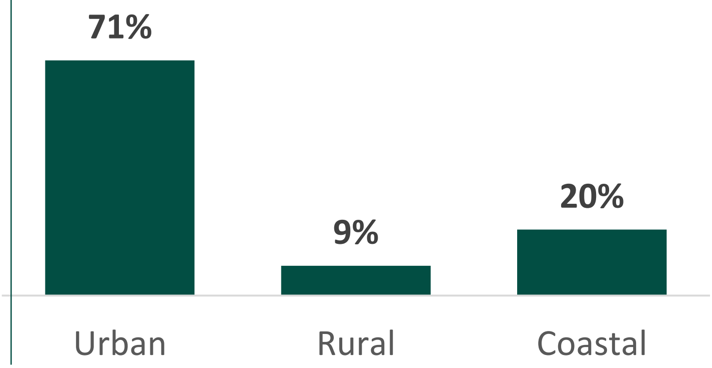
Ethnicity



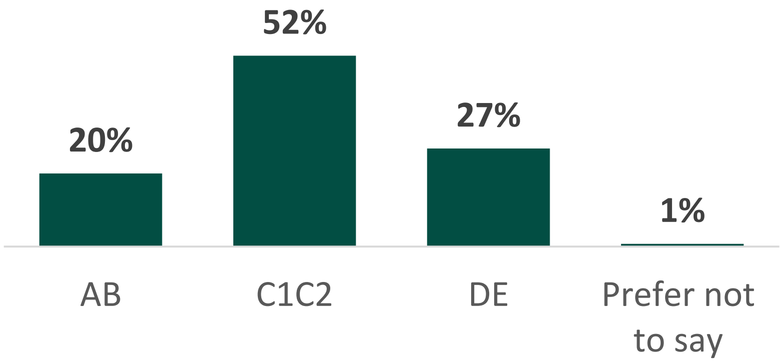
United Utilities Region



Region



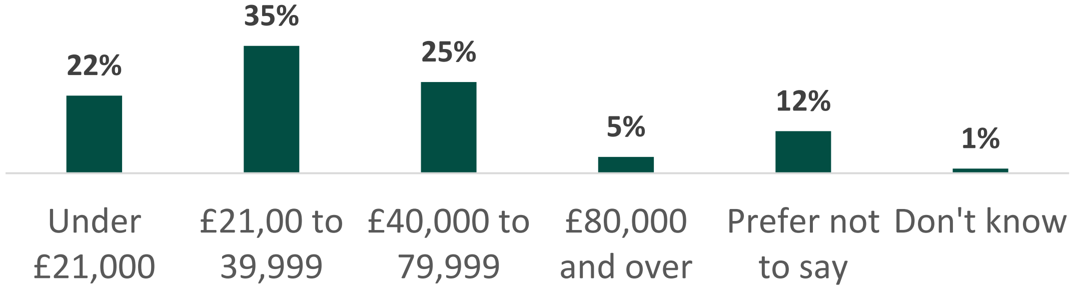
SEG



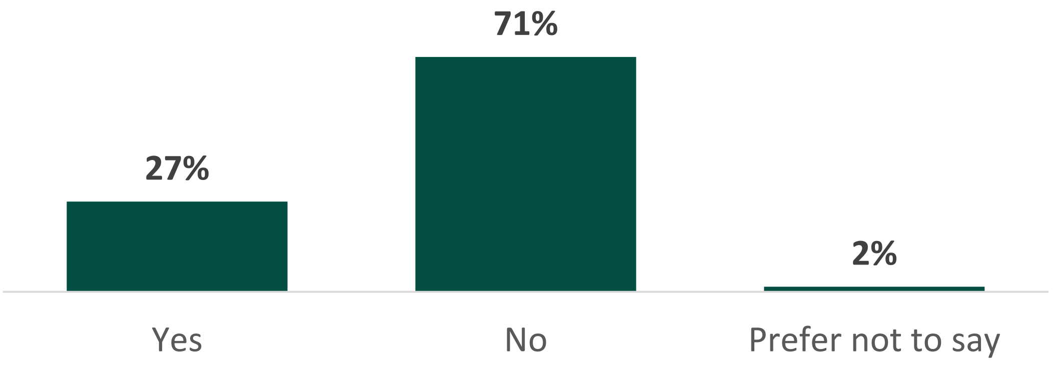
Base: All respondents **1404**

Demographic (II)

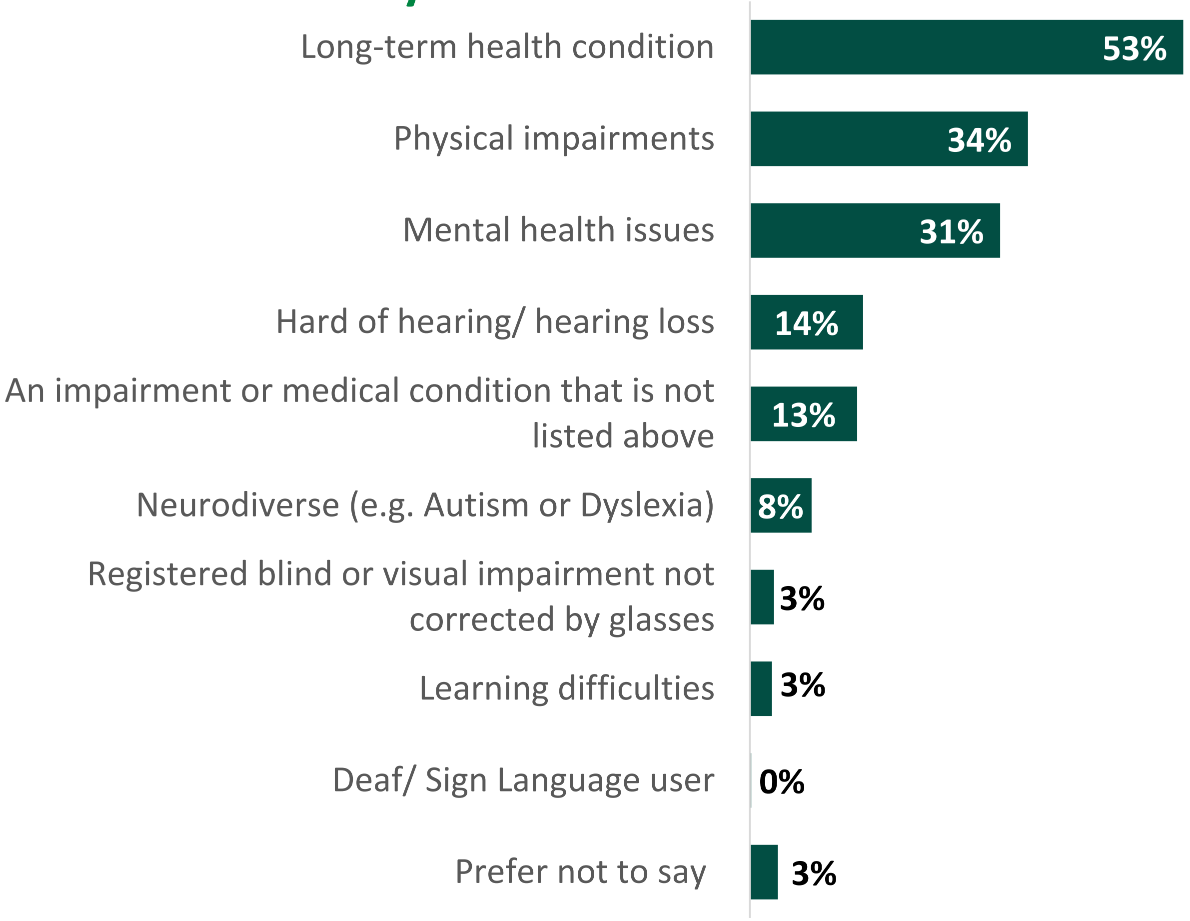
Income



Disability



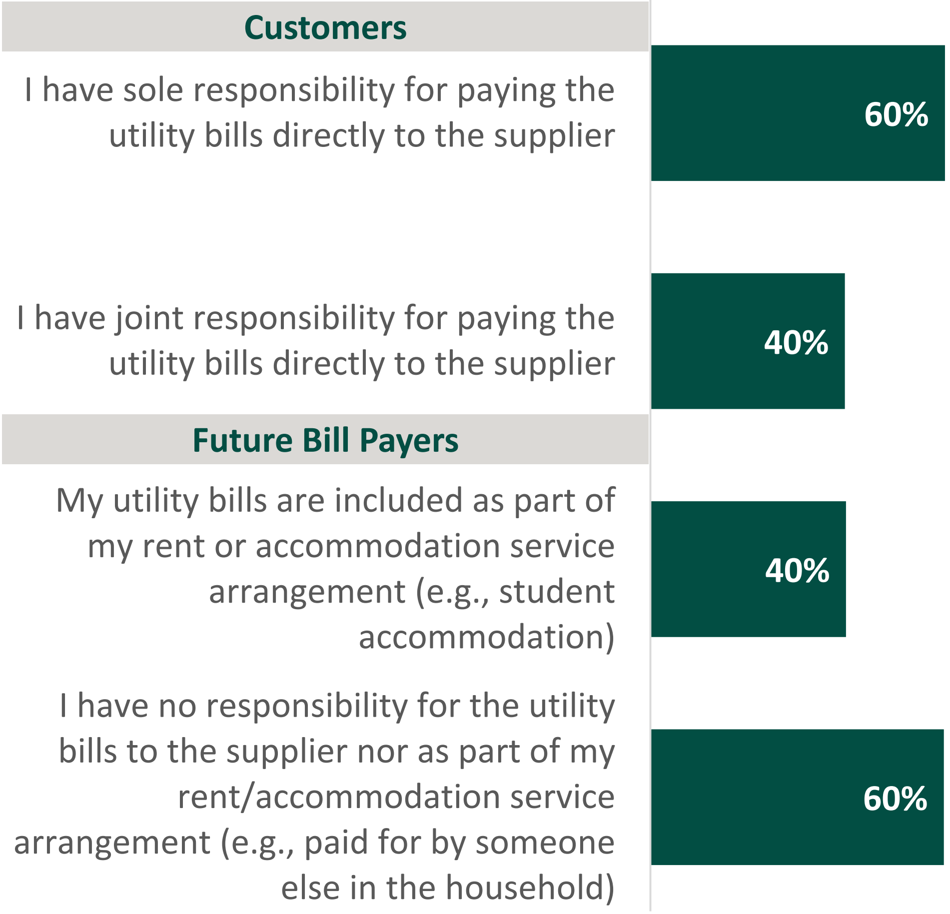
Nature of Disability



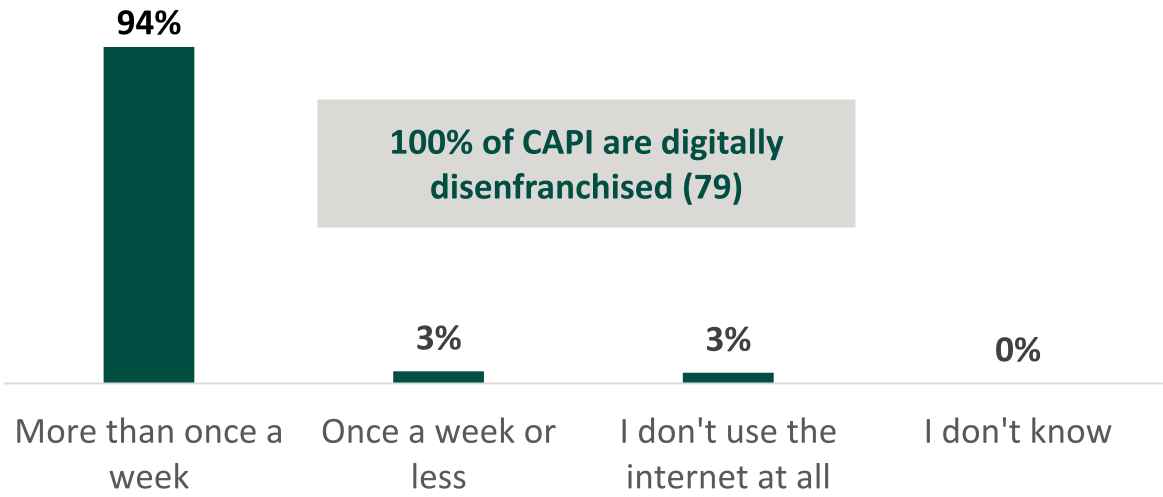
C02 Do you consider yourself to have a disability or long-term health condition? **Base: Base**: All respondents **(n=1404).**
C03 Which of these best describes the nature of your disability or long-term health condition**? Base** All respondents with a disability or long-term health condition **(n=396).**
C04 Which of the following income bonds does your total household income fall into? Please take into account earnings before tax and other deductions. **Base**: All respondents **(n=1404).**

Demographic (III)

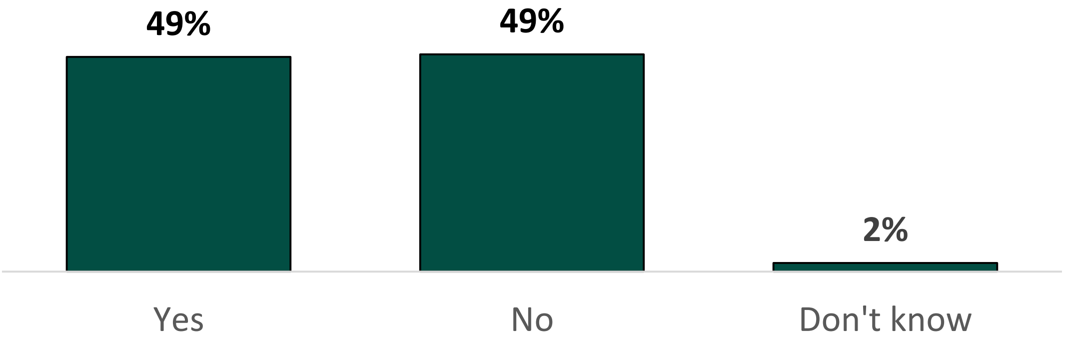
Responsibility for bills



Internet Access



Metering



S010 Do you have any responsibility for the utility bills in your home? **Base:** All respondents **(n=1404)**
S012 Do you have a water meter in your home? **Base**: All respondents **(n=1404)**
S013 How frequently do you access the internet? **Base**: All respondents **(n=1404)**

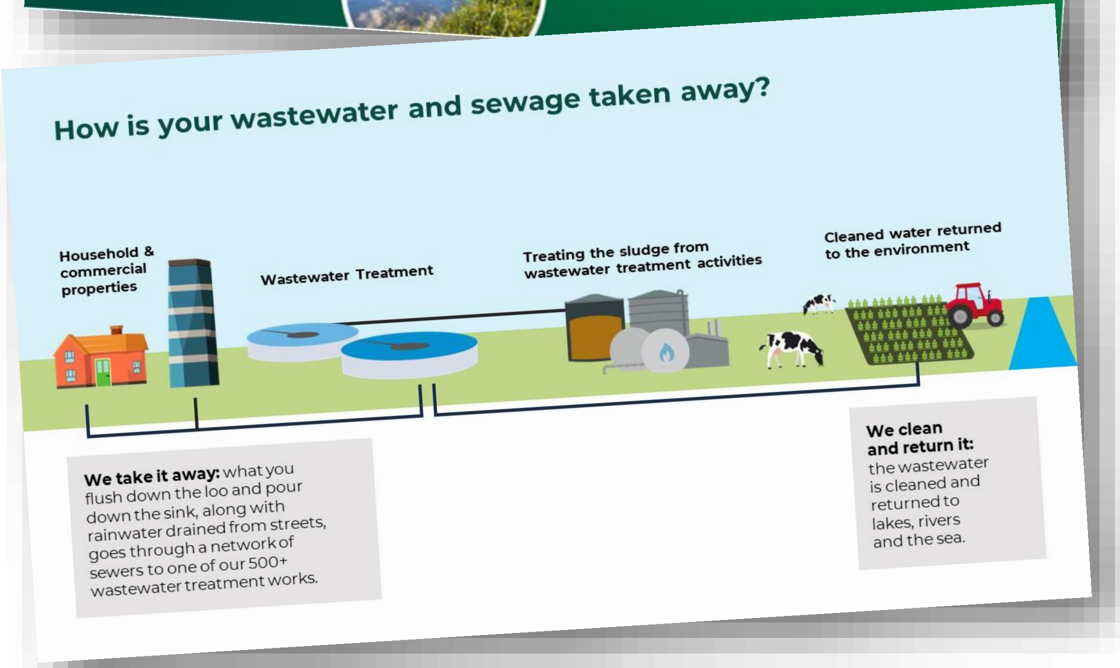
Appendix B:Stimulus

Stimulus (I)

“Below are some services that United Utilities provide to customers. Please familiarise yourself with them before pressing next to continue with the survey.

A moment ago, you read how one of the services that United Utilities provides is to return cleaned wastewater safely back to rivers, lakes and the sea; this means they take the water that you flush down the loo, pour down the sink, and which goes down your drains and they treat it so that it can be returned, nice and clean, back to the environment.

To understand more about one of United Utilities’ industrial processes, over the next few screens you are going to be shown some information describing United Utilities’ current wastewater treatment process. Please read it in detail as you are going to answer some questions relating to it.
Every single day, along with rainwater drained from streets, whenever you flush the loo and pour things down the sink, this wastewater is taken away and cleaned before it can be returned to lakes, rivers and the sea. This process is shown in the image below:

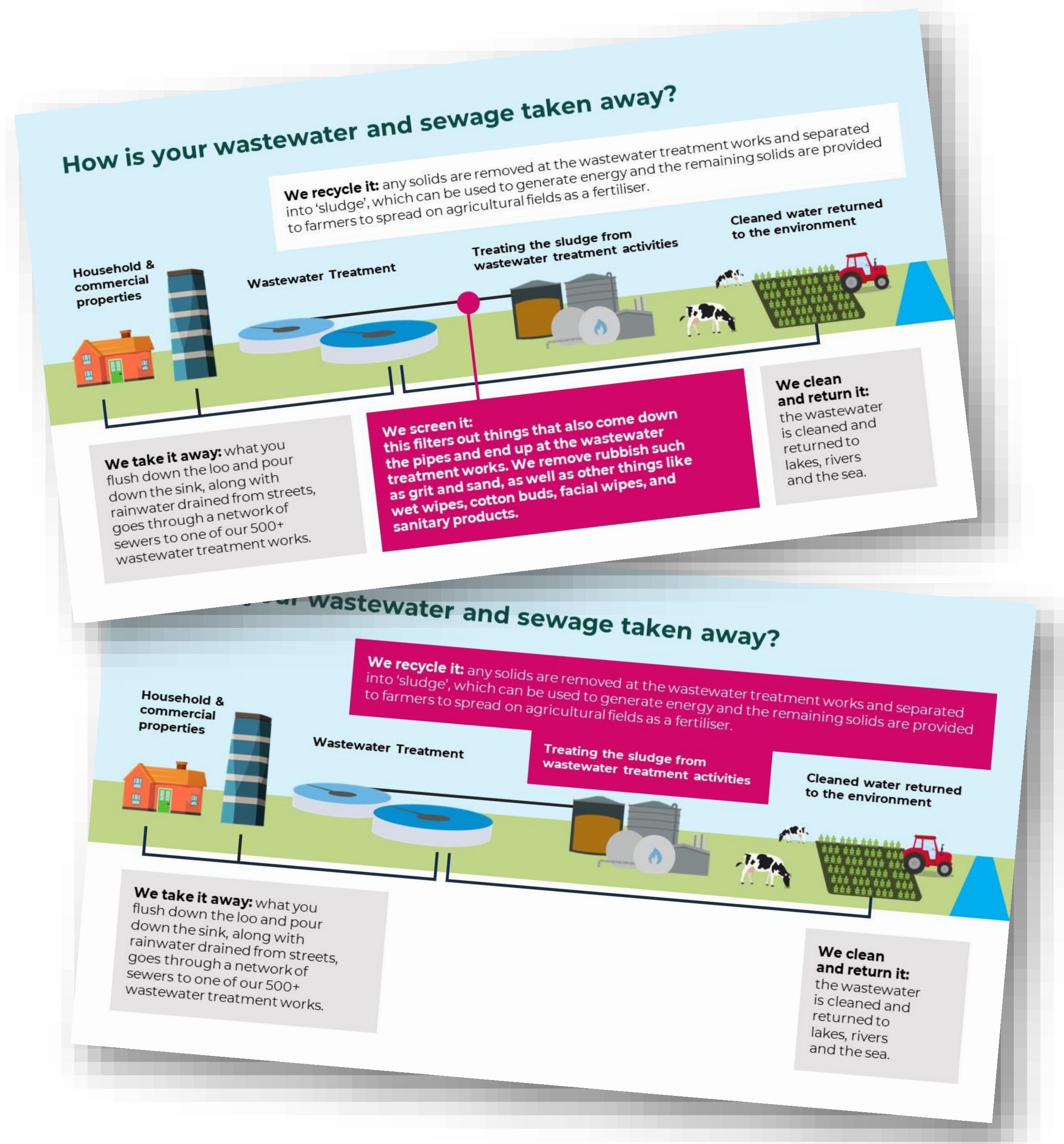


Stimulus (II)

“As part of this process, United Utilities currently transports, treats and disposes of around 200,000 tonnes of a material called ‘sludge’ which is essentially customers’ broken-down poo, and this is used to generate energy in the form of gas or to make fertiliser for farmers.

When used as a fertiliser, farmers can use sludge to plough their fields ready for them to grow their crops in. This is a low carbon alternative to non-organic fertiliser and benefits soil health by recycling carbon back to the soils.

Before sludge is turned into fertiliser, it currently undergoes a filtering process. This helps to remove things such as sanitary towels, crisp packets, sweet wrappers and large pebbles and stones etc, that come down the pipes after being flushed down the loo or which come down the drain. This rubbish is then sent to landfill.



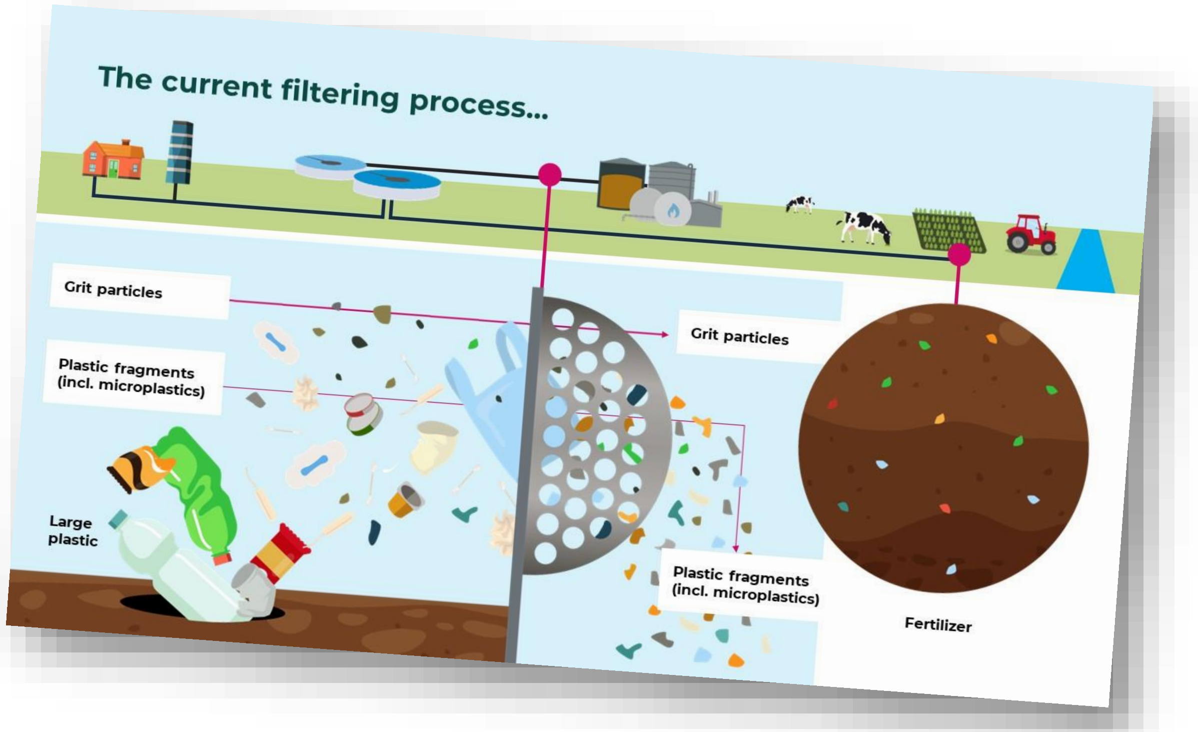
Stimulus (III)

“The current filter has a 6mm screen which is about the same size as the holes in a colander found in many people’s kitchens and this catches the sanitary towels, crisp packets, sweet wrappers and large pebbles and stones etc.

Anything smaller than 6mm is still able to flow through the filter and gets mixed in with the sludge.

Because of this, when the sludge is made into fertiliser, there are very tiny bits of plastic (called microplastics) as well as grit, other rubbish and pollutants that end up in the fertiliser that is used on farmland, which can then be eaten by farm animals.

Also, over time, these microplastics accumulate in the soil where they can then be washed off into streams and rivers by heavy rain, or blown by the wind into the rivers when it is very dry.



Stimulus (IV)

“What does the Government say?
The UK Government currently considers the recycling of wastewater into sludge for use on farmland as the best practical environmental option available to wastewater companies.

For the period 2025 to 2030, the Environment Agency will support actions to change the way sludge is managed and to ensure that the fertiliser produced is of the highest possible quality.

Other than incineration or dumping in landfill, turning sludge into fertiliser is currently thought to be the only available option to get rid of it.
Dumping it in landfill sites would lead to those sites filling up very quickly and would likely lead to higher customer bills in the future.
In order to burn the sludge to get rid of it, incinerators would need to be built. This would take several years to complete and would also be expensive, as well as bad for increasing carbon emissions.

At the same time, if nothing is changed, then the microplastics and other rubbish and pollutants that are currently passing through the filtering process described earlier will continue going to farmland.

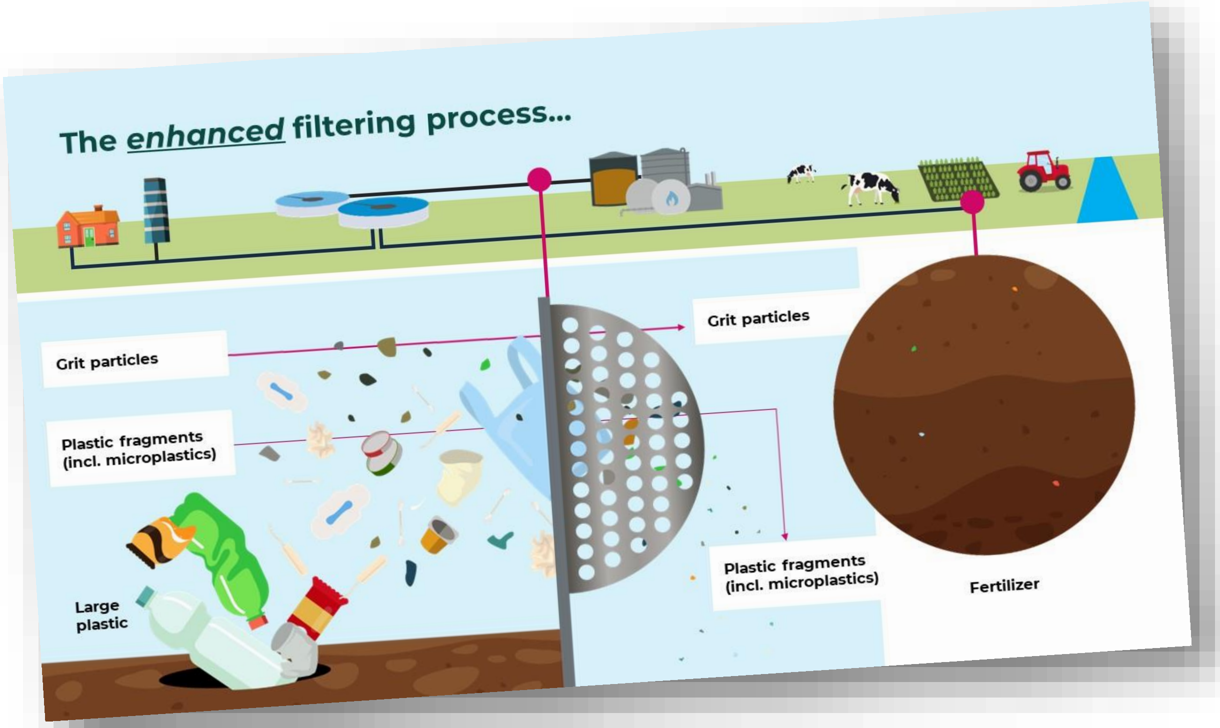
United Utilities has conducted research with customers that has informed the development of its proposal for sludge management in the future. **It is this sludge management system that we would like to receive your views on today.**

Stimulus (V)

"United Utilities thinks that it is important to protect the environment and to continue with the practice of turning sludge into fertiliser to be used on farmland.
However, United Utilities want to take action to **lower the levels** of plastics and other rubbish in the sludge so that farms can get a higher quality fertiliser from it.

But how?
United Utilities are proposing to introduce a process called **enhanced sludge screening**.
By introducing new filters, they will be able to screen the sludge at 0.6mm, which is about the size of a grain of sugar, rather than the current 6mm. This means they will be able to screen out debris that is about ten times smaller than the current process.

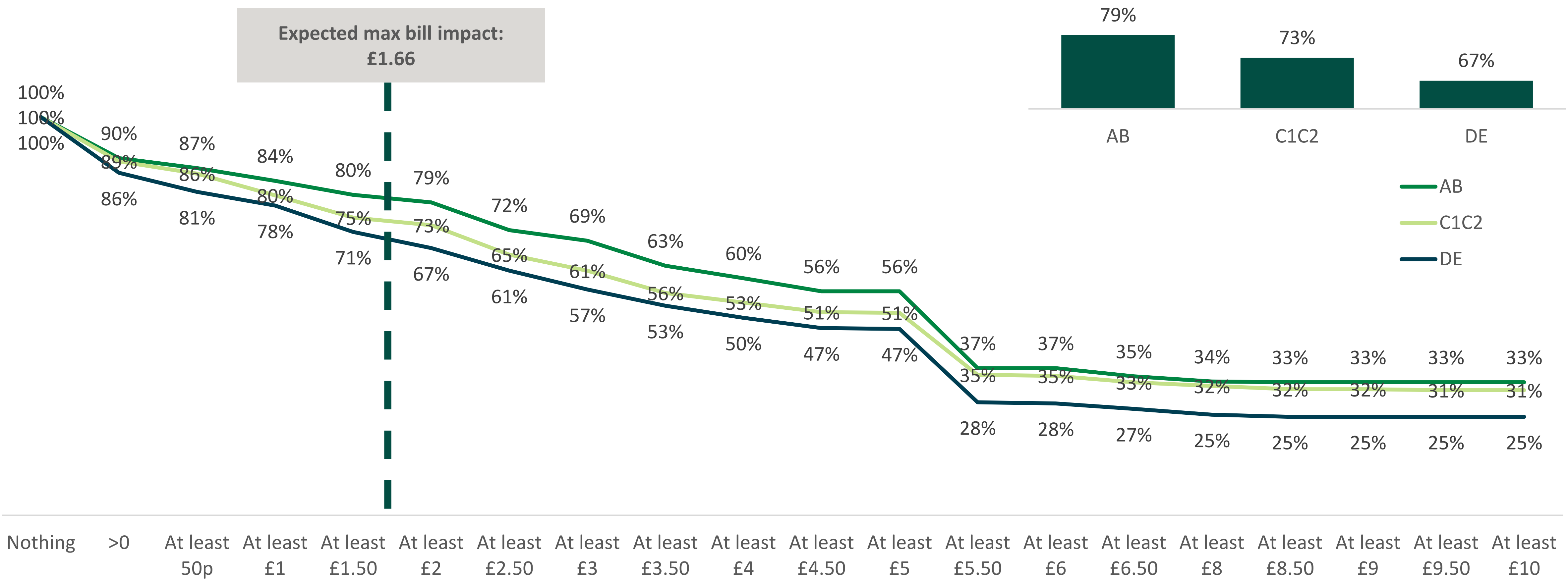
This means that United Utilities would be able to **remove approximately 23,000 tonnes a year more debris** and **create a more refined fertiliser,** lowering the risk of polluting farmland and local rivers. This is four times as much debris removed than is removed by the current filters."



Appendix C: Willingness to Pay Subgroup Analysis

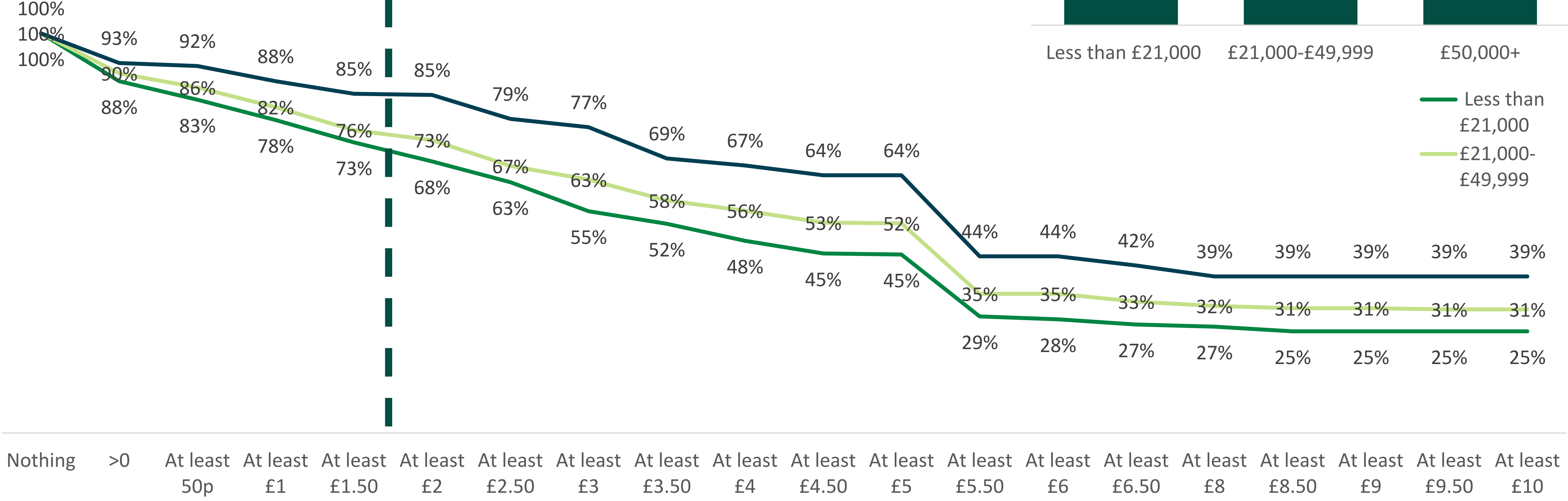
Willingness to Pay: SEG

Willingness to pay the £1.66 expected maximum bill impact

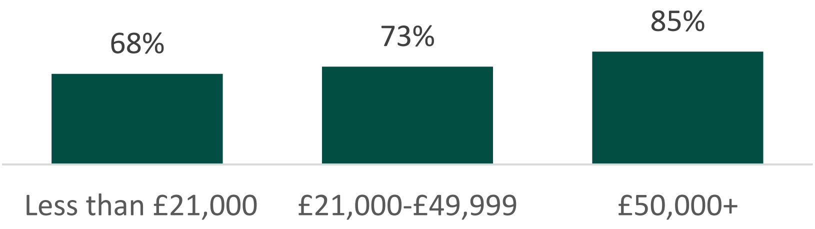


Q08 How acceptable or unacceptable would you find an additional [PRICE] being added onto your annual water bill in order to fund the enhanced screening procedure? **Base**: 1,404
Q08a What is the highest amount that you feel would be acceptable to add to your annual water bill in order to fund the enhanced screening procedure? **Base:** 1,404

Willingness to Pay: household income

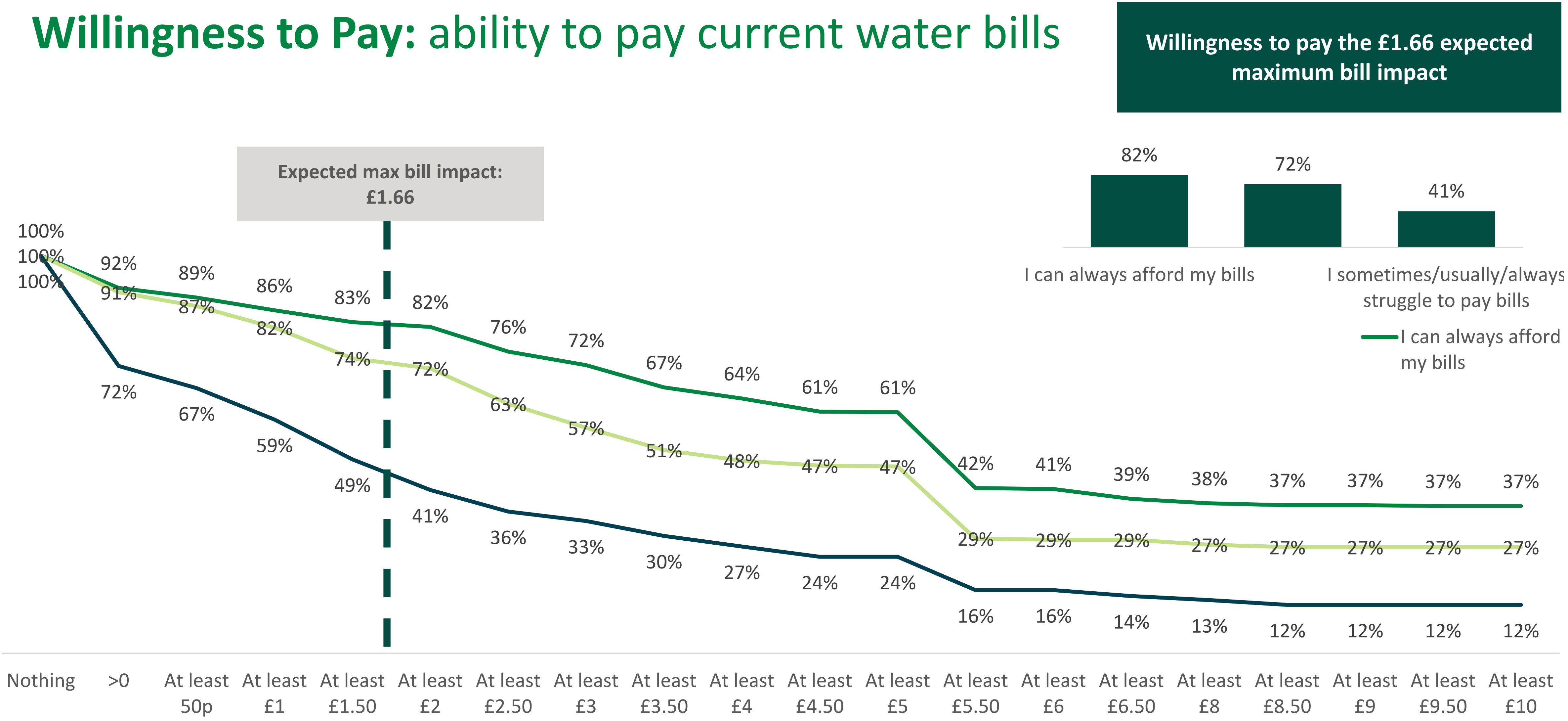


Willingness to pay the £1.66 expected maximum bill impact



Q08 How acceptable or unacceptable would you find an additional [PRICE] being added onto your annual water bill in order to fund the enhanced screening procedure? **Base**: 1,404
Q08a What is the highest amount that you feel would be acceptable to add to your annual water bill in order to fund the enhanced screening procedure? **Base:** 1,404

Willingness to Pay: ability to pay current water bills

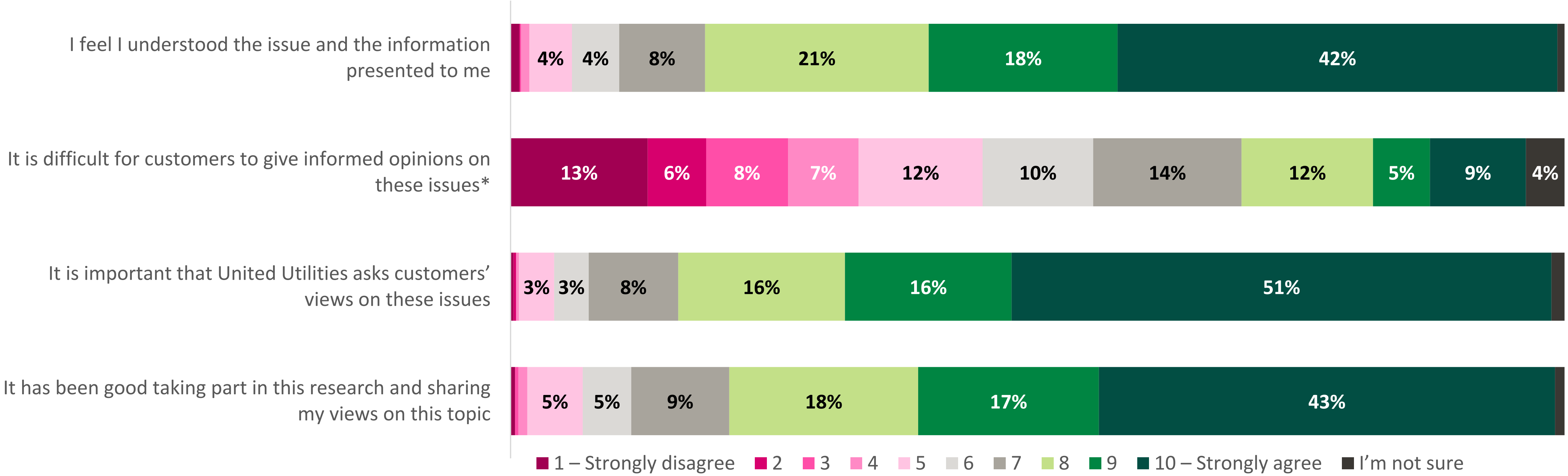


Q08 How acceptable or unacceptable would you find an additional [PRICE] being added onto your annual water bill in order to fund the enhanced screening procedure? **Base**: 1,404
Q08a What is the highest amount that you feel would be acceptable to add to your annual water bill in order to fund the enhanced screening procedure? **Base:** 1,404

Appendix D: Respondent Comprehension

Respondent Comprehension

81% of respondents feel that they understood the information presented to them, and further 83% feel that it is important that United Utilities asks customers of their views on these issues.



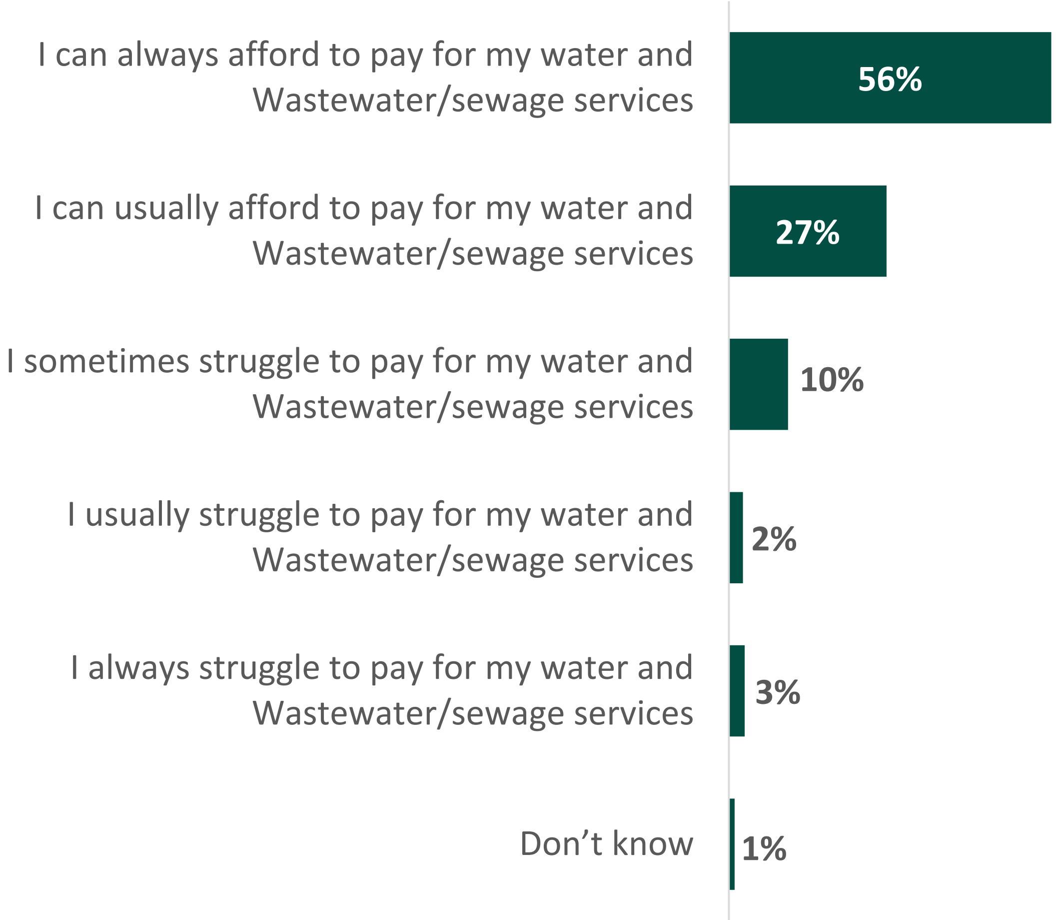
CAPI respondents more likely to agree (NET Agree, CAPI 42% vs. Online 26%) that it is difficult for customers to give opinions on these issues.

D01 To finish, how much do you agree or disagree with the following 4 statements? **Base**: All respondents (n=1404) ***Note that this is a negative statement**

Appendix E: Bill affordability

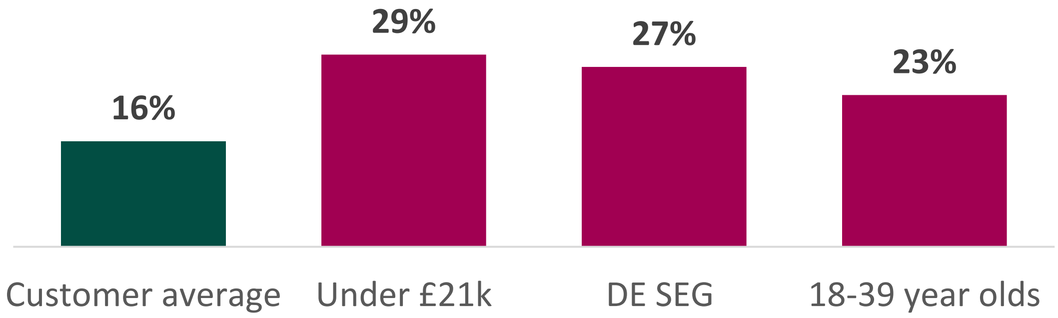
Affordability of the current bill

Most customers can always or usually afford their bills (83%).



Subgroup analysis

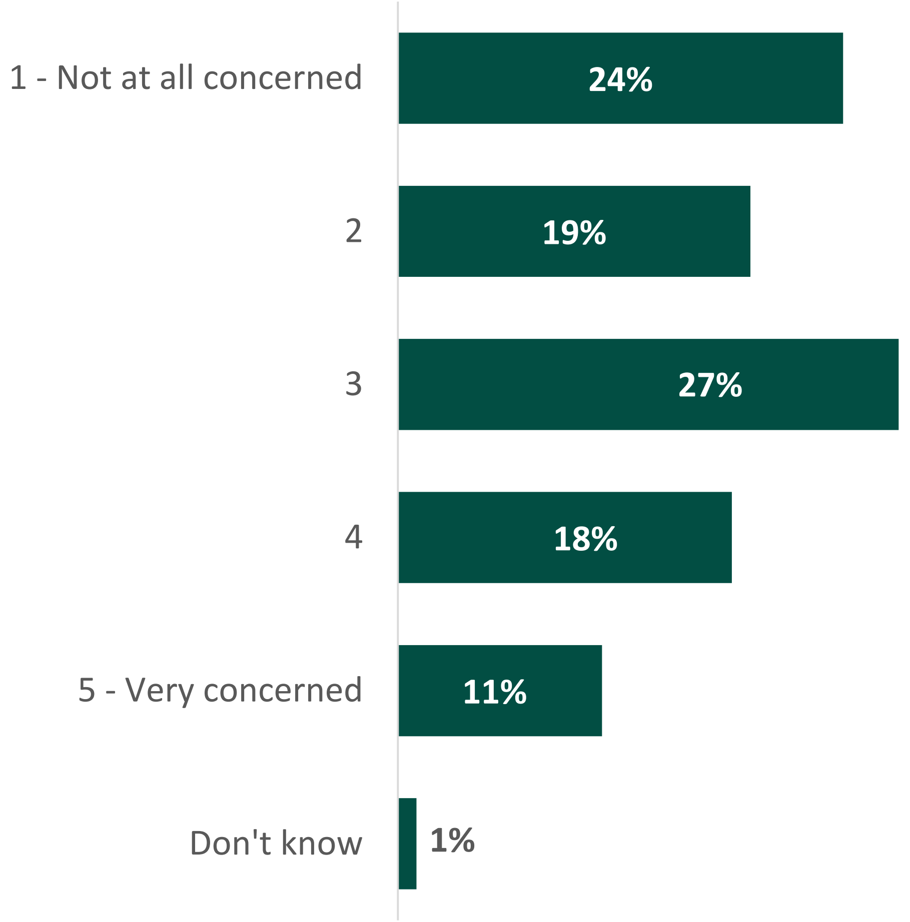
The age group most likely to struggle are 18-29 year olds (23%) while only 8% of 70+ year-olds said they struggle at least sometimes. DE Segs are significantly more likely to struggle (27%) compared to AB’s (6%) and C1C2 (13%) groups. People who identify as having a disability struggle more with bills (23%) than people with no disability. Nearly a third (29%) of respondents earning under £21k admit to struggling sometimes, significantly higher than the next highest group £21k £39,999 (17%)



Q014 Which of these statements do you most agree with? **Base:** All respondents (n=1404),

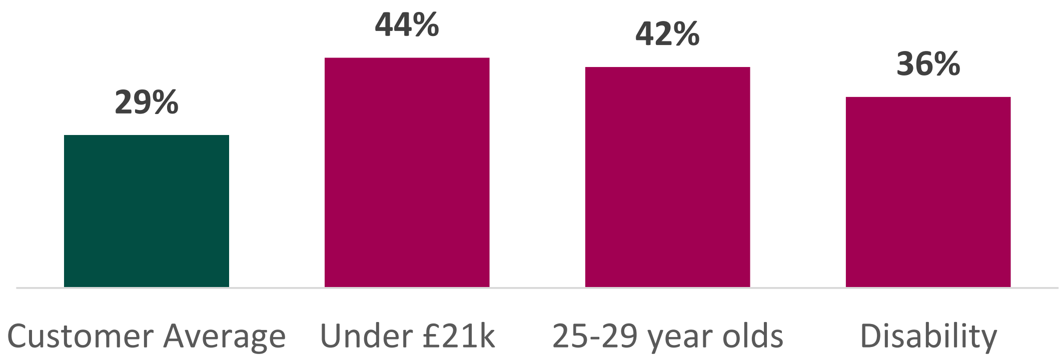
Affordability of the current bill

However, a just under a third of all customers are concerned about their water bills.



Subgroup analysis

Respondents aged 25-29, those earning under £21k and those with a disability are more concerned about household budgets than any other sub-group.



Q016 How concerned are you about your household budget being able to cope with your current water bills? **Base:** All respondents **(n=1404)**

Appendix F: Customer awareness

Customer awareness: overview

Almost all customers are able to identify United Utilities as their provider…

Almost nine-in-ten customers correctly identified United Utilities as their water supplier.

However, few Future Bill Payers can do the same…

Only 20% of Future Bill Payers correctly named United Utilities as their provider.

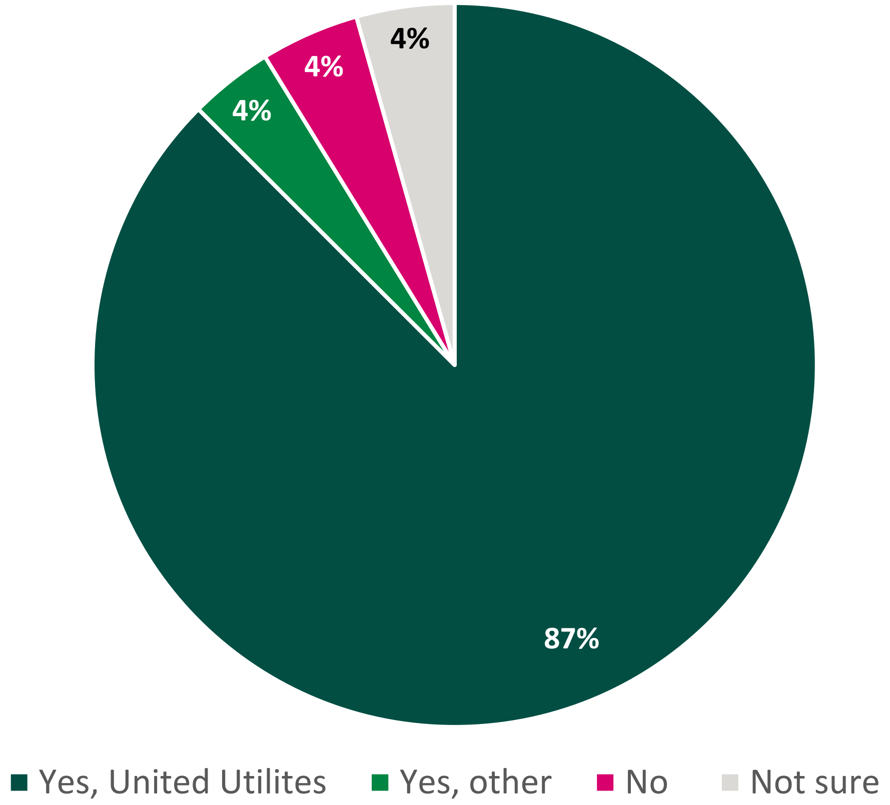
In general, customers had a good understanding of United Utilities key activities. However, fewer are able to recognise the environmental work it does…

Most could identify that united Utilities brings water to their homes (93%), looks after pipes (86%), and manages sewage in the region (83%).

However, fewer than half know that it protects wildlife near reservoirs (42%) or plants trees (26%).

Customer awareness of their water supplier

87% of customers identified themselves as United Utilities customers. Severn Trent customers represented 1% of the sample, and 31% of "Yes, other" category, claimed to be North West customers.

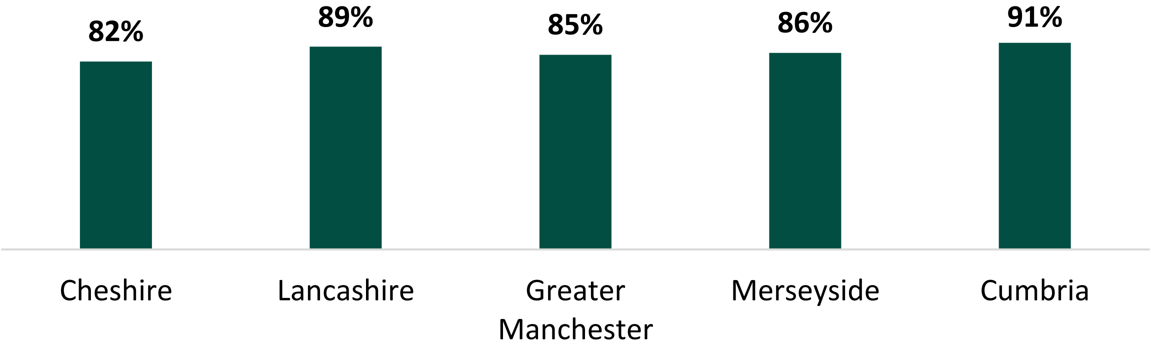


Sub-group analysis

Older customers are more likely be aware of their provider (50-70+ averaging on 93%) than the youngest group 18-24, of which 51% claim to be UU customers and 25% are not aware at all.

Only 20% of Future Bill Payers identified United Utilities as their water provider.

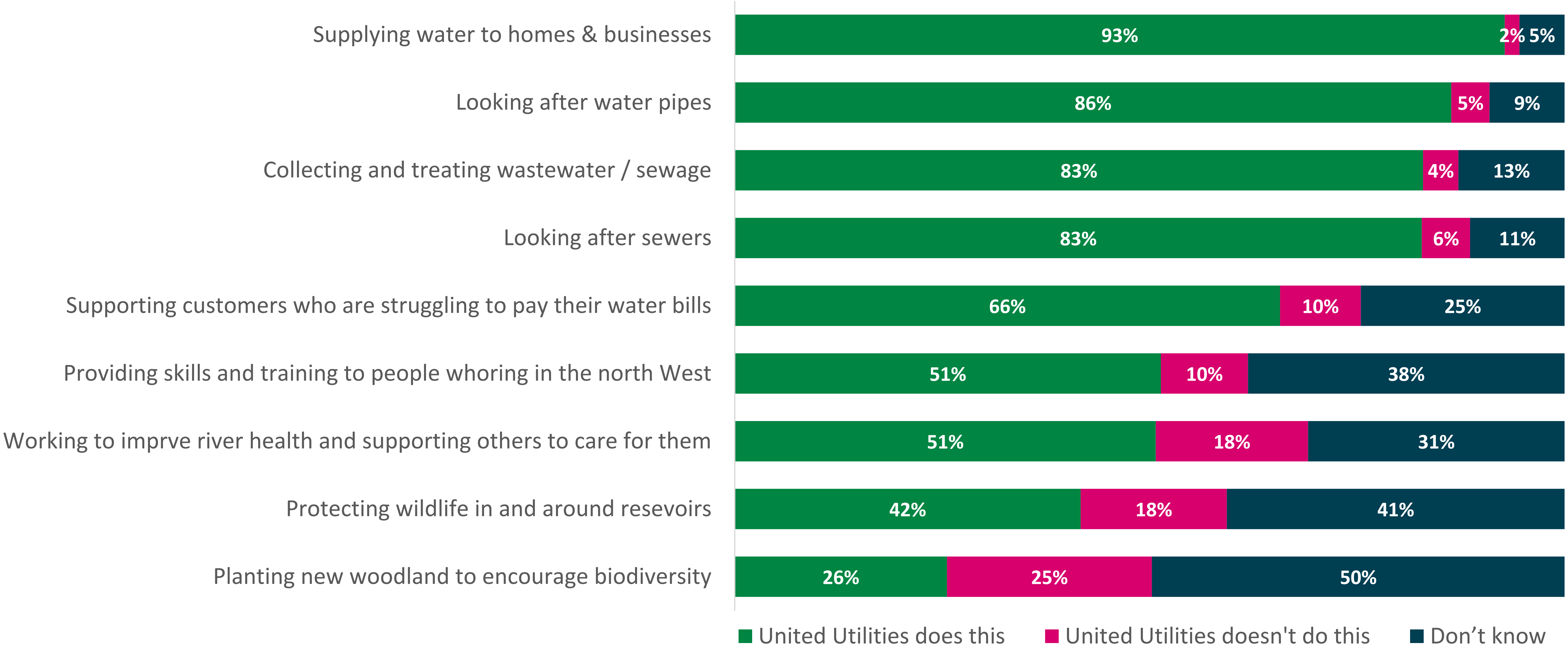
Awareness by region



Q01 Are you aware of who your water supplier is? **Base:** All respondents (n=1404) **; Awareness by region:** Total: excl. Other (n=1397) Cheshire (n=213); Lancashire (n=317); Greater Manchester (n=475) Merseyside n=272); Cumbria (120), Respondents established to be from the North West (United Utilities) region in screening.

Awareness of United Utilities activity:

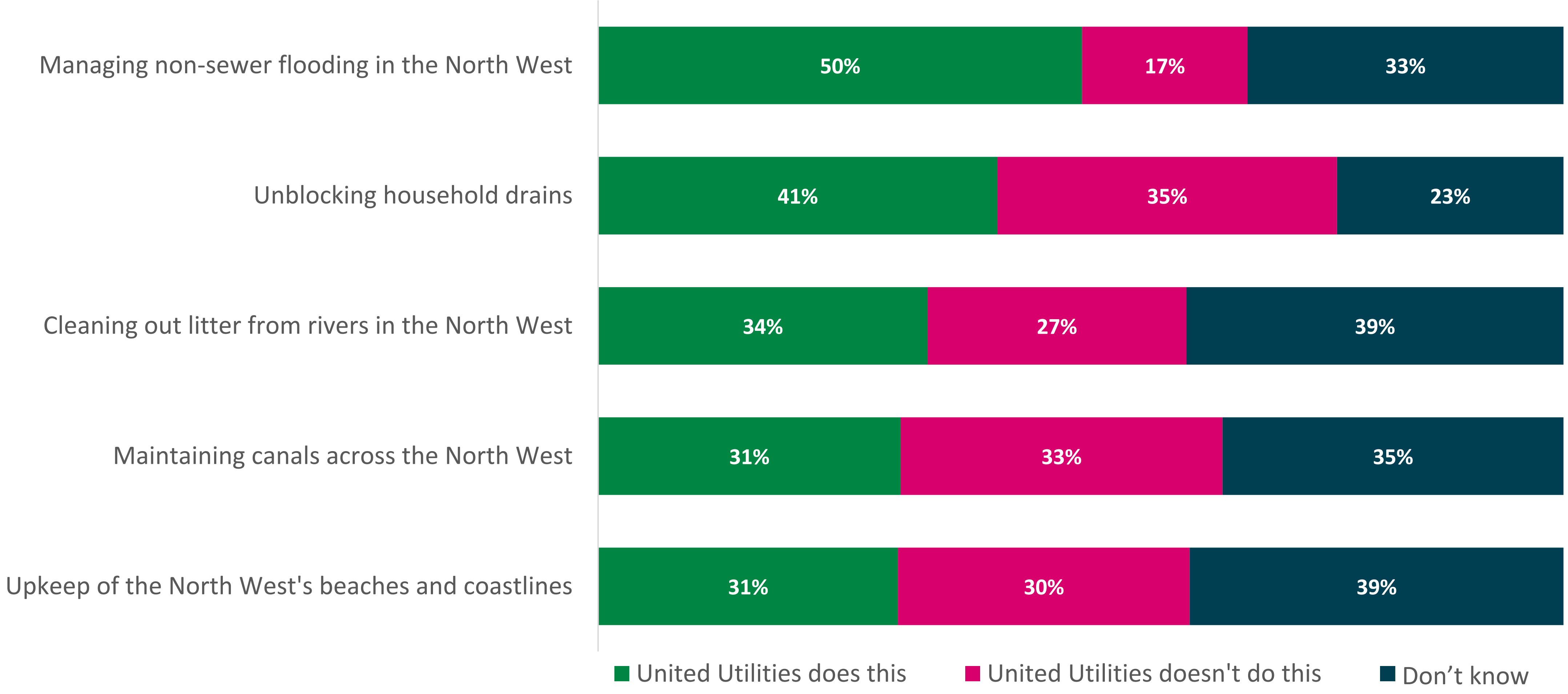
While the awareness of key activities is high, customers are less aware of the activities that United Utilities partakes in to encourage biodiversity (26%) and protect wildlife (42%).



Q02…For each we’d like you to tell us if you think United Utilities does or doesn’t do this. **Base:** All respondents **(n= 1404)**

Awareness of activities outside of United Utilities's responsibility:

Moreover, 50% mistakenly believe that United utilities manage non-sewer flooding in the North West, and further 41% feel that the company is responsible for unblocking household drains.



Q02…For each we'd like you to tell us if you think United Utilities does or doesn't do this. **Base:** All respondents **(n= 1404)**