WSX05 – Affordability and acceptability testing

Business plan
2025-2030

Wessex Water
YTL GROUP

FOR YOU. FOR LIFE.

Affordability and Acceptability Testing

Interim report on Qualitative research for Wessex Water

31st May 2023

FOR YOU. FOR LIFE.

Wessex Water

YTL GROUP

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Executive summary

The economic situation is sitting heavily with customers. Most say they are 'just getting by' or 'struggling'- with widespread pessimism that the situation is worsening. In terms of domestic finances, the squeeze is not necessarily hitting the water bill yet with most saying they find it neither easy nor difficult to pay.

Customers are surprised and shocked by the extent of the bill increases associated with the proposed plan. These are unexpected and it is not obvious why such a burden is falling to bill payers. At a time of economic uncertainty, the research raises questions and challenges about what customers should be expected to pay for. Smart meter roll out is the most contentious part of the plan.

Overall most customers opt for the proposed plan and they accept the need for important improvements especially where these relate to reversing environmental damage, reducing leakage and pollution. There is support for Wessex Water to go further in its leakage and pollution targets. Most trust Wessex Water to deliver some or all of the proposed plan.

However a significant minority choose the 'must-do' plan, even though the cost difference relative to the proposed plan is seen as small. Most support is for the delay of smart metering, omitting EVs from the carbon zero plans and eliminating water poverty over a longer timeframe (although affordability plans are seen as important, customers question whether the company or government should step in).

Affordability is constrained with the majority of this sample saying it will be difficult/very difficult to afford the proposed bill. There is a nuanced picture, however, with customers commenting on their willingness to pay for investments that they may not accept as opposed to their inability to pay.

Methodology

3 x 3hr face-to-face deliberative events

Stage 1: Participants to go through pre-read pack and fill out pre-task survey

Stage 2: Participants to attend 1 x 3hr event each in person

Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Micro NHH

2 x 90min reconvened online focus groups

Stage 1: Participants to attend first 90 min focus group
Stage 2: Participants to attend second 90 min focus group
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Larger NHH

8 x 1hr online video depth

Stage 1: Participants to go through pre-read pack and fill out pre-task survey
Stage 2: Participants to attend 1 x 1hr online depth
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

8 x 1hr online video depth

Stage 1: Participants to go through pre-read pack and fill out pre-task survey
Stage 2: Participants to attend 1 x 1hr online depth
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Sample profile – who we spoke to

Total sample achieved = 96/96

Total number of responding to invitation letter: c180 opted in to participate

Household sample achieved = 48/48

- ***SEG**: 13 x AB, 25 x C1C2, 9 x DE*
- ***Age**: 19 x under 45, 28 x over 45*
- ***Gender**: 25 x F, 22 x M*
- ***Metering**: 28 x metered, 12 x unmetered, 7 x don't know*
- ***Recruitment**: 38 x list opt ins, 8 x free find, 2 x extras*

Economically vulnerable sample achieved = 8/8

- ***Age**: 4 x under 45, 4 x over 45*
- ***Gender**: 5 x F, 3 x M*
- ***Metering:** 3 x metered, 5 x unmetered*
- ***Social tariff**: 3 x ST, 5 x eligible for ST*
- ***Recruitment**: 8 x free find*

Health vulnerable sample achieved = 8/8

- ***Age**: 2 x under 45, 6 x over 45*
- ***Gender**: 4 x F, 4 x M*
- ***Metering**: 3 x metered, 5 x unmetered*
- ***PSR status**: 4 x on PSR*
- ***Examples of vulnerability include**: mental health problems, physical health conditions, old age*
- ***Recruitment**: 4 list opt ins, 4 free find*

Future customer sample achieved = 8/8

- ***SEG**: 3 x AB, 5 x C1C2*
- ***Age**: 8 x 18-30*
- ***Gender**: 5 x F, 3 x M*
- ***Recruitment**: 8 x free find*

Non-household sample achieved = 26/26

- ***Size**: 18 x micro NHH, 8 x larger NHH (over 10 employees)*
- ***Examples of business type include**: hairdressing, accountancy, plant nurseries, property maintenance*
- ***Usage type**: 22 x domestic, 4 x non-domestic*
- ***Usage volume**: 18 x low spend, 8 x high spend*

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The customer context

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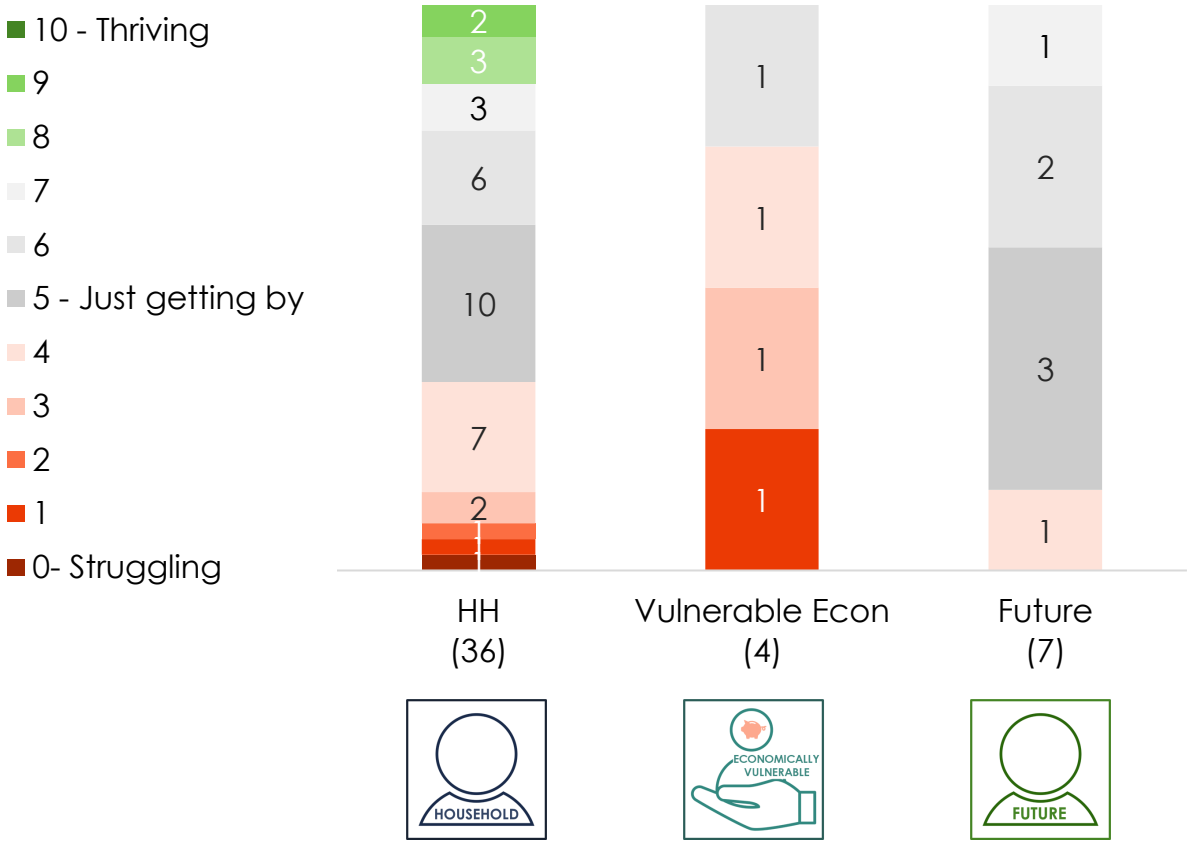
Views on current financial situation and financial outlook

- The majority of the domestic sample (31/47) said they fall somewhere between 'just getting by' and 'struggling' when it comes to household finances

FEELINGS ABOUT HOUSEHOLD FINANCES



"I have a new job with a relatively low income which barely covers my day to day expenses, and I also have debts to repay. I don't have money left over to save each month"
HH Taunton Answer: 2/10

"Because, while I am making the bills each month, there is never any money to put aside."
HH Bath Answer: 4/10

"Living on pensions with safety net of investments, mostly built on inherited assets"
HH Salisbury Answer: 8/10

"I work full time on a well above average salary and my wife still had to go back to work after a few months of maternity just to make ends meet."
HH Salisbury Answer: 3/10

Source: Pre task Appendix A, B/C, E: How do you feel about your household finances at this time?

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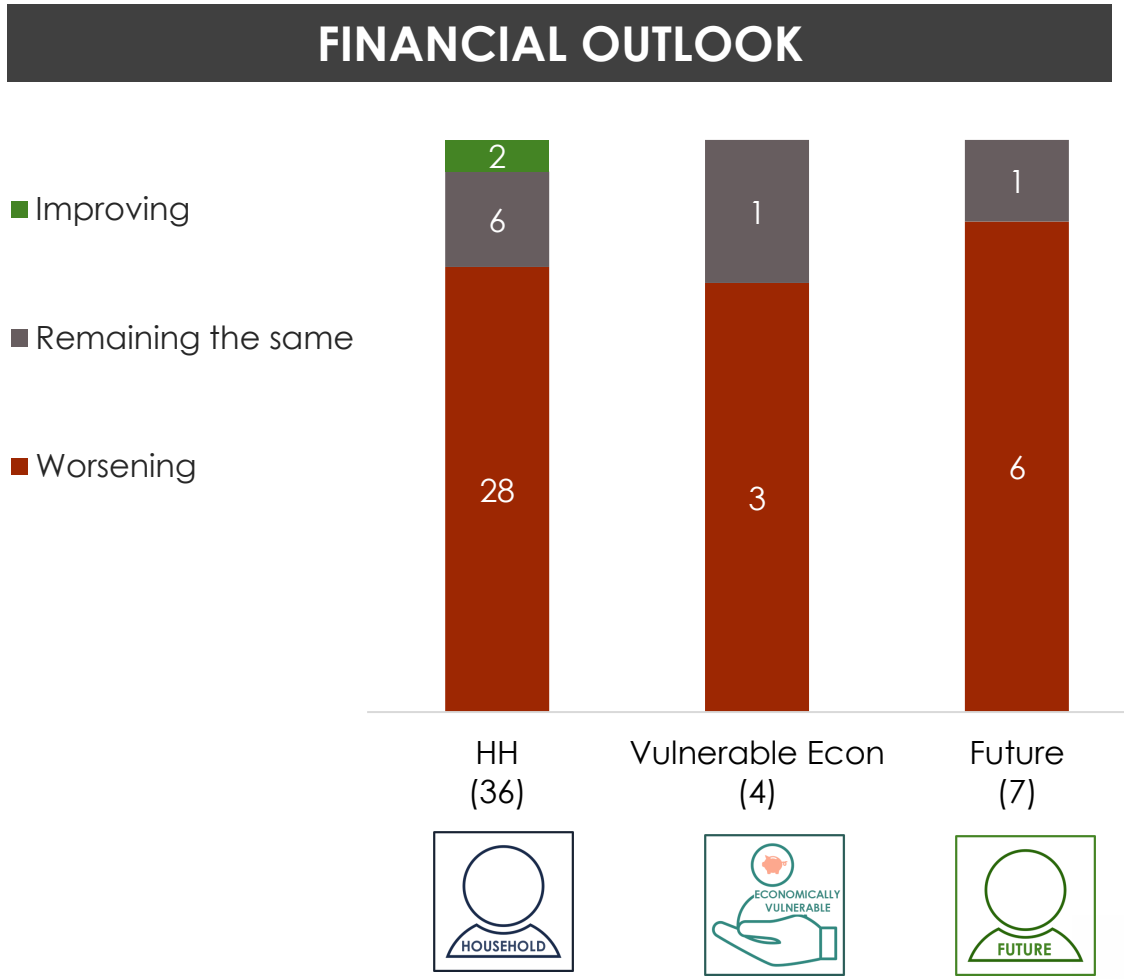
Views on current financial situation and financial outlook

- Most (37/47) think the current economic situation is 'worsening'

"The normal weekly shop is getting more and more expensive… some places are just using it as an excuse to make profit" HH Salisbury

"I have to think about the here and now." HH Salisbury

"The cost of everything is only going one way – up – and it isn't going to come down. You just have to hope that your wages go up." HH Taunton



Source: Pre task Appendix A, B/C, E: Do you think the current economic situation is…?

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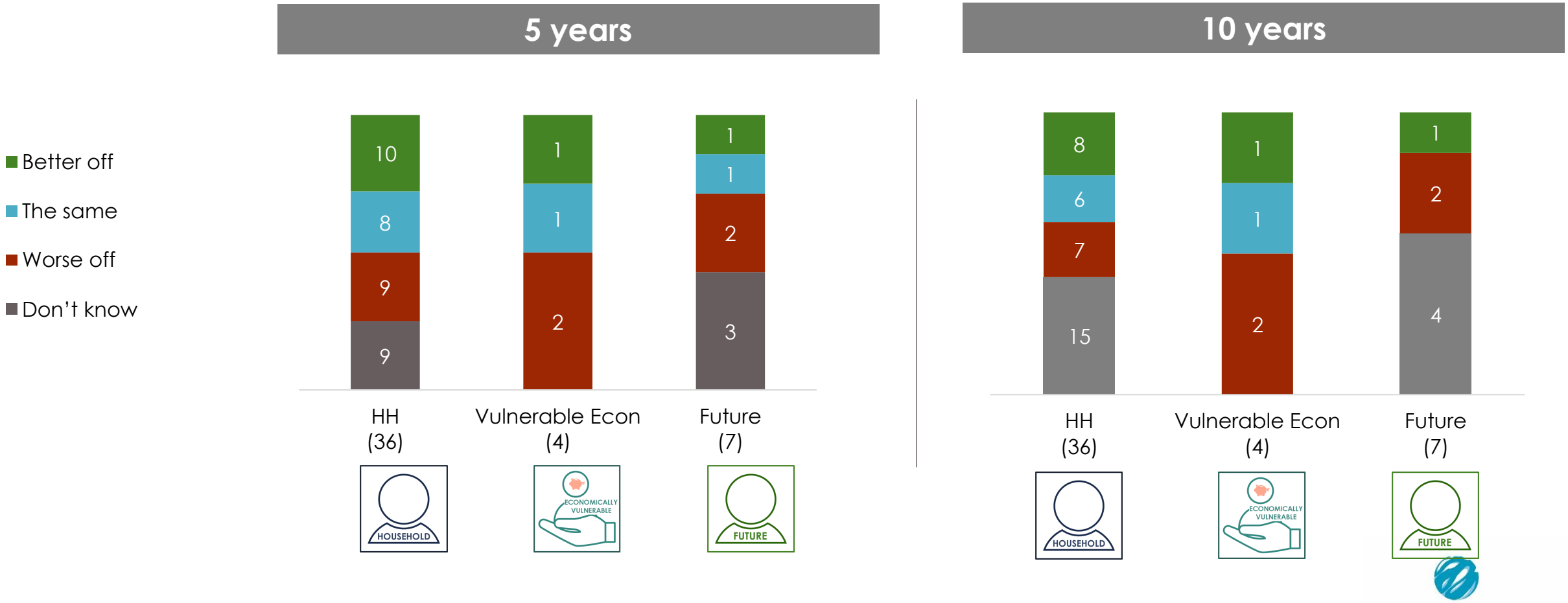
Expectations for economic climate in the future (in 5 years, in 10 years)

- There is a fairly even split between those that think they will be better, the same or worse off in the next 5 years with greater numbers feeling uncertain about the longer time horizon.
- A minority believe that the economic climate will be worse off in the next 5 years (13/47) or even the next 10 years (11/47)

LONG TERM FINANCIAL OUTLOOK



Source: Pre task Appendix A, B/C, E: Thinking about the current economic climate in the future, do you expect your household finances to be better off, worse off or about the same in the next 5/10 years?

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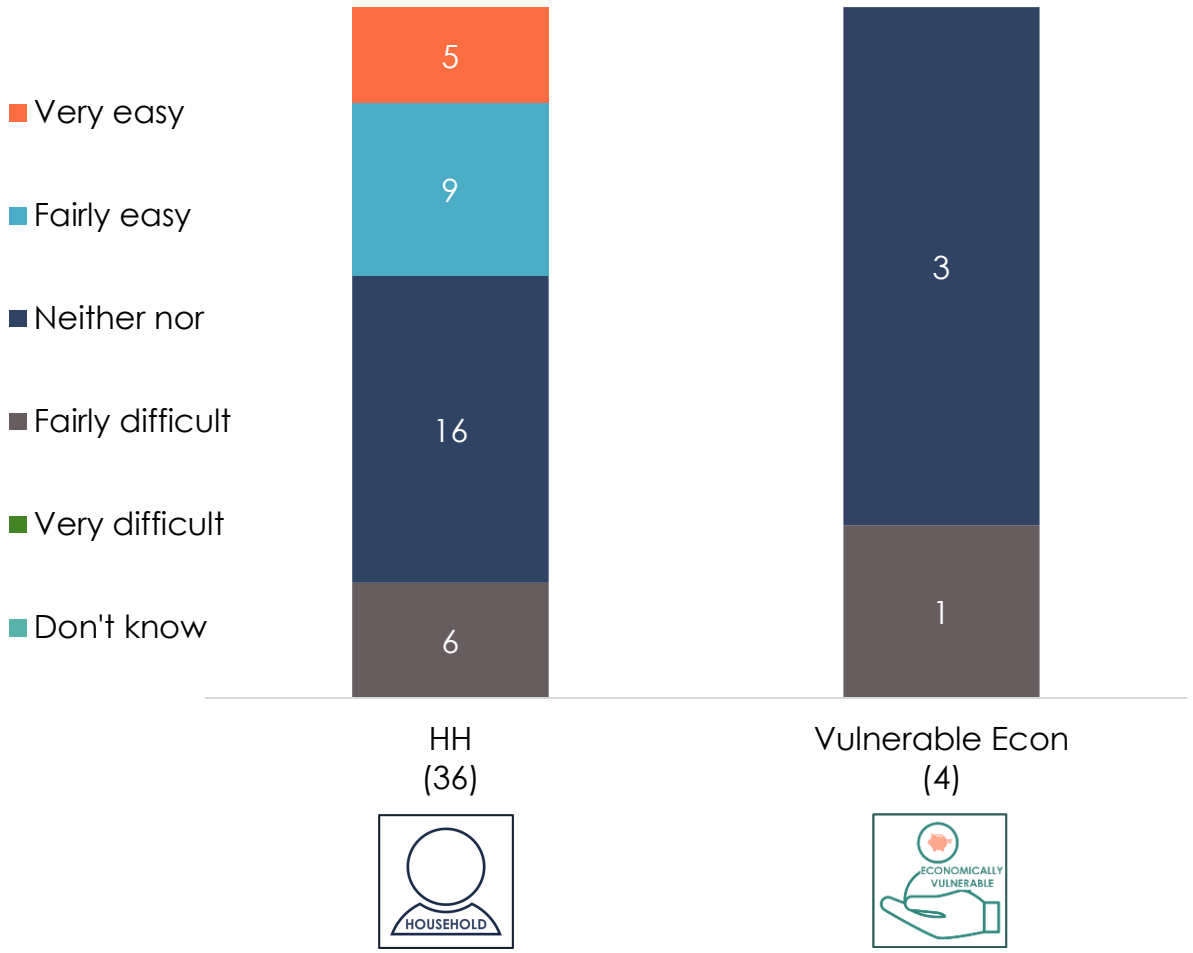
Current bill affordability for water and sewerage services

- A minority (7/40) find it difficult to pay their current water and sewerage bills



"The essential thing when looking at a water company is that everyone has to pay the bill – it's not a choice. Over the last few years people have changed how much they spend on various things, like a holiday – things that are a choice. With essential costs, I think it's making the gap between rich and poor larger. If you're rich you don't really notice your energy bill going up. It's crucial for water companies to look at not increasing the costs year on year. It's morally wrong to keep increasing them."
HH Bath

Source: Pre task Appendix A, B/C, E: How easy or difficult is it for you to afford to pay your current water and sewerage bill?

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Proposed Plan

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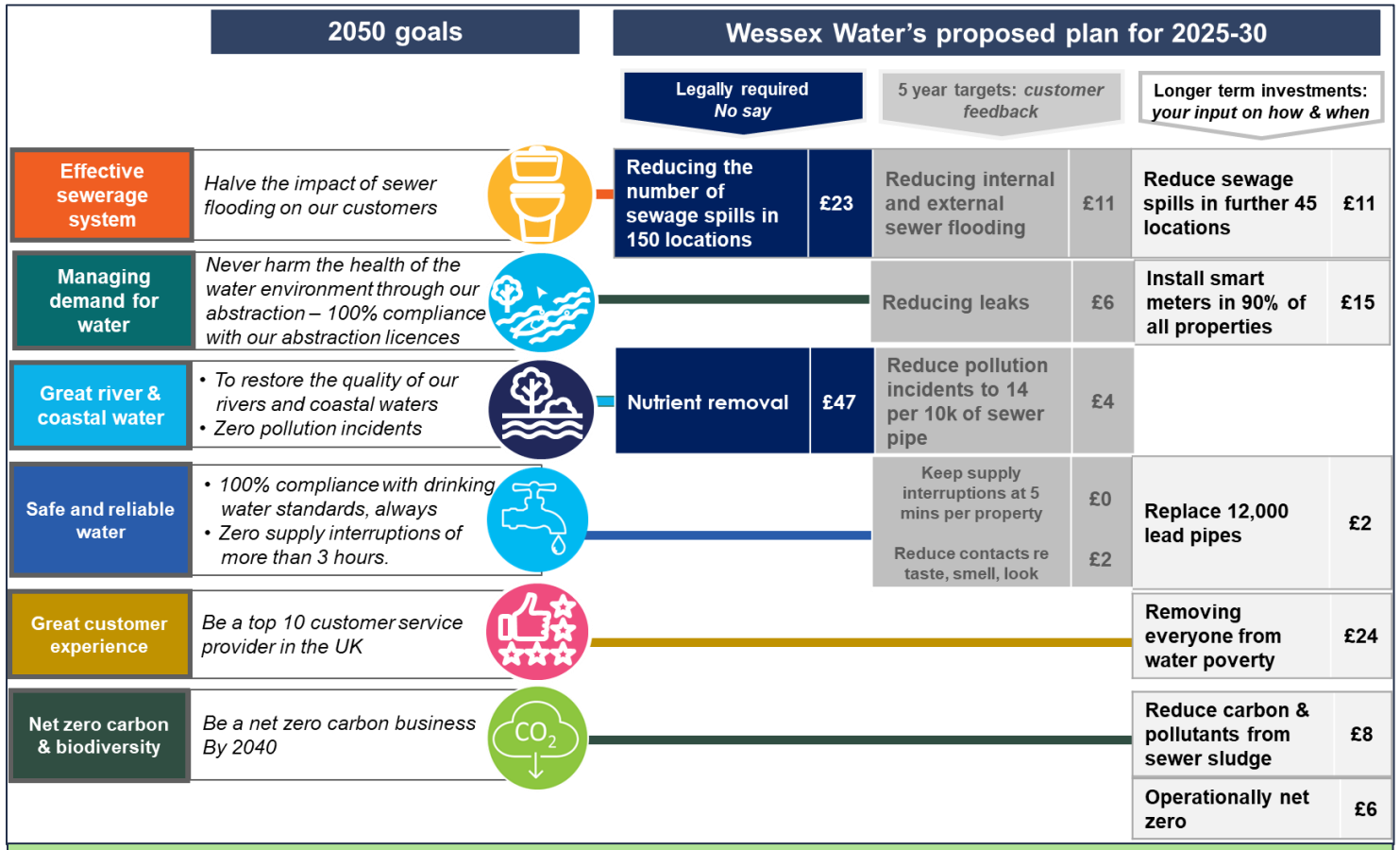


With the proposed plan, your bill will increase by, on average, £32.49 a month (£390 a year) by 2030.

This includes:

- £10.26 a month statutory investment
- £7.99 a month additional investment
- £14.24 a month of inflation.

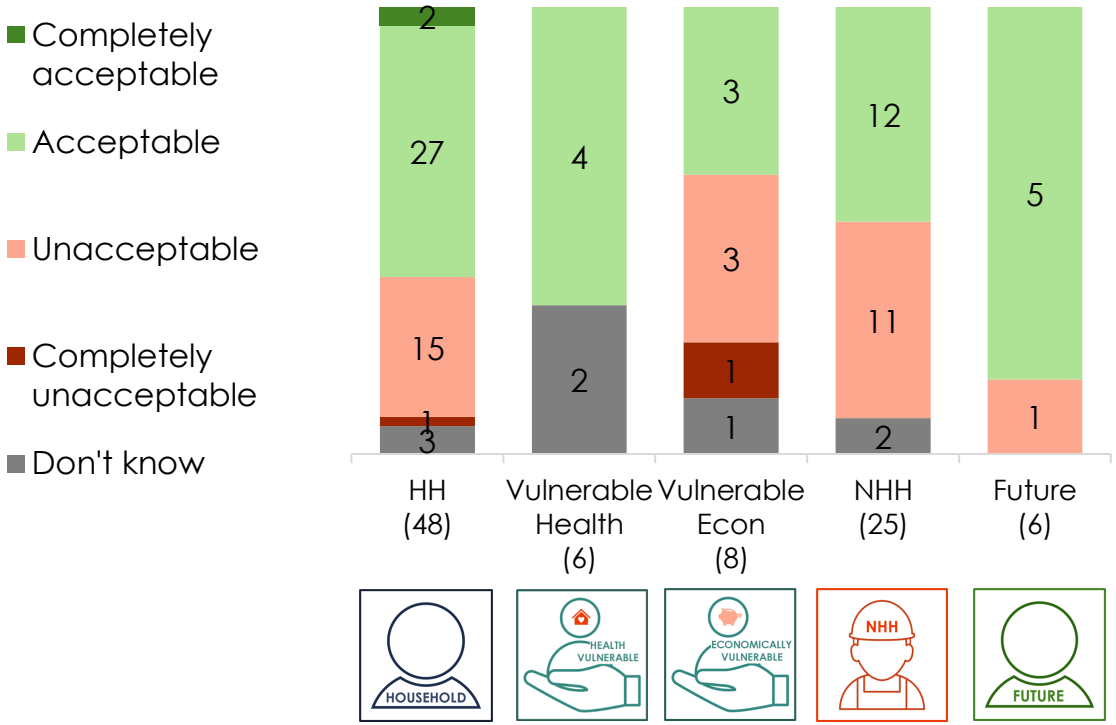
A 1-page summary of the proposed plan was provided as part of the pre-read information with an explanation of the different categories of investment:

- legally required/statutory;
- 5 year performance commitments;
- additional investments proposed to meet longer term outcomes.

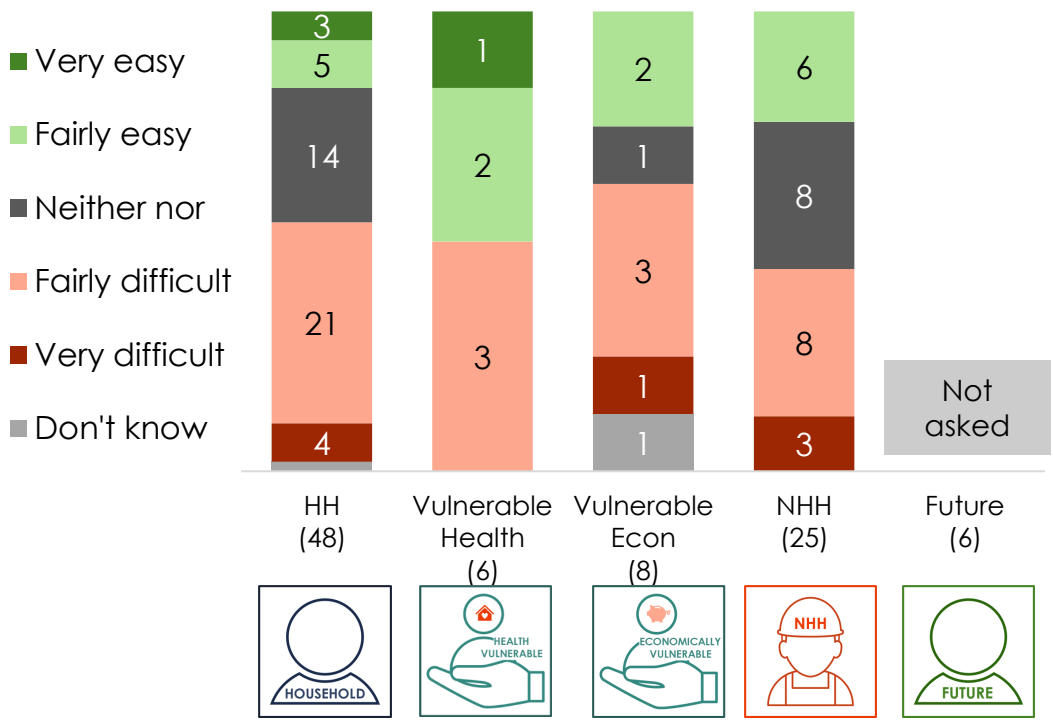
Summary: Proposed plan acceptability and affordability

- Acceptability of the proposed plan is mixed, particularly amongst NHH customers and economically vulnerable customers, who were most critical of the plan
- Customers generally feel that it will be difficult to afford the proposed plan

ACCEPTABILITY



AFFORDABILITY



Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills **for the proposed plan**? Based on everything you have heard and read about the company's proposed business plan, how acceptable or unacceptable is it to you?

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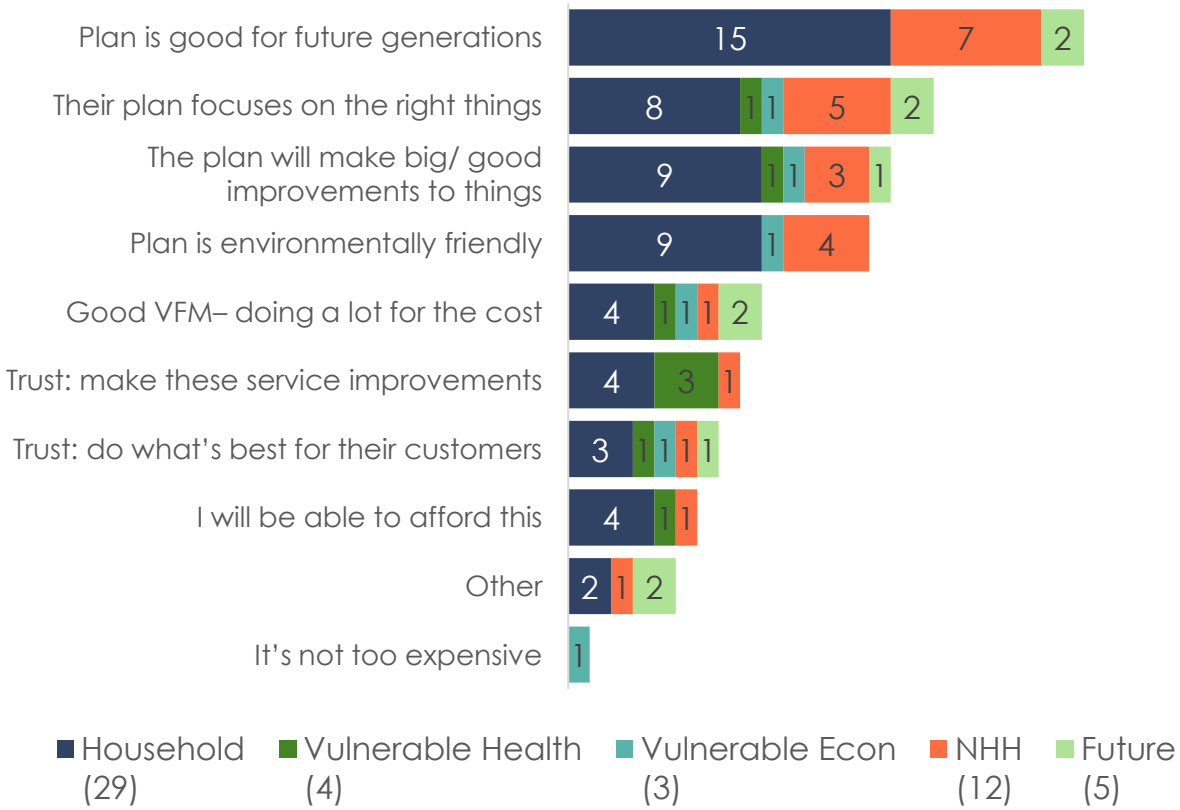
Summary: Reasons for accepting/rejecting the Proposed plan

- The plan is seen as a positive step in the right direction and impactful amongst those who accept the proposed plan
- Those who reject the plan see it as too expensive and believe water companies should have a greater financial responsibility

Reasons for accepting



Reasons for rejecting

Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills **for the proposed plan**? Based on everything you have heard and read about the company's proposed business plan, how acceptable or unacceptable is it to you?

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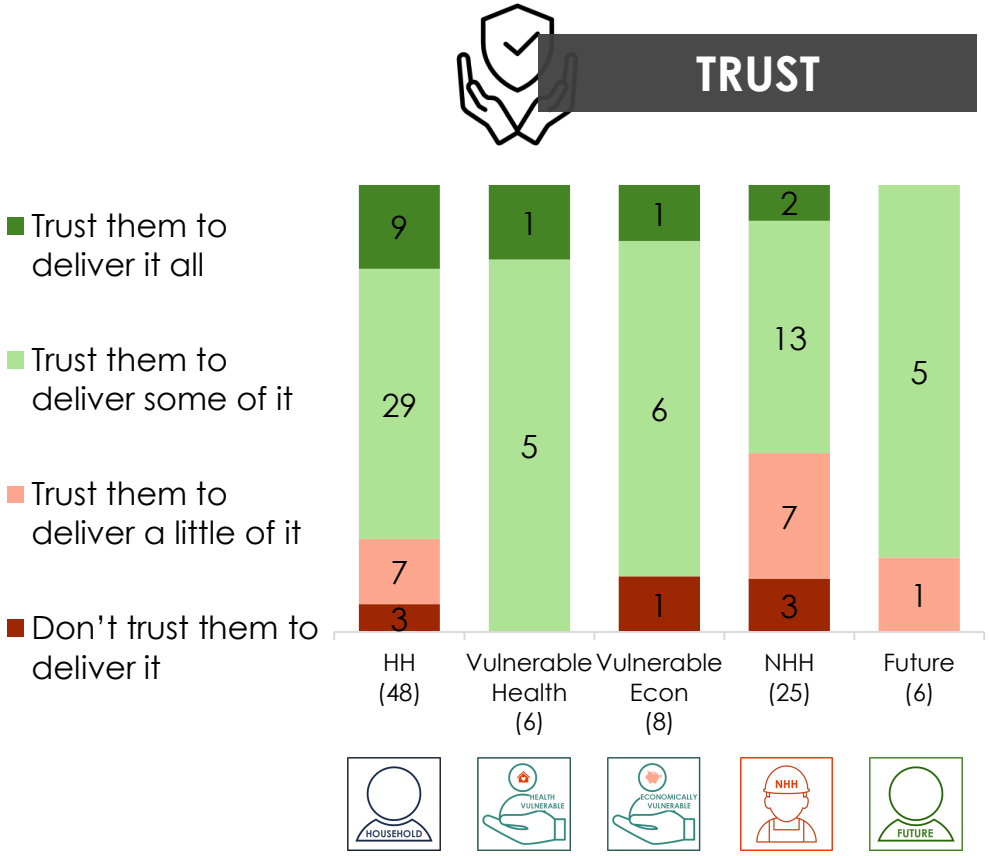
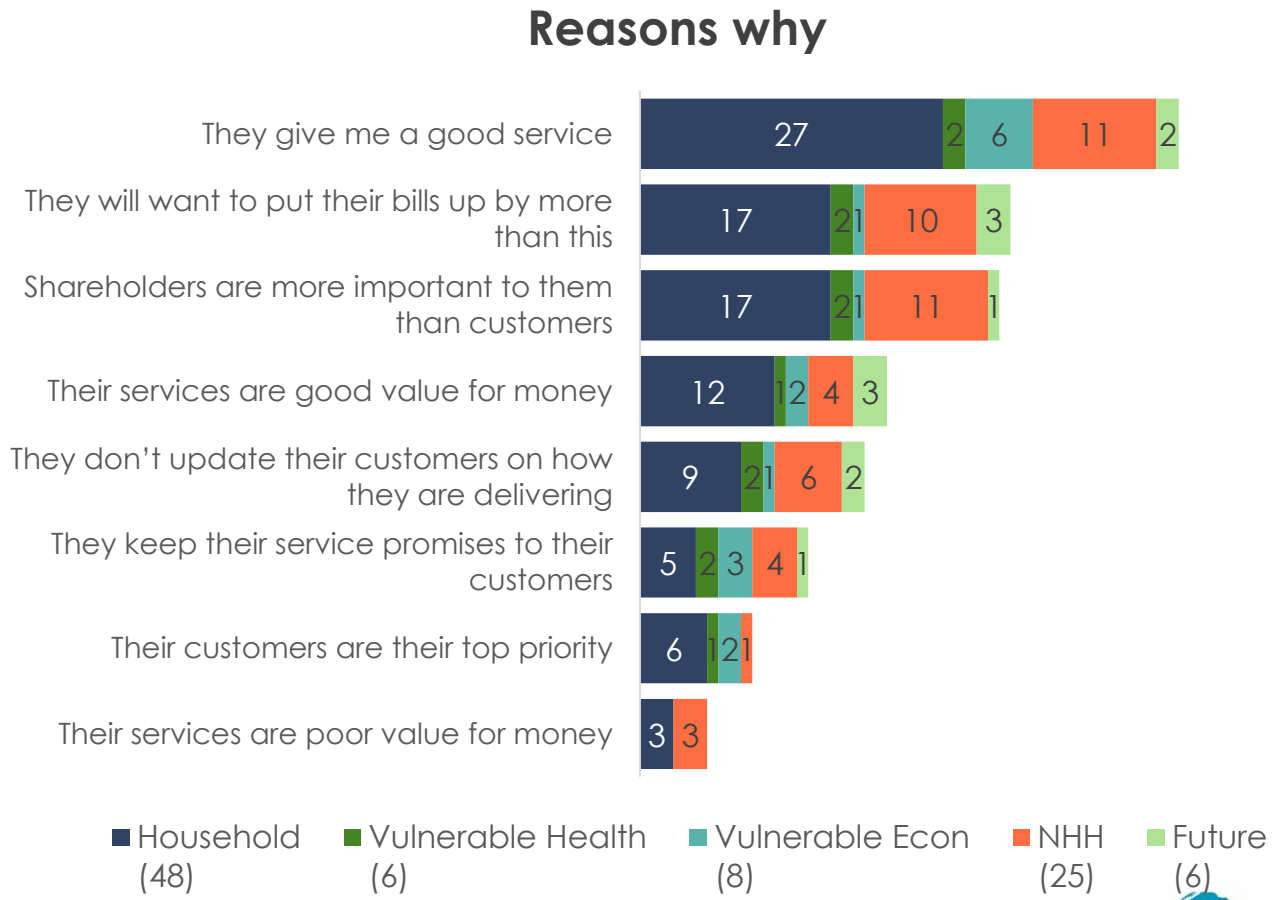
Summary: Trust to deliver proposed plan

- Most trust Wessex Water to deliver the proposed plan to some extent, NHH customers less confident than other groups
- The key driver of trust is Wessex Water's good performance of service but customers also feel that bills will be more expensive than proposed





Source: Appendix A, B/C, D, E: To what extent, if at all, do you trust your water company to deliver their proposed plan by 2030? Why do you say that?

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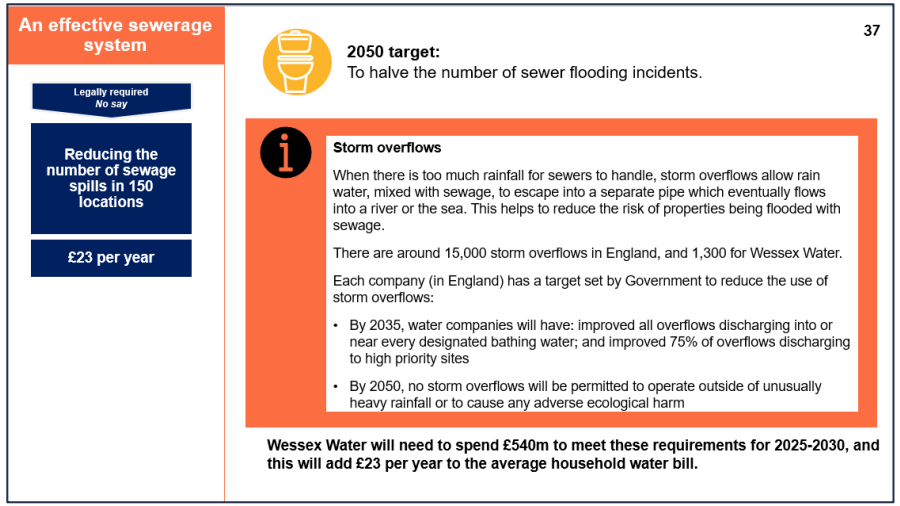
Response to legally required elements: STORM OVERFLOWS

- High levels of acceptance (and support) for this investment with only a small number questioning the role of customers in funding it through bills. NB: legally required investments always shown first and with the knowledge that there is no choice



"2050 is 27 years away and in that time they'll reduce from 1,300 to 650. That doesn't seem very ambitious when you look at the numbers, not the percentages."
HH Bath

Deliberation centres around:

- Awareness of problem and media interest
- Some no longer using rivers/letting family use rivers for water sports/swimming
- Some associate issue with increased rainfall – and see as a growing problem (and urgent)
- Want to know if (quicker) alternatives being sought?
- The hope that expenditure today will mean cost savings in future

Response to mandated investment

- All see as very important and question target: halving by 2050 seems very unambitious
- But acknowledge hard to assess if target is enough
- Pockets of resistance that this is mandatory (for the customer to pay) but overall high acceptance of the necessity of the investment
- Some ameliorate the bill impact e.g. for HHs, £2 a month or 50p a week
- Some are more critical of the need for bill increases at all (esp. NHH): should investment be funded via other means e.g. using profits?

"Should we in this day and age, and in this country, should we be discharging sewage into the sea?"
HH Bath

"Water companies are ATMs!"
HH Bath

Summary	
Important	✓
Urgent	✓
Willing to pay	✓
Able to pay	✓

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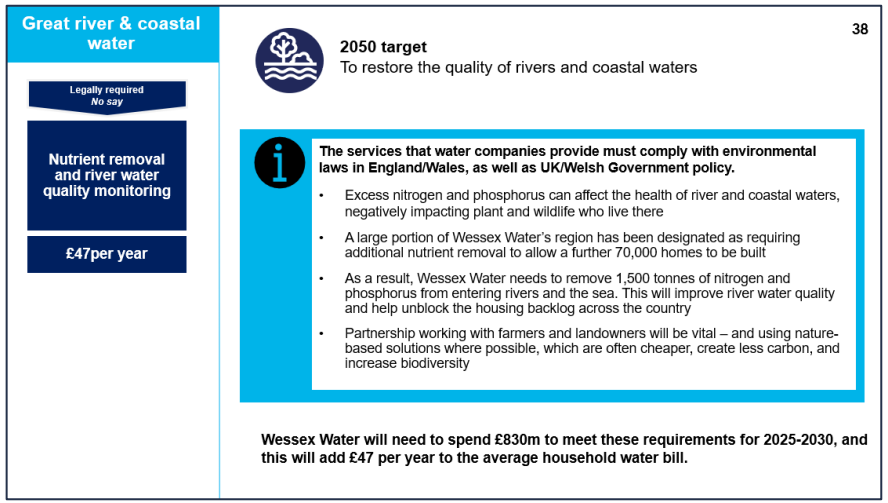
Response to legal required elements: NUTRIENT REMOVAL

- Lower acceptance of nutrient removal investment as the problem isn't known or understood – and it is unclear what is responsible for this (and therefore who should pay)



Deliberation centres around:

- Where are the nutrients coming from? Assume farm run off in which case why are water customers paying – what about farmers?
- Technical, difficult to relate to this investment - 1,500 tonnes is meaningless
- What are the consequences of not doing this?
- Will this trigger new housebuilding which will only go and exacerbate the issue?
- Want to hear about sustainable development – and property companies contributing

Response to mandated investment

- Expensive bill impact: hard to understand the value / benefit
- As most don't understand the issue, how can large bill impact be justified?
- Many accepting however as there is no choice
- But can lead to cynicism about who is profiteering from this and the role of developers

"You'd spend the yearly amount on a night out And it's not right away – by 2030."
HH Bath

"If it is required, it's required!"
HH Bath

Summary	
Important	?
Urgent	?
Willing to pay	?
Able to pay	?

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Response to performance commitment targets

- Many respondents raise spontaneously the rewards and penalties system (that they had seen in the pre-read). They see as illogical and potentially counter-productive (if a missed target means lower revenues to fix it).
- Leakage and pollution targets are frequently challenged as lacking ambition

Wessex Water proposes the following targets for 2025-30 to start to meet its long term goals. 41

		TODAY's performance	Target performance by 2030	What this will add to your bill
Supply interruptions	*Average time without water per household*	5 mins	5 mins	£0
Water Quality	*Contacts per 1,000 population*	1.17 contacts	1 contact	£2
Internal sewer flooding	*Incidents per 10,000 properties*	1.43 incidents	1.04 incidents	£11
External sewer flooding	*Incidents per 10,000 properties*	19.27 incidents	14.5 incidents	
Leakage	*Number of litres lost per property per day*	103.29 litres	93.02 litres	£6
Pollution	*Incidents per 10,000km of sewer*	20.6 incidents	17.6 incidents	£4

"*Improve leakage and pollution but don't charge me for it!*"
HH Bath

"*With each target they are asking for more money. How are they looking to work smarter, change the way they currently operate, use technology?*"
HH Bath

- Agree that this is low priority for improvement

- See as low priority for improvement: perceive current performance is fine
  - NHH emphasise importance of water quality
- Bill impact accepted

- Support target: recognise very few are affected/rare events
- But the **bill impact looks high**

"*If it was gas and they lost x amount per day you'd think woah! But because it is water they act like it's fine. It's a precious commodity, it's not to be wasted.*"
HH Taunton

- Surprise at level of leakage: this PC received the majority of comments
- Very high priority issue: **question ambition of target**
- But also the role of customers in paying for company infrastructure

"*If you don't deal with it now you pay more later*"
HH Salisbury

"*To reduce by 10l/day isn't very much at all*"
HH Taunton

- Important target: **many feel it is unambitious**
- Hard to assess measure (per 10k sewer)

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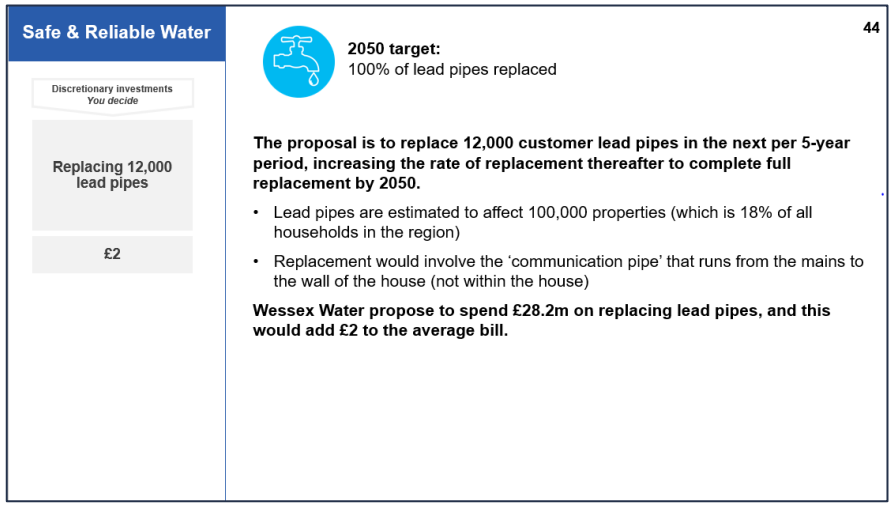
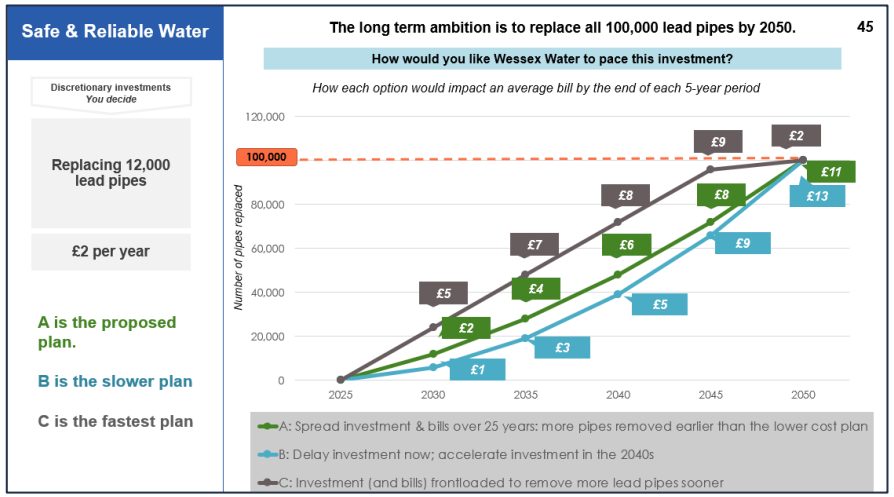
Response to plan enhancements: LEAD PIPE REPLACEMENT

- Most accept the proposed plan for some enhancement to the lead replacement programme





Deliberation centres around:

- Surprise that there is an issue at all
- Should more have been replaced already (and confusion around company vs. customer pipes)
- Lead doesn't affect everyone: should those affected pay rather than all?
- Level of urgency: how great a risk is it (if so serious it would be a legal requirement)?
- Mention of phosphate dosing can alarm (and contradicts other investments to remove phosphates)
- NHH customers are more likely to question: why now?

Response to proposed plan and alternatives

- Target is acceptable (all lead replaced by 2050)
- Majority opt for proposed plan
  - No perceived urgency
  - But unfair to delay and leave to future generations
  - Prioritise other more pressing investments
  - Relatively low bill impact (the slower option not tangibly better)
- Some unwillingness to pay at all
  - Question whether water company and/or those with lead pipes should pay

"The health benefits haven't been laboured that much… it doesn't seem as pressing as sewage leakage or pollution" HH Bath

"I'm all for getting rid of lead pipes but not out of my own pocket" HH Taunton

Summary	
Important	✓
Urgent	?
Willing to pay	?
Able to pay	✓

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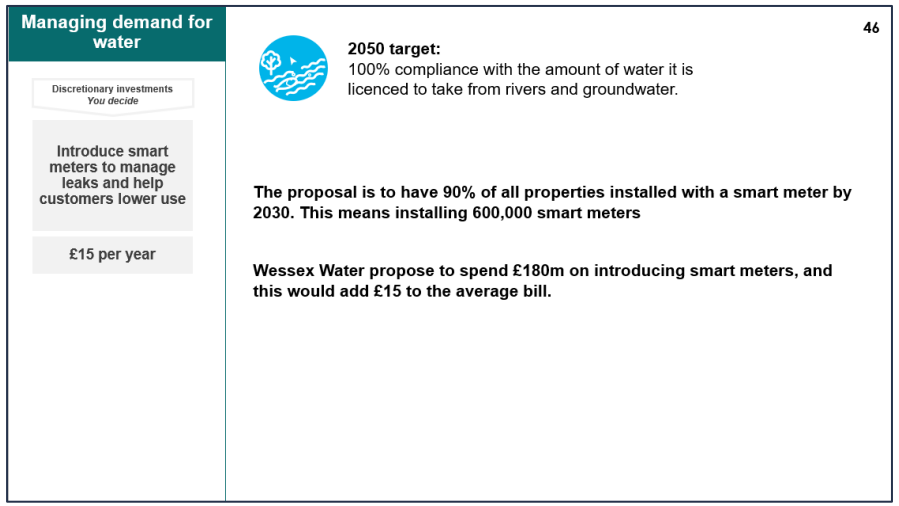
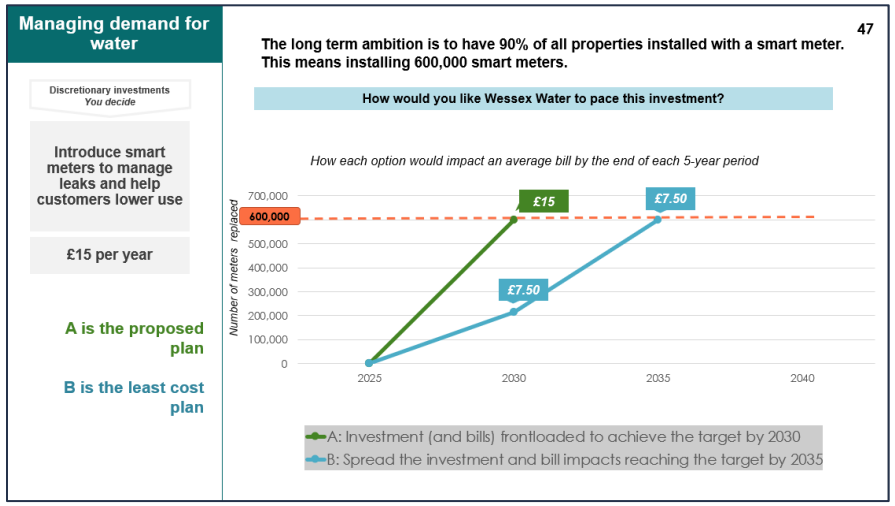
Response to plan enhancements: SMART METER ROLL OUT

- The most contentious area of the plan with low support for the proposed plan to roll out by 2030.





Deliberation centres around:

- Barriers to smart meters: obsessing over usage; adding worry about usage; indifference to energy meters
- For unmetered, loss of ability to use water 'freely'
- Perception that energy smart meters were free – so water should be too
- Unclear about the cost benefit for customers: What saving is likely? Will leak reduction lower bills?
- Particular concerns from the economic and health vulnerable samples
- Perception that these are good for the company (leaks) but not the consumer – question the appropriateness of customers paying

Response to proposed plan and alternatives

- Many question target
- Mixed views on phasing: minority in favour of proposed plan and see the merits of a swift roll out to reap benefits quickly
- However most see investment as a low priority – and opt for least cost option
- Others are not in favour of the idea at all therefore reject the choices – or think customers should opt in (and pay) if want one

"I have smart meter but I don't look at it or turn it on" HH Taunton

"This is not a good use of our money" HH Bath

Summary	
Important	×
Urgent	×
Willing to pay	×
Able to pay	?

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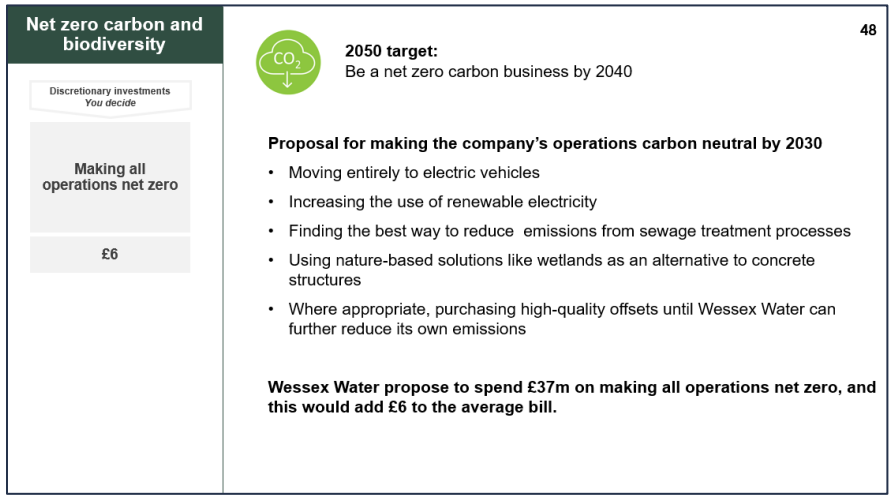
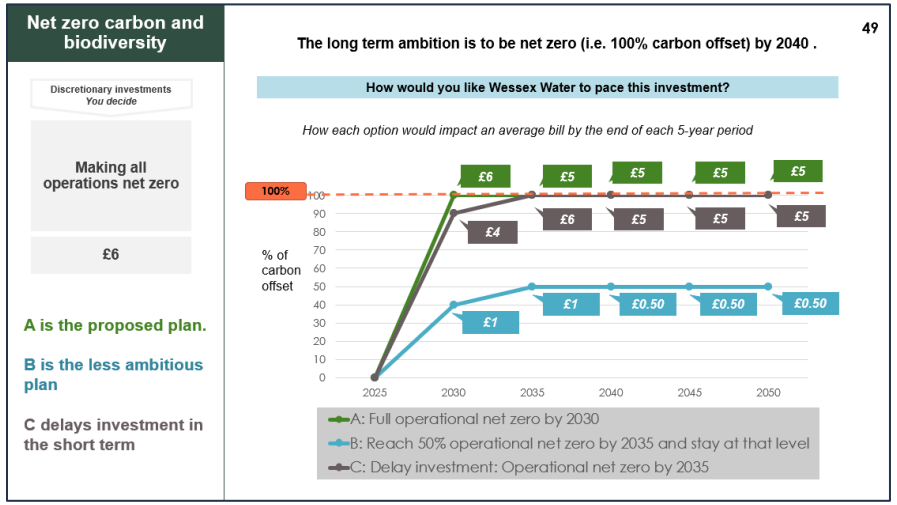
Response to plan enhancements: CARBON NEUTRAL OPERATION

- While the issue is seen as important, customers find it unacceptable they should pay for Wessex Water to transform its operation to net zero





Deliberation centres around:

- Whether customers should pay for net zero at all: it is a requirement of all companies (and the company gets the kudos, not the customers)
  - NHH customers feel EVs and offsets are part of business running costs and should therefore be funded internally
- Should it be an optional extra at all – too important
- Are directors bonused on these targets?
- Question the cost of this – appears expensive (when savings should come from reducing emissions)
- Carbon offsetting is contentious for some (not trusted or understood)

Response to proposed plan and alternatives

- All support the target but many question the approach e.g.
  - Why rush into EV – unnecessary until current vehicles need replacing
  - Use of offsets
  - NHH particularly unwilling to pay a business cost
- Some opt for proposed plan: important issue
- Others for least ambitious:
  - Primarily for affordability reasons
  - Or believe company should wait for better solutions rather than rush for sub optimal ones

"I'd say carbon neutral is what we want and we should get there as quickly as possible"
HH Bath

"I saw [in the news] a haulage co switching to electric. They are paying for that - so why are we paying Wessex to do the same?"
HH Bath

"I'd much rather pay £6 for this than £15 for Smart meters"
HH Taunton

Summary	
Important	✓
Urgent	?
Willing to pay	×
Able to pay	?

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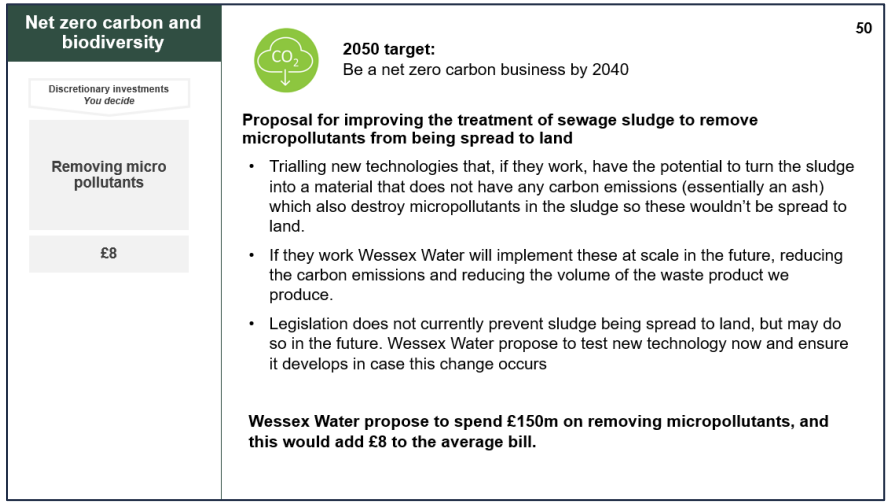
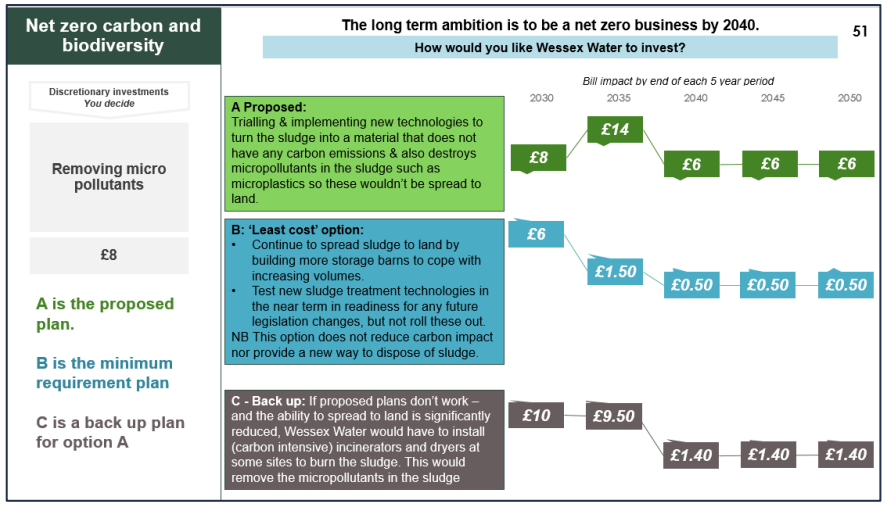
Response to plan enhancements: SLUDGE TREATMENT

- Uncertainties in the plan make customers uneasy about this investment





Deliberation centres around:

- Whether this is investing or 'taking a punt' on tech that might not work
- Lots of uncertainties in the proposal
- Technical, unfamiliar area: but the principle of removing pollutants is good
- Question whether there should be more creative alternatives to generate energy
- Want to see collaboration with other water companies – and government
- Should customers be contributing at all?
- NHH consider this a nationwide issue and tech should be tested in collaboration with other companies

Response to proposed plan and alternatives

- Overriding concerns about the proposal – too many questions and uncertainties
- Legislation likely to change the context – and least cost option in conflict with operational net zero?
- Mix of opinion about plan A or plan B
  - Proposed (A) a more sustainable way to tackle the problem – but with risks
  - Must do (B) for those who don't agree with the proposal and want to wait until there are more certainties

"It's taken a long time to understand the damage caused by farm run off and many rivers are now inhospitable to wildlife. We shouldn't delay action."
HH Bath

"If they said they're ready to go with the technology we'd be OK with it."
HH Taunton

Summary	
Important	?
Urgent	?
Willing to pay	?
Able to pay	?

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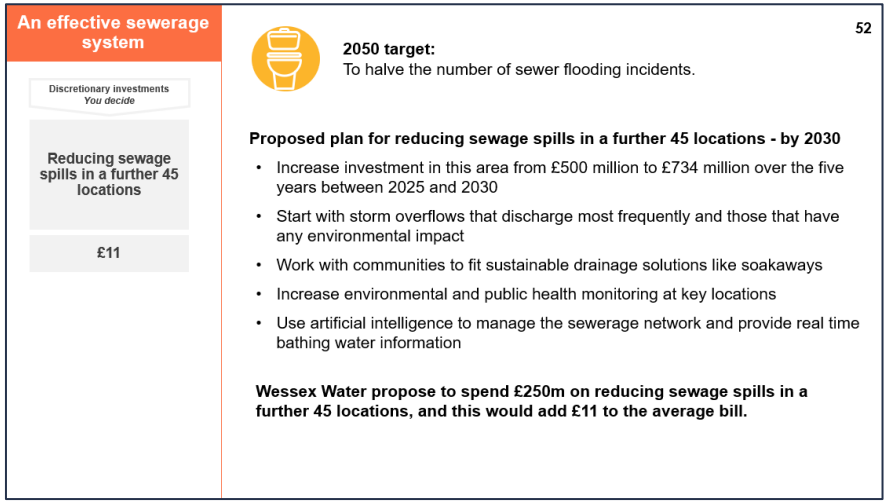
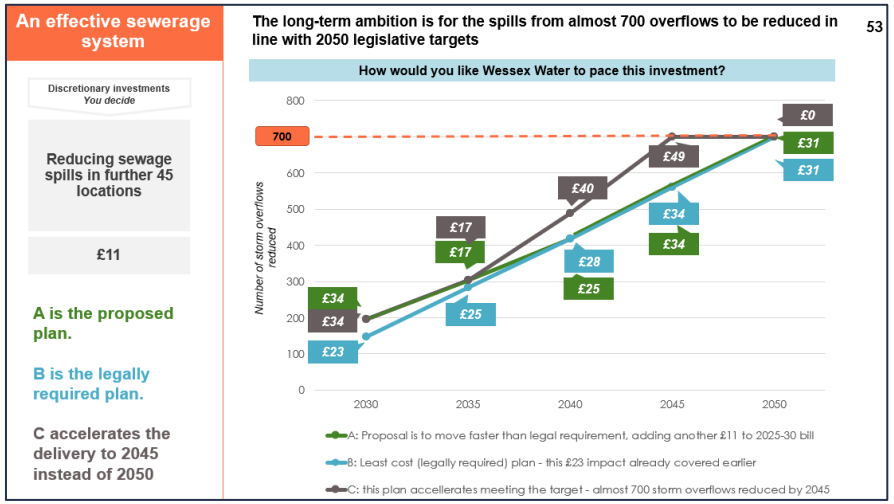
Response to plan enhancements: ADDITIONAL STORM OVERFLOWS

- Having accepted the legally required investment, enhanced investment in a further 45 locations is no longer affordable for many customers





Deliberation centres around:

- The mounting impact on bills – with this extra investment on top of a legally required £23 increase
- Difficulty evaluating the phasing options: the relative merits of A,B and C hard to judge

Response to proposed plan and alternatives

- Agree with overall target, but:
- Concerns about the increased costs starts to outweigh the importance of the investment
- Some opt for the proposed plan despite the increase – see as 'future-proofing'
- Many stick with 'must do' option: the short term acceleration does not appear to be significant in the longer term
- Minority support the acceleration (option C)

"It's a lot. They should look at that again"
HH Bath

"Cost is a big issue for me – to add something extra for a discretionary investment – well I can't pay."
HH Taunton

Summary	
Important	✓
Urgent	✓
Willing to pay	×
Able to pay	?

BLUE MARBLE

Response to plan enhancements: WATER POVERTY

- The large bill impact means there is a cautious response as many are feeling the squeeze. There is most support for delaying investment.

Customer service & affordability — 54

Discretionary investments *You decide*

Removing everyone from water poverty

£24

2050 target:
Zero water poverty – no one spending more than 5% of their disposable income on their water bill

The proposal is to remove everyone from water poverty by 2030 – which means assisting around 100,000 households

- Primarily, using the investment to give financial support to customers in water poverty; also
- Continuing to work with partners such as Citizens Advice to raise awareness and reach customers who need support
- Continuing to fund debt advice partners to increase the number of clients they can advise about bills and debt
- Making it easy to access support: using data to automatically apply bill reductions to customers without the need to complete forms
- Helping customers to save water and energy
- Funding community projects across the region

Wessex Water propose to remove everyone from water poverty by 2030. This would add £24 per to people's bills who are not on social tariffs.

Customer service & affordability — 55

Discretionary investments *You decide*

Removing everyone from water poverty

£24

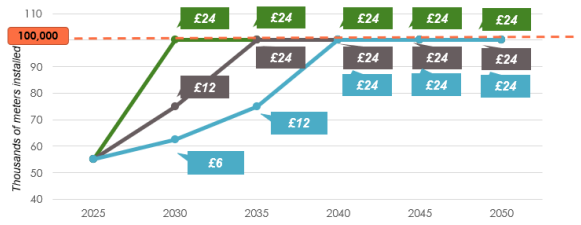
A is the proposed plan.

B is the slowest plan.

C delays investment but not as much as B

The long-term ambition is for 100,000 customers to be lifted out of water poverty

How would you like Wessex Water to pace this investment?



Deliberation centres around:

- Role of water company vs. state in responding to poverty
- Unappealing for the 'squeezed middle' many identify as being in this category
- Some have benefitted themselves: specifically like the idea of removing the administrative burden on those needing the support
- Some question the fairness, how eligibility is decided

Response to proposed plan and alternatives

- There isn't universal support for the proposal and the use of cross subsidy
- While some are supportive of the proposed plan and paying £24 – reflecting the importance of helping people
- Many opt for the middle way (C) to minimise the burden in the short term

"I'm struggling. To have £24 dumped on my bill quickly would be tough. I don't want to see anybody struggle but why should the burden be on my shoulder? Especially when Directors are taking large bonuses?" HH Bath

"I don't think it's fair to put such an increase on other bill payers." HH Taunton

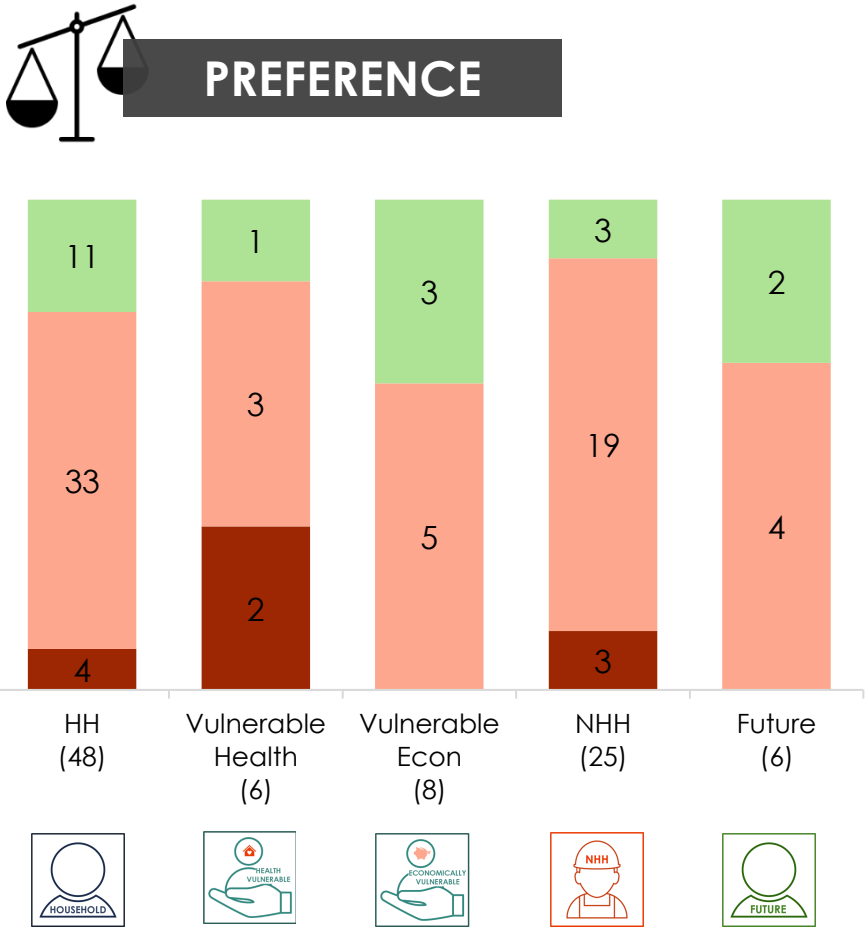
"The squeezed middle are not getting enough help." HH Salisbury

Summary	
Important	✓
Urgent	?
Willing to pay	?
Able to pay	?

BLUE MARBLE

Summary: Preferred Phasing

- Most customers interviewed would prefer seeing an increase in bills starting sooner than later

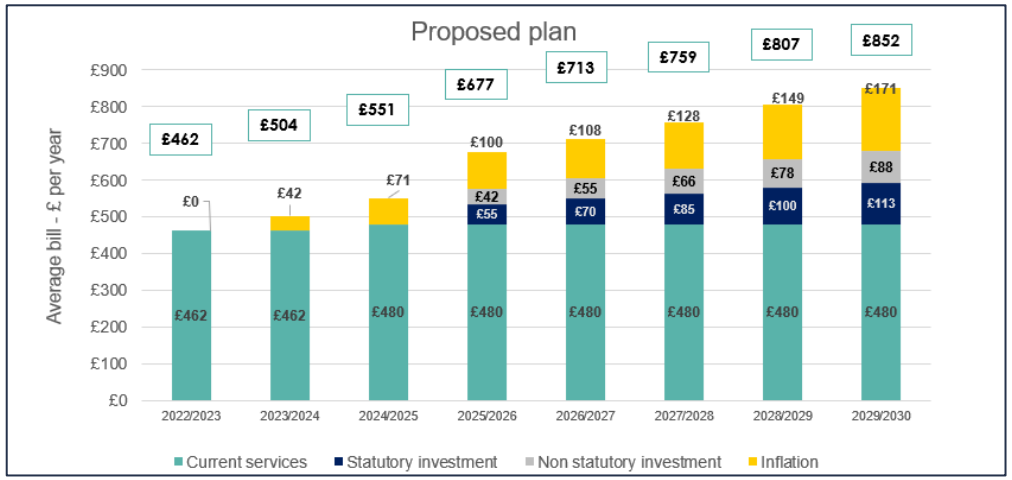


Source: Appendix A, B/C, D, E: Long term investment by the water company will require an increase in customer bills. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer?

BLUE MARBLE

Proposed plan – bill impact (average bill)

- Respondents shown the bill impact based on an average bill (as shown) before seeing their personalised bill as part of the post task exercise



- Surprise and some shock to see the full bill impact to 2030
- Concern for e.g. single occupancy households, pensioners and lower income groups
- Specific shock around the scale of inflation – triggering some to question why bills have to increase with inflation (and how has this been calculated)
- Scepticism that wages keep up with inflation
- The proposals appear to be a relatively small part of the overall bill – but seeing the bill implications causes some to rethink their views on additional investments

"They sound incredibly responsible. They've really thought about what the areas of investment need to be."
HH Bath

"It boils down to whether you trust the water company."
HH Bath

"Inflation is the killer."
HH Salisbury

"It's frightening – bills look like they'll double – and it makes you rethink all of the nice, ambitious things they've proposed."
HH Bath

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With the must do plan, your bill will increase by, on average, £29.36 a month (£352 a year) by 2030.

This includes:

- £10.41a month statutory investment
- £5.34 a month additional investment
- £13.61 a month of inflation.

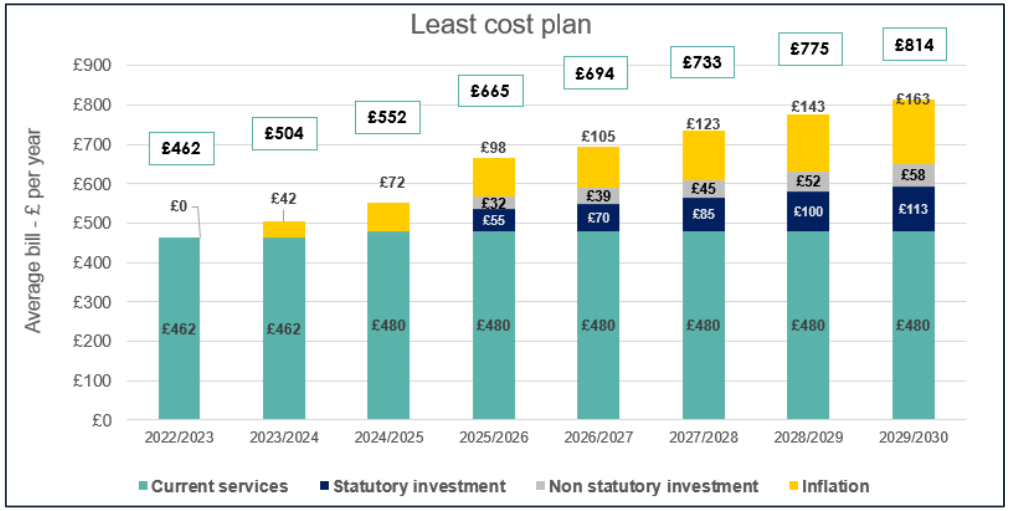
Respondents were shown the must-do plan in overview (as shown).

They were reminded that they had seen each of the 'must-do' elements in the phasing slides, always shown as option B

BLUE MARBLE

Must-do plan – bill impact (average bill)

- Signs of 'loss aversion' on being shown the must-do plan: losing too much without a big enough bill reduction



- The cost difference between the two plans is comparatively small… for some this makes them lean towards the proposed plan as better value overall

General themes;

- Environmental benefits are high priority
- Smart meters, operational net zero and water poverty are the areas that many are willing to delay (or in the case of smart meters, don't want at all)
- Affordability is polarising issue – some wouldn't sacrifice this
  - Others feel that water poverty is the responsibility of the government and/or water company
- Lead pipes low priority but also has a low (£1) bill impact

"It's scary. Really scary. An extra £32 a month on top of food, electricity, life. Why can't the government do more? Why is this all passed onto the consumer?" FUTURE CUSTOMER Bath

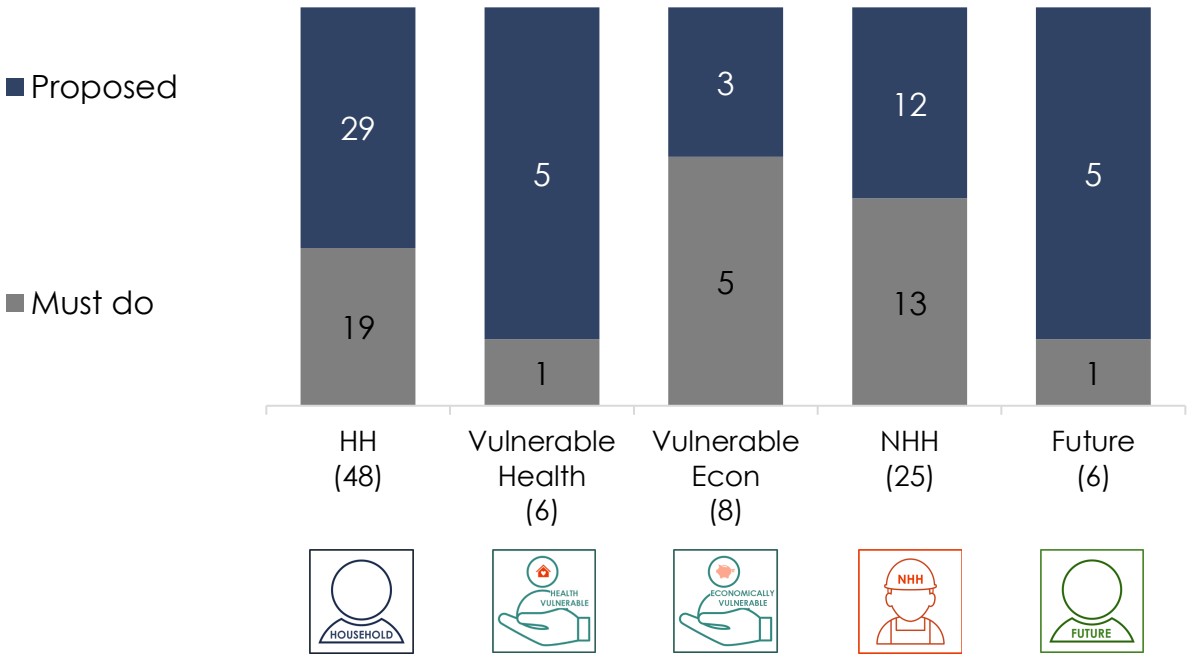
"To be honest, even in this scenario bills are still going up massively so given what we are going to HAVE to pay in terms of regulatory imposed actions and inflation, we may as well pay a bit more and get the things WE want" HH Bath

BLUE MARBLE

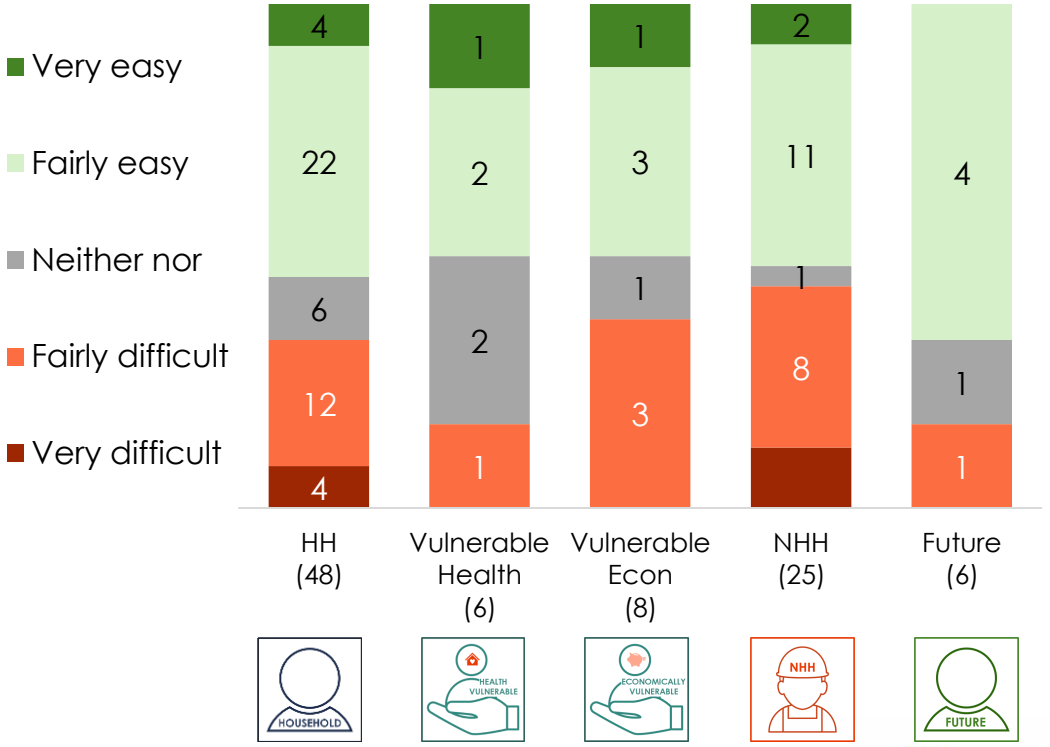
Proposed vs. Must do

- There is an overall preference for the Proposed plan, though the Must-do plan is on equal footing amongst NHH customers
- Future customers appear much less keen to delay investment while the economically vulnerable favour the lower cost plan

Proposed = 54/93; **Must do** = 39/93



Ease of choosing



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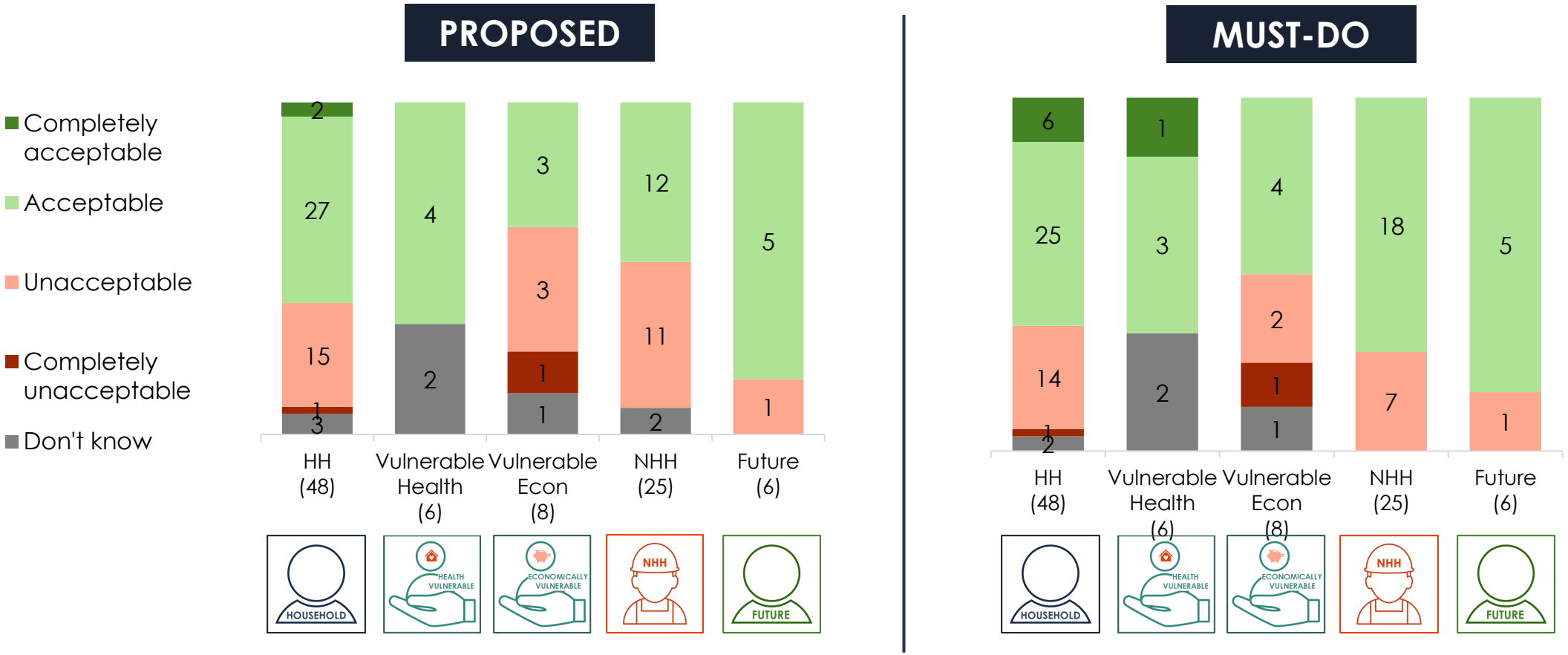
Summary: Proposed and 'must do' plan (personalised bill)

ACCEPTABILITY

- The 'must-do' plan is marginally more acceptable than the proposed plan when people are evaluating the bill impacts based on their personal bill



Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills **for the proposed plan**? Based on everything you have heard and read about the company's proposed business plan, how acceptable or unacceptable is it to you?

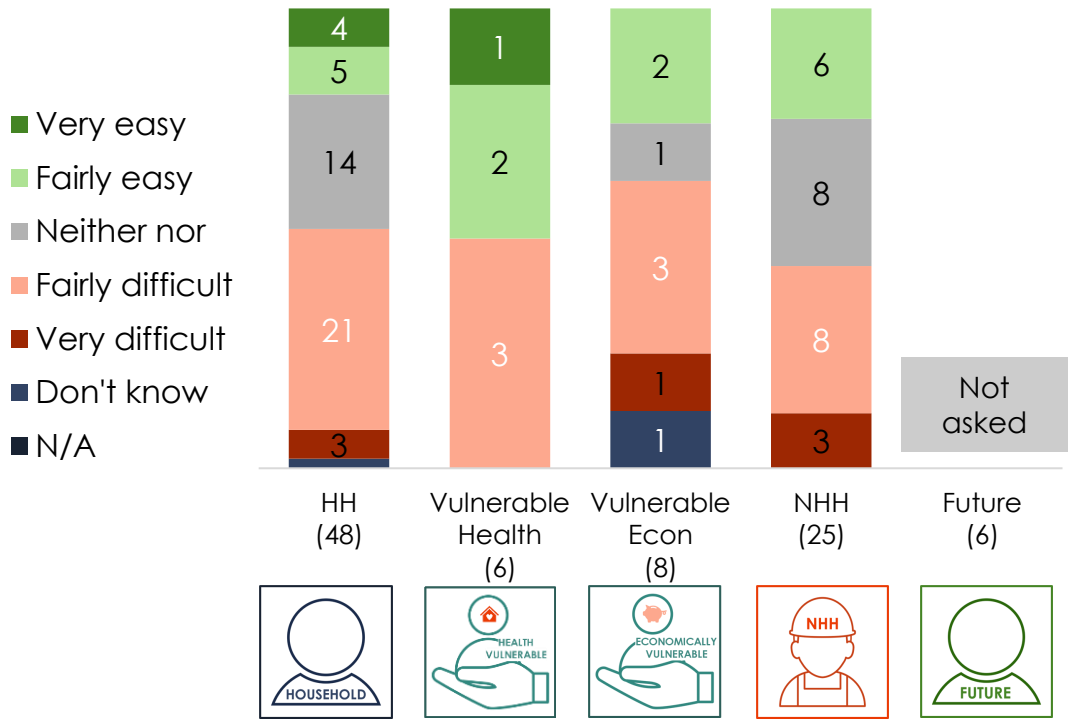
BLUE MARBLE

Summary: Proposed and 'must do' plan (personalised bill)

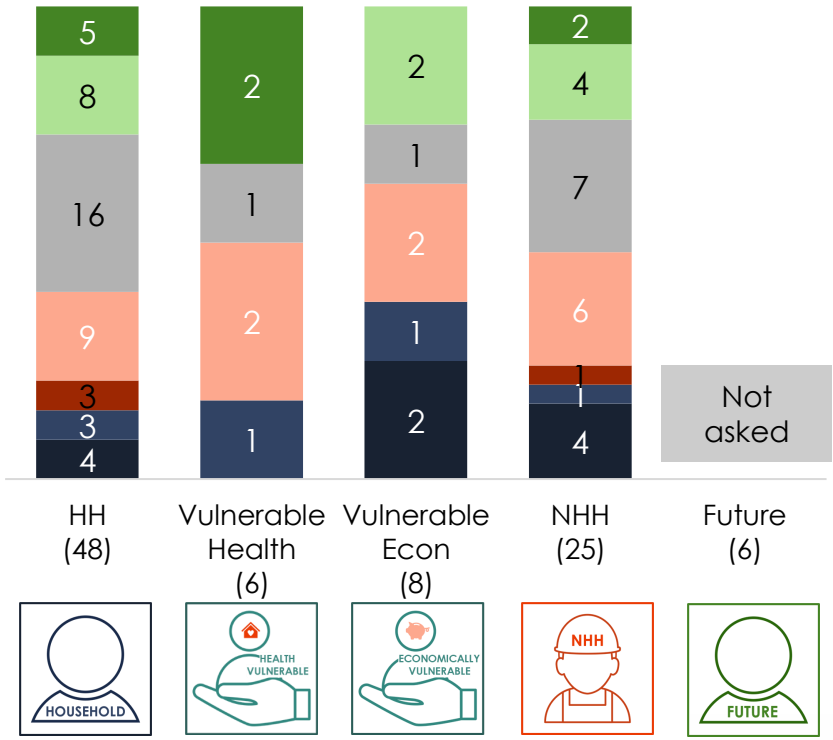
AFFORDABILITY

- The must-do option is slightly more affordable for the HH sample but does not make a notable difference to affordability for the vulnerable audiences

PROPOSED



MUST-DO



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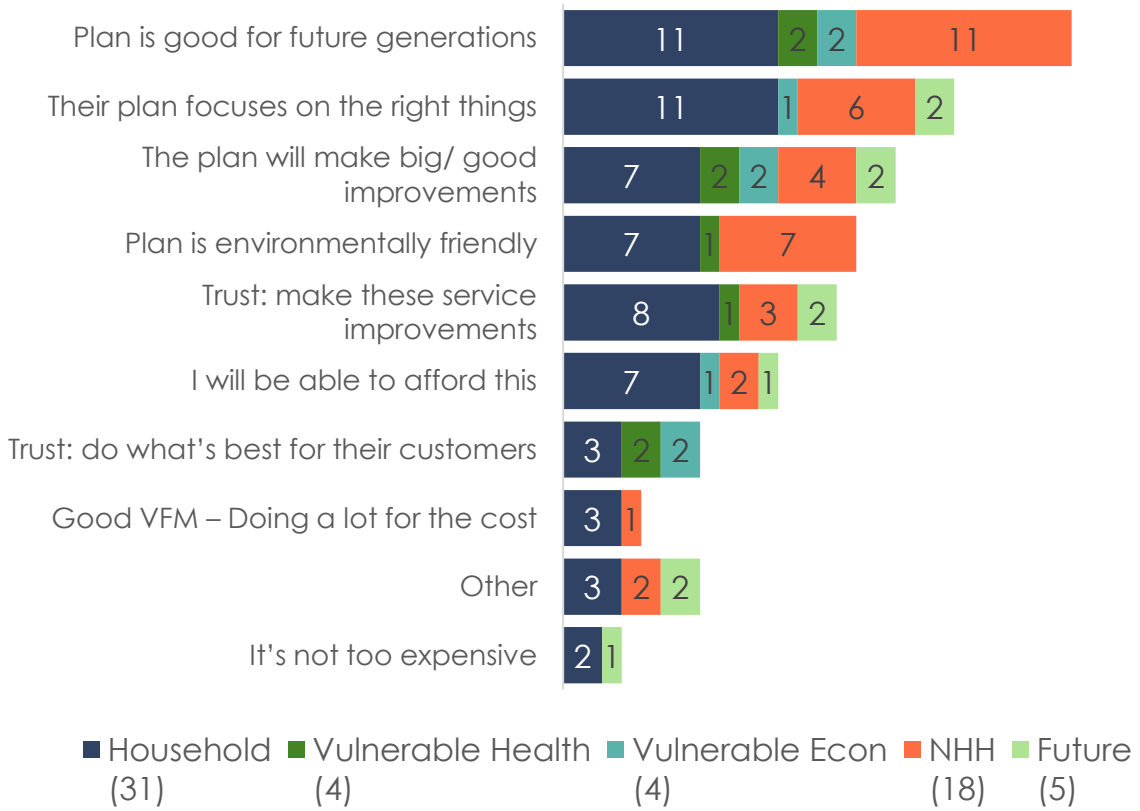
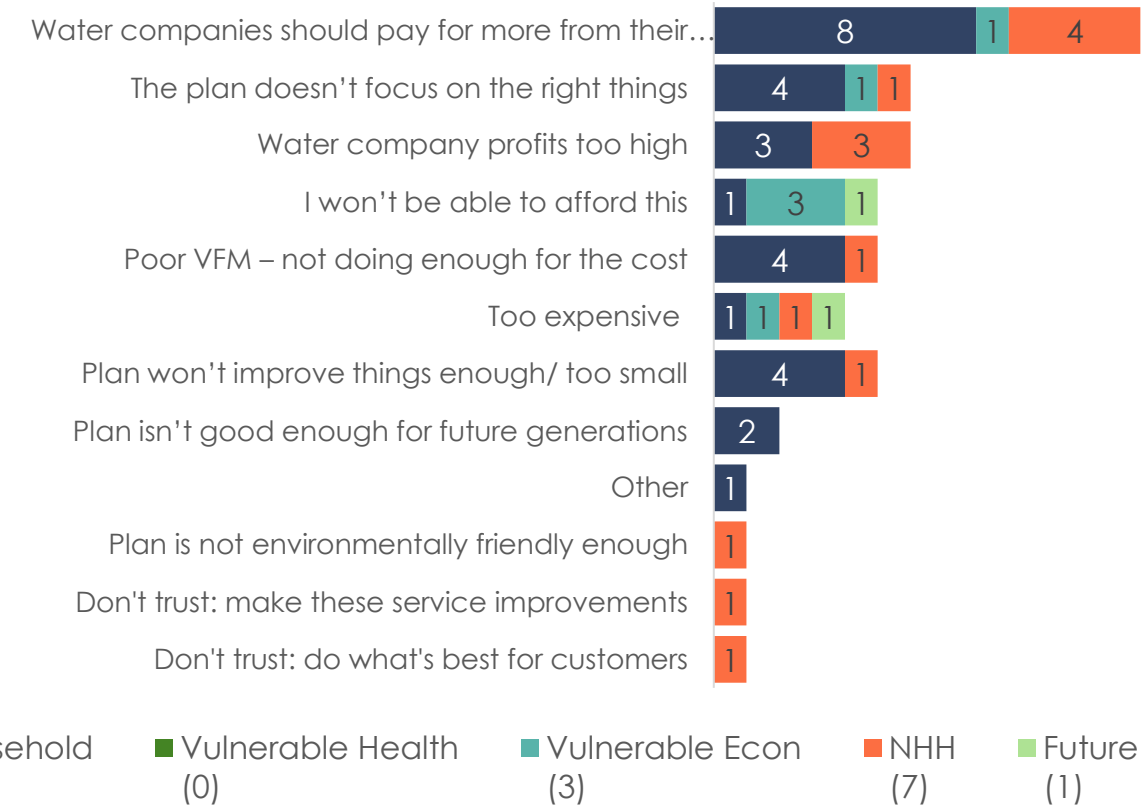
Summary: Reasons for accepting/rejecting the Must Do plan

- Similar to the proposed plan, those who accept it see it as a future thinking and believe it would make a notable improvement
- This plan is largely rejected as customers believe water companies should pay more for the plan and it doesn't focus on the right things

Reasons for accepting



Reasons for rejecting



Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills **for the proposed plan**? Based on everything you have heard and read about the company's proposed business plan, how acceptable or unacceptable is it to you?

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Conclusions and recommendations

- Ability to pay and willingness to pay are difficult to disentangle in the deliberative discussions
- Conversations often lead back to the role of customers in funding some aspects of the plan

Customers least supportive where the investments:

- Relate to what are perceived to be business costs (e.g. converting to EVs)
- Benefits not understood/approved (smart meters)
- Where they think they are paying for previous underinvestment (lead?)
- Where they think shareholders are being put before squeezed customers (affordability)
- May not work/be effective (sludge disposal)

Customers support the plans where the investments:

- Relate to environmental improvements
- Relate to issues that are perceived important/ relate to known problems (sewer spills, leaks)
- Have been mandated (which takes the burden off the consumer to approve or not)
- Where the bill impact is small (lead)

What will improve plan acceptability & affordability?

- More ambitious leak and pollution performance commitments
- Non compulsory smart meters – or developing a stronger proposition around smart meters and benefits to customers
- Reducing the cost burden for economically vulnerable (who are least accepting)

Presentation and context would support customer understanding of the plan e.g.:

- Commitment to deliver innovation and efficiencies to mitigate bill increases
- Evidence of collaboration with regional stakeholders and across the industry

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Emma Partridge emma@bluemarbleresearch.co.uk

Sonali Patel Sonali@bluemarbleresearch.co.uk

www.bluemarbleresearch.co.uk

MRS Evidence Matters™ Company Partner

Additional segment analysis for Health Vulnerable and NHH customers

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Sample profile – Health Vulnerable

Health vulnerable sample achieved = 8/8

- ***Age**: 2 x under 45, 6 x over 45*
- ***Gender**: 4 x F, 4 x M*
- ***Metering**: 3 x metered, 5 x unmetered*
- ***PSR status**: 4 x on PSR (2 also on Pension Credit ST)*
- ***Examples of vulnerability include**: mental health problems, heart & lung condition, old age wheelchair user, COPD*
- ***Recruitment**: 4 list opt ins, 4 free find*
- ***Social grade:** wide range from an ex stockbroker to someone on Universal Credit*

Consumer context

- Life challenges often relate to living with health conditions (and then financial issues)
- Concerns about the state of the NHS
- Examples of social isolation (poor mobility)
- Reliance on families
- Experience/perceptions of WW in line with main sample but some comment very positively about extra support

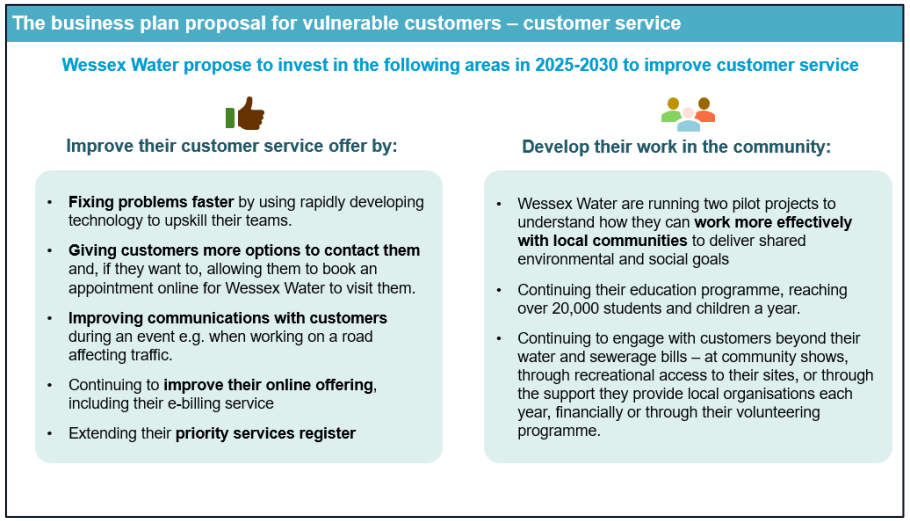
Pre-read: Spontaneous views on additional support via PSR / social tariff

- Some are not sure if on PSR or not (one recalls filling out forms but no other confirmation or experience)
- Others have not heard of it – and want to know more
- Question how the PSR will support those with mental health issues
- Lots don't know about the type of help available general

What needs do this segment have?

- Simpler bills: example of someone on low income who actively manage their limited finances finding the bills confusing
- They want to be aware of the range of support available (tariffs and services)
- A clearer understanding of what constitutes 'vulnerable'(example of customer who has missed out on other types of support as 'not vulnerable enough'). Not all will anticipate they will benefit from plans – and may indeed be funding them.

Health Vulnerable



Vulnerability strategy receives mixed views

- On the one hand this looks impressive: Wessex Water demonstrably caring for its customers
- However some concern that this level of support is beyond expectations of a company (when services are being paid for by other customers)
  - Some perceived the strategy to be comprised of too many projects or areas of investment, some of which may not be essential for the company to implement in the 5 year plan within the current cost of living crisis context.
- Primary question mark over the community work: what is it and what is its role/value/purpose?

"Being more present at shows and being out there makes them more accessible and seem more friendly. The water company seems a bit closed off."
HEALTH VULNERABLE

"Their business is to supply water to households but they're going into being social helpers - we already have a social system why are they doing that? Their basic job is to deliver water - why are they getting so embroiled with this - I don't see the logic of it. I can understand using data wisely … if you're losing water you've got a bad leak. None of this is about delivering water to people's houses. All it's going to create is more office jobs to be funded by the water payer - especially with the way things are going in this country."
HEALTH VULNERABLE

BLUE MARBLE

Health Vulnerable

Social Tariff – what is it?

All major water companies in England and Wales have schemes to give lower bills to some customers who might otherwise struggle to pay. These are called **social tariff schemes**.

- In line with Government rules these schemes are mostly funded by charging other households a bit more on their bills. This is what's also known as a **cross-subsidy**. There are a number of examples of cross subsidies in day-to-day life. For example, concessionary tickets for children or pensioners to attractions (e.g. the cinema, theme parks etc.).
- A cross-subsidy for social tariffs adds £6.50 onto the average annual bill for Wessex Water customers.

To date, Wessex Water have helped more than **55,000 households** afford their ongoing water bills or repay their debt through a variety of low-rate tariffs and payment schemes.

Some examples of Social Tariffs that Wessex Water offer include:

Reduced bill: Assist	Bill cap scheme: WaterSure	Discount for low income pensioners
Assist is for customers who are struggling to pay their bills and need a discount.	WaterSure helps reduce water bills for households who use a lot of water for reasons beyond their control e.g. a medical condition	For customers who are in receipt of Pension Credit, or where the state pension is the only source of income for all adults in the household.

The business plan proposal for vulnerable customers – affordability

Wessex Water propose to invest in the following areas in 2025-2030 to ensure bills are affordable

- Increase the **number of households on their range of affordability schemes** to at least 100,000 by 2030.
- Continue to **work with a wide range of partners** across the Wessex region, such as Citizens Advice and local charities, to raise awareness of the support they can offer and reach customers who need them most.
- Continue to **fund their debt advice partners** so they can increase the number of clients they can advise about their bills and debt.
- Make it as **easy and quick as possible to apply for the support they offer** and use data to automatically apply bill reductions to customers where they can without the need to complete an application.
- Help customers, particularly those on water meters, to **save water and energy.**
- Continue to **fund a number of local community projects** across the region through the Wessex Water Foundation aimed at improving access to services and building financial capability.

Affordability plans

- Increase in support to 100k customers is queried: why this number? Will increasing bills put more people into the bracket who can't afford?
- Funding debt partners called out as sounding very expensive (beyond water company remit) – envisage funding for high street branches of CA etc.
- Some pensioners feel financially compromised as they are now on small/fixed pensions (that they feel are being eroded already)

"I assume they think they aren't helping enough people who are deserving of it - in that case good luck to them. I would support it."
HEALTH VULNERABLE

"It seems like they care and that they want their customers to be proud of them, working for the people and not working for the money. Being more involved with your customers makes you more reliable, more trustworthy."
HEALTH VULNERABLE

"I don't come under that because I'm on the threshold because I've been careful i lose out and there must be thousands like me. means they can't do anything. there are people really struggling but maybe they need to look into why their struggling - going off and buying 10 pints of lager!"
HEALTH VULNERABLE

BLUE MARBLE

Health Vulnerable

Priority services register – performance commitment

As we saw earlier, water companies service level targets, called 'performance commitments' for which they can receive penalties (when the do not achieve the target) or rewards (when they do).

The **Priority Services Performance Commitment** is one that has no financial penalties or rewards for companies, but companies are scored on how well they do just like they are on other performance commitments.

For Priority Services, the regulator tells water companies to:

- Keep accurate and up-to-date information on consumers who need specific help or service
- Make sure all consumers are told about the specialised priority services that are available
- Make sure the application process is easy to access, to understand, and to complete
- Make sure consumers can find all the information they need in a form they can use and understand
- Make sure that bill payers who need special assistance know how much they need to pay and when they need to pay by
- Operate a password scheme to make sure that consumers can identify company staff from potential bogus callers
- Make sure all metered bill payers can check their water usage regularly
- Make sure that disabled consumers know which of the company's public buildings and recreational facilities are equipped to cope with their needs
- Make sure that all staff are fully aware of the needs of, and services available for, disabled, chronically ill or elderly consumers

Priority Services PC

- Some happy to see a water company providing this kind of support (for others, more expected)
- No criticisms of the commitment
- Of key importance to this audience is up-to-date information on how to apply.
  - One customer had lost an information letter and received no follow up information.
- Most find Wessex Water's current performance acceptable (+3% on industry comparison)
  - While it is not performing significantly against target, it is seen to be doing what is needed

"They were helping people before people needed so much help. Makes them more trustworthy as a company because they care about their customers and they want feedback."
HEALTH VULNERABLE

"I know what it is (PSR). I'm not sure if I'm on one."
HEALTH VULNERABLE

- Overall, in the post task survey (completed by 6 Heath Vulnerable respondents, all positively endorsed by the vulnerability plans (4 of the 6 saying they endorsed them 'completely')

Source: Appendix E: Thinking about the company's proposals for vulnerable services how acceptable or unacceptable are these to you? Health Vulnerable customers (6)

BLUE MARBLE

Health vulnerable: Response to plan on a page – affordability and acceptability

- Mixed reaction from health vulnerable customers to the plan on a page; some accept the whole plan, while others challenge water poverty and net zero discretionary investments.
- Those not on PSR or economic support perceive the bill impacts for the proposed plan as unaffordable (NB Must-do plan not explored).

"I think if we took all the money out then it's really good goals, what they're trying to do by 2050, their end result goals are really good. I like everything they're trying to do, I just don't know my financial situation in 2030. Because I'm on the Sure Start [sic] scheme, I don't know what my bill would be if I were a normal person…I don't know what that increase would be on top of my bill."
HEALTH VULNERABLE

Deliberation centres around:

- Net zero plans: for some unacceptable as requiring governmental, not customer, investment.
  - Some strongly believed that achieving net zero is an unimportant target for the water company.
- A few were concerned that the water poverty goal only targets those in water poverty and had no benefit for other customers.
  - Also concern re relative high cost of 'water poverty' target.

Response to proposed plan:

- Overall acceptance of proposed plan with caveats (above)
- Those already on Social Tariffs accepted the proposed plan and believe it would be affordable if subsidies remain same.
- However, health vulnerable customers (some on PSR) anxious about paying for the the full set of discretionary investments over the 5 year timeline.
  - Health v customers think their health deterioration will make them less able and willing to pay in the future.

"(I do not accept) Net zero carbon. I don't believe that the UK is able to make anything other than a drop in the ocean on tackling this when countries like USA and China are going to continue."
HEALTH VULNERABLE

"How do they intend to do that? (Water poverty). People who struggle with bills are probably unemployed or on benefits, so it's not just the water bill that's the problem, they aren't going to be able to pay for other things as well."
HEALTH VULNERABLE

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Sample profile – NHH

Non-household sample achieved = 26/26

- ***Size**: 18 x micro NHH, 8 x larger NHH (over 10 employees)*
- ***Examples of business type include**: hairdressing, accountancy, plant nurseries, property maintenance*
- ***Usage type**: 22 x domestic, 4 x non-domestic*
- ***Usage volume**: 18 x low spend, 8 x high spend*

The economic climate has had a significant impact on businesses

- It has been a very difficult few years for businesses having to deal with the disruption of COVID, the impact of Brexit and the cost of living crisis
- However, though they are conscious of their bills going up, they were not against paying for investments that they felt needed to be done

Overall, NHH customers were more likely to emphasise the important of responsibility

- They feel more strongly that certain investments should be funded by water company profits, rather than through customer bills; in particular: net zero
- They are more likely to place importance on environmental responsibility; from a business lens, this is something that all companies should be aiming towards

""Any business that's a net zero business is good, because that's the future and you're going to attract a lot more customers generally."
NHH

"We are getting knocked all ways by [the cost of living crisis]"
NHH

"Covid was a massive challenge because people didn't go out, and even when we offered delivery, some people were still very cautious."
NHH

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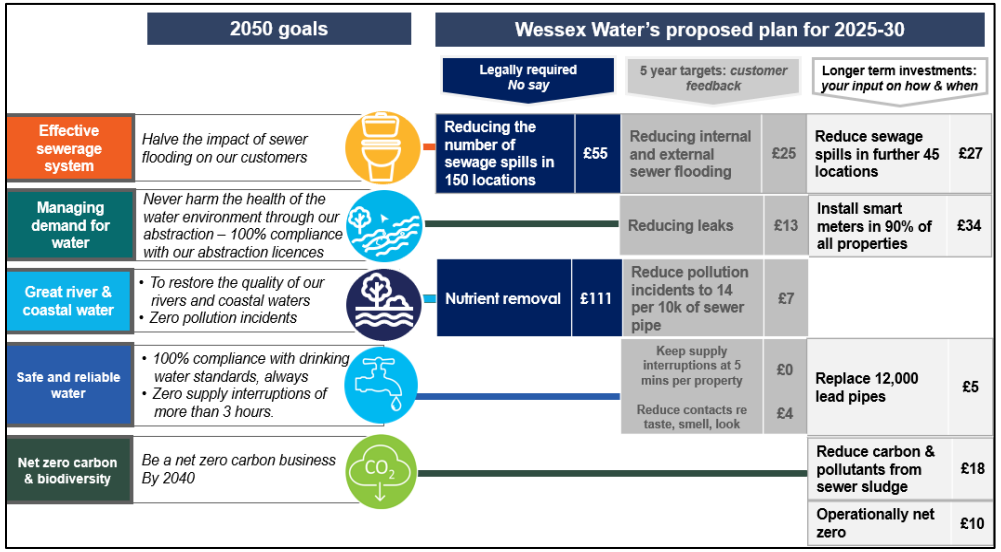
NHH: Response to plan on a page – affordability and acceptability

- Whilst almost all NHH customers were happy with the investments proposed and felt they were worthwhile…the sample were split between accepting and not accepting the proposed plan
- Those who did not accept more often objected to the method of funding investments rather than the investments



"That's quite costly. That's a lot of money when they're so profitable already."
NHH

"It's got to be for me, the quickest way to address these problems and that has to be the sharpest investment, as much as it irks me to say it."
NHH

Deliberation centres around:

- NHH customers placed specific emphasis on the importance of water quality (as their own customers may consume or use this)
- They were more likely to feel strongly that water companies should fund investments
- NHH were more likely to think about the wider picture:
  - For lead pipes, NHH customers wanted more info on why replacement should happen now if the current water supply doesn't risk health
  - For sewage sludge, they wanted to see nationwide testing of the technology
- NHH customers strongly felt that net zero should be entirely funded by Wessex Water and not through bills
- NHH customer seek value for money – they want to see smart strategies for investments; for some, the Must Do plan doesn't provide enough for the amount you pay

Response to proposed plan:

- Those who accepted the proposed plan felt Wessex Water were focusing on the right things and doing the right thing by future generations and the environment
- Those who did not accept the proposed plan were against paying for investments that they felt Wessex Water should be paying for – both because it's their responsibility but also because it's unfair to ask customers to pay when they have high profits and are paying out their shareholders

"I don't feel the increase justifies what we're getting for it on the lower one [MUST DO]. it's touching on things but not touching on enough for me."
NHH

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Event feedback

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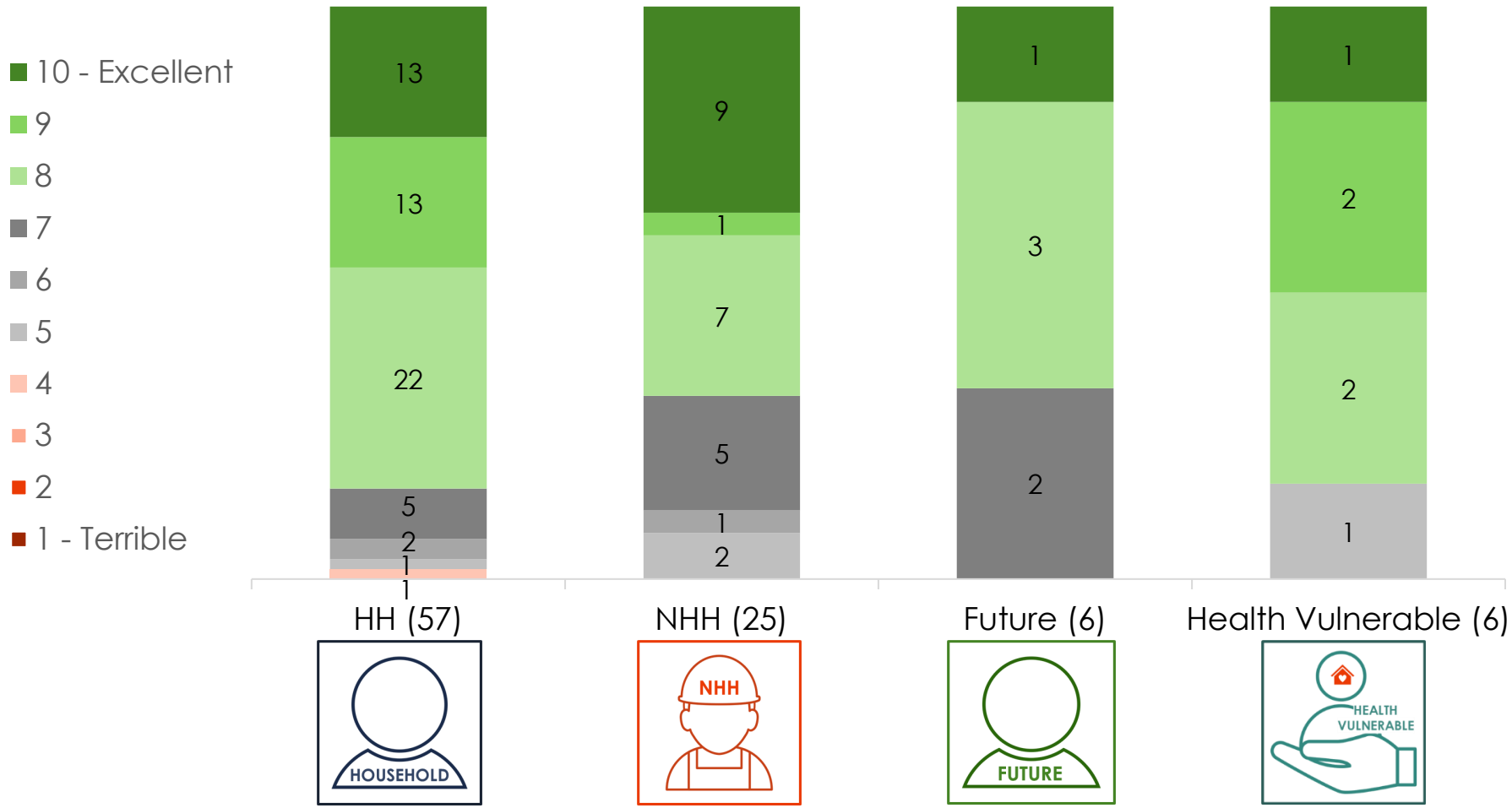
Event feedback: ratings of the deliberative events

The events and depth interviews received positive feedback from all customers groups. Household and health vulnerable customers were most likely to rate the research events between 8-10 out of 10.



Out of our sample:

74/94

would rate the events 8/10, 9/10 or 10/10

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Source: Appendix A, B/C, D, E: Overall, how would you rate this event out of 10? (Where 1 is terrible and 10 is excellent)

Event feedback: reasons for ratings

Participants found the events and interviews informative, interesting, and well-run; they also appreciated being asked for their opinions. Participants who gave lower ratings felt that they needed more time or information to make informed decisions.

	Reasons for ratings of 10-8	Reasons for ratings of 4-7
HH	• Friendly staff and moderators • Informative event and appreciate being asked for feedback • Good venue, location, and refreshments • Well organised and enjoyable event	• Too much information to take in • Difficult to answer questions properly, e.g. because of time limits
NHH	• Informative, easy to understand, useful to know why bills are increasing • Appreciate being involved and being asked for input • Good communication and discussions	• Want more information and time to make informed decisions • Not sure that opinions will be acknowledged
Future	• Staff were welcoming and made participants feel comfortable • Informative and interesting content	• The event was too long • Difficult to express opinions because of louder participants
Health Vulnerable	• Appreciate being consulted and gaining insight into the water industry • The event was informative	• Don't have enough information about the future to answer questions

"Very informative and useful to know how my opinion can impact the future bills."
Future customer Answer: 8/10

"Learning about how water companies was much more interesting than I anticipated. The group discussions were lively and stimulating. It was excellently organised in a lovely location."
HH Answer: 9/10

"It's encouraging that, for once, a customer consultation process intends to take note of the responses."
Health Vulnerable Answer: 10/10

"With all the unknowns and uncertainties in the future I didn't feel able to make fact based preferences for the various plan options."
HH Answer: 5/10

"I feel that some of the information requires more context in order to make conclusive decisions either way."
NHH Answer: 5/10

"I don't feel I have enough information to answer these questions in an informed manner at this point."
Health Vulnerable Answer: 5/10

"Everything was explained in a good level of detail which prompted good discussion and a mixed opinion base meant for good overall debate."
NHH Answer: 10/10

BLUE MARBLE

Event feedback: suggestions for improvements

Most participants didn't make any suggestions for improvements. Of household and non-household participants who did, suggestions that would allow for more informed decisions were most common, such as allowing more time to digest information, providing more context, or making the information more simple to understand.

HH

- Improving **event accessibility** (e.g. more car parking nearby, better acoustics, letting participants know they'll be looking at a screen) suggested by 7 participants – though they didn't all suggest the same things
- Allowing **more time** for absorbing information and reaching conclusions (e.g. by sending information to participants before the event) suggesgted by 6 participants
- Providing **more information** and context (e.g. background on how figures are worked out, information on company profits) was another common suggestion, made by 5 participants
- Other suggestions made by a few participants included longer or more frequent break times, smaller groups, wider range of participant backgrounds and professions, and including Wessex Water representatives

NHH

- Some suggested providing **more information** (e.g. more context about what the numbers mean, making more information available to facilitators so they could answer questions)
- A few suggested making information **more simple to understand** (e.g. using layman's terms, including less information and fewer graphs on slides)
- A few suggested a shorter event, a later start, or more frequent breaks

Future

- Some suggested a **shorter timeframe** for the event
- A few suggested **more snacks**
- One suggested including more varied activities

Health Vulnerable

- Individual suggestions included splitting the group into smaller groups, asking for opinions when participants have more information about the future, and improving Zoom

"Ask these questions when participants have more information."
Health Vulnerable Answer: 5/10

"Allowing a longer time to take in all the information, giving the ability to respond informatively."
HH Answer: 6/10

"Smaller groups, better snacks, less than 3 hours and more than 5 mins per question."
Future Answer: 7/10

"Some of the older attendees struggled with tech and acoustics."
HH Answer: 8/10

"More context as to what some of these numbers mean."
NHH Answer: 5/10

"More info and detail and perhaps a rep from the company to ask questions of."
NHH Answer: 10/10

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Addressing Ofwat's research principles – qualitative

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This forms part of the PR24 research requirement, and we followed the guidance throughout. Respondents were provided with a pre-read document and a self-completion survey to enable them to become familiar with the current performance of Wessex Water, some background on how e.g. performance commitments work, and a 'plan on a page' showing the discretionary and 'must do' parts of the proposed business plan. Within the deliberative sessions, we also used stimulus materials to aid understanding and provide context.
Fit for purpose	• We followed Ofwat guidance throughout to ensure both the research sample and methodology were fit for purpose. We challenged some elements of the guidance (around visual presentations of performance, for instance) where we felt improvements could be made. • The HH customer sample was sourced from 'opt-ins' following a customer email/letter invitation from Wessex Water, distributed by our recruitment partners at QRS. NHH and Future customers were recruited using 'free-find' methods. • A screening process ensured we reflected all types of Wessex Water customers according to the guidance: across all ages, gender, socio demographic groups – and including subsets of vulnerable customers. • Face to face deliberative events were held to achieve the optimum experience for deliberation, and to allow observers to attend. Online groups and depths were held for specific groups for whom the face-to-face approach would be a barrier to participation.
Neutrally designed	Blue Marble designed reflected the guidance in drawing up materials including the discussion guides, stimulus materials and pre/post tasks. These are all designed with impartiality. A pilot group amongst Wessex Water friends and family was held to test the methodology and specifically the comprehension of the materials.
Inclusive	• Stimulus produced in plain English – all mediated by a research moderator • Option for respondents to bring a supporter to the sessions (to help navigate online tech and/or the research questions – who would also be paid an incentive) • Pre-read materials provided in document and video format to aid comprehension. • Local venues chosen with accessibility in mind e.g. familiar, with easy parking, and with accessibility needs met. • Incentives provided to compensate for any out-of-pocket costs
Continual	Wessex Water to advise
Shared in full	Wessex Water to advise
Ethical	Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.
Independently assured	Mott MacDonald audit (Wessex Water to add detail)

https://www.ofwat.gov.uk/wp-content/uploads/2022/02/PR24-customer-engagement-policy.pdf

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Wessex Water
YTL GROUP

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Acceptability and Affordability Testing

Quantitative Research Report – Final

20th September 2023

Contents

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Sample & method overview – all phases

	QUALITATIVE	QUANTITATIVE
TOTAL SAMPLE	**96**	**2,373**
Sampling	**48** Household customers (HH) **8** Future Customers (FUT) **8** Health vulnerable (H-VULN) **8** Economically Vulnerable (E-VULN) **26** NHH (SME's and large users)	Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1,398**).

Method	3 x 3-hour **Deliberative events** (in-person) (HH, E-VULN & FUT)
	2 x **online reconvened groups** - 90 min + 90 min (NHH)
	16 **depth interviews** (H-VULN, LARGE NHH)
		• **HH: Push to web**
		  • N=10,800 customers invited for Wessex Water supply area
		  • N=8,800 for each of Bristol Water and Bournemouth Water supply areas
		  • **One reminder** was sent to all customers (excluding those who had completed the survey after the first invitation)
		• **NHH: Telephone push to online** using business directories & **online panel** sample

Incentive	£50-100 depending on method/sample (£200 for NHH)	HH - £5 Amazon or Love2Shop voucher NHH - £25 Amazon voucher or £25 donation to Water Aid (or standard panel incentives for B2B panellists)

Sample & method

- No deviations from the prescribed sample & method (in qualitative and quantitative stages)
- Included one reminder in the quantitative*

Questionnaire

- Some minor changes
- Included age bands* (agreed by Ofwat)
- Question labelling where Ofwat did not include this detail
- Small (functional) edits to avoid ambiguity esp. relevant to clarify which company
- Printed versions needed additional signposting for routing

Joint plans

- Approach to reminders consistent across 3 companies (WW, BRW and BW)
- Fieldwork timing slightly different (BRW & BW started later)

Plan stimulus

- Cognitive testing* led to changes that were agreed by Ofwat and led to industry-wide guidance amends

Quality Control & Analysis

- All according to guidance e.g. removal of 'speeders'

* Following CCG recommendation

Qualitative Research Phase (May-June 2023) - Method

3 x 3hr face-to-face deliberative events

Stage 1: Participants to go through pre-read pack and fill out pre-task survey

Stage 2: Participants to attend 1 x 3hr event each in person

Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Micro NHH

2 x 90min reconvened online focus groups

Stage 1: Participants to attend first 90 min focus group
Stage 2: Participants to attend second 90 min focus group
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Larger NHH

8 x 1hr online video depth

Stage 1: Participants to go through pre-read pack and fill out pre-task survey
Stage 2: Participants to attend 1 x 1hr online depth
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

8 x 1hr online video depth

Stage 1: Participants to go through pre-read pack and fill out pre-task survey
Stage 2: Participants to attend 1 x 1hr online depth
Stage 3: Participants to complete post-task survey and answer questions based on their personal bill projections

Qualitative Sample profile – who we spoke to

Total sample achieved = 96/96

Total number of responding to invitation letter: c180 opted in to participate

Household sample achieved = 48/48

- ***SEG**: 13 x AB, 25 x C1C2, 9 x DE*
- ***Age**: 19 x under 45, 28 x over 45*
- ***Gender**: 25 x F, 22 x M*
- ***Metering**: 28 x metered, 12 x unmetered, 7 x don't know*
- ***Recruitment**: 38 x list opt ins, 8 x free find, 2 x extras*

Economically vulnerable sample achieved = 8/8

- ***Age**: 4 x under 45, 4 x over 45*
- ***Gender**: 5 x F, 3 x M*
- ***Metering:** 3 x metered, 5 x unmetered*
- ***Social tariff**: 3 x ST, 5 x eligible for ST*
- ***Recruitment**: 8 x free find*

Health vulnerable sample achieved = 8/8

- ***Age**: 2 x under 45, 6 x over 45*
- ***Gender**: 4 x F, 4 x M*
- ***Metering**: 3 x metered, 5 x unmetered*
- ***PSR status**: 4 x on PSR*
- ***Examples of vulnerability include**: mental health problems, physical health conditions, old age*
- ***Recruitment**: 4 list opt ins, 4 free find*

Future customer sample achieved = 8/8

- ***SEG**: 3 x AB, 5 x C1C2*
- ***Age**: 8 x 18-30*
- ***Gender**: 5 x F, 3 x M*
- ***Recruitment**: 8 x free find*

Non-household sample achieved = 26/26

- ***Size**: 18 x micro NHH, 8 x larger NHH (over 10 employees)*
- ***Examples of business type include**: hairdressing, accountancy, plant nurseries, property maintenance*
- ***Usage type**: 22 x domestic, 4 x non-domestic*
- ***Usage volume**: 18 x low spend, 8 x high spend*

Quantitative Method Summary

	Household	Non household
Fieldwork dates	18 Jul – 20 Aug 2023 (Wessex Water supply area customers) 28 Jul – 3 Sept (Bristol Water & Bournemouth Water supply area customers)	25 Jul – 29 Aug 2023 (Wessex Water supply area customers) 4 Aug – 5 Sept (Bristol Water & Bournemouth Water supply area customers)
Sampling	• For each supply area a randomly selected sample was drawn from the total customer database, within IMD quintile in proportions as prescribed by Ofwat. • Exclusions were kept to a minimum; Single service (water supply only) customers were included in the sample for the Wessex Water supply area; all customers in the Bristol Water and Bournemouth Water supply areas paid for both water supply and sewerage services from the water companies. • Invitations were sent by email to those customers for whom an email address was held, and by letter to the remainder • N=10,800 customers invited for Wessex Water supply area, and N=8,800 for each of Bristol Water and Bournemouth Water supply areas • One reminder was sent to all customers (excluding those who had completed the survey after the first invitation)	Two approaches were used: • Telephone push to online: Dunn & Bradstreet business directory used to generate list of telephone numbers of organisations in each supply area. Numbers randomly called, in order to gather email address and send on email invitation to the survey • Commercial online business-to-business panels: 5 panel partners were enlisted to provide online sample • IP address was collected in order to remove any duplicates across the two methods.
Format	Online survey (link provided in emails and letters) plus printed versions provided upon request for those who could not complete online	Online survey only link provided in email)
Incentive	£5 Amazon or Love2Shop voucher	£25 Amazon voucher or £25 donation to Water Aid (or standard panel incentives for B2B panellists)
Response rate	Across the three supply areas (after one reminder): c. 7% completion rate in response to email invitations c. 6% completion rate in response to letter invitations	Response rate to the telephone push to online approach was very low at c.0.5%, so online panels needed to be used for the large majority of surveys. Panels used: **Dynata, Bilendi, Pure Spectrum, Walr, Mindforce**

Quality control exclusion criteria: Below a third of the median time of completion

Quantitative Method Detail (1) – Impact of changes based on CCG input

CCG recommendation	How implemented	Impact
Reminders (ideally multiple reminders) should be issued for quantitative survey to maximise response rate and representativeness of achieved sample	One reminder sent (either an email or a letter) to all customers excluding those who had completed the survey after the first invitation.	Reminders generated a significant uplift in response therefore improving representativeness of the sample. For the **Wessex Water supply** area, cumulative response rates were: **Email:** After initial invitation 3.9%; after reminder 7.2% **Letter:** After initial invitation 3.8%; after reminder 6.5%* **A single reminder generated an overall response uplift of over 70%.**
Age band question should be added for those not willing to enter their exact age to maximise inclusivity and representativeness	An age band question was added in for those who did not wish to type in their exact age. Further, for those who did not wish t enter their age band, a question was added to check if they were 18 years or above; in this case they were allowed to continue.	Taking the Wessex Water supply area as an example, 36 eligible customers entering the survey (c5%) did not wish to type in their age in the Ofwat-prescribed question. 20 of these entered their age into the new age band question, with 16 still preferring not to say. These 16 all confirmed they were 18 years old or above, and so were also allowed to continue. **These changes avoided the exclusion of c. 5% of household customers from the final sample.**

*This is best estimate, accounting for additional 'booster' invitations sent at the same time as the initial letter reminders

Quantitative Method Detail (2) – Weighting

- Data weighting was applied following Ofwat guidance
- Five layers of weighting were applied based on the principle of representativeness:
  - Age (within supply areas)
  - Gender (within supply areas)
  - Index of Multiple Deprivation (IMD) quintile (within supply areas)
  - Overall proportions of household : non household based on overall water use (within supply areas)
  - Geographic representation – overall number of customers in each supply area

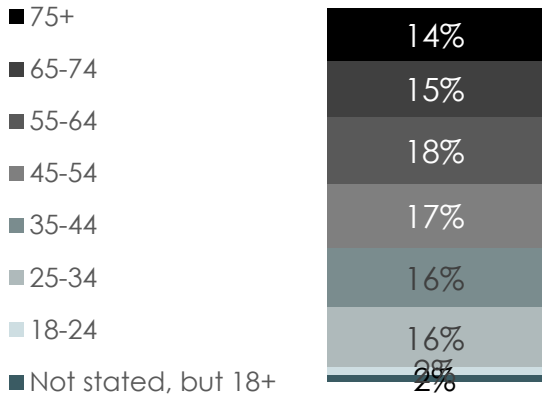
- To achieve the targets, rim weighting was applied via specialist survey data processing software (Merlin)
- A technical weighting report is available separately
- Key outputs of the weighting report are:
  - Overall unweighted base size: 2,373
  - Overall effective weighted sample size: 1,688
  - Min weight: 0.095
  - Max weight: 3.214

PART ONE Weighting for HOUSEHOLD sample within each supply area			
	Wessex	Bristol	B-mouth
Age (Based on 2021 Census, adjusted for % living with parents)			
Aged 18 to 34 years	16%	21%	16%
Aged 35 to 44 years	14%	18%	16%
Aged 45 to 54 years	17%	18%	16%
Aged 55 to 64 years	19%	17%	17%
Aged 65 to 74 years	17%	13%	16%
Aged 75 years and over	15%	12%	16%
No answer (weighted to survey %)	2%	1%	3%
Q11 Gender (Based on 2021 Census)			
Female	49%	49%	48%
Male	47%	47%	47%
Identify in another way / NS (wtd to % of survey)	4%	4%	5%
IMD Quintile (Based on information provided by companies about actual IMD distribution of customers			
1	6%	13%	10%
2	16%	17%	16%
3	32%	19%	22%
4	26%	26%	24%
5	20%	25%	28%
PART TWO - Overall sample within each region			
	Wessex	Bristol	B-mouth
Customer type (based on total water use provided by companies)			
Household	70%	76%	69%
Non household	30%	24%	31%
PART THREE - Overall weight of each region			
Based on total customer numbers **including household AND non household**			
Wessex Total (HH and NHH)	47%		
Bristol Total (HH and NHH)	41%		
Bournemouth Total (HH and NHH)	12%		

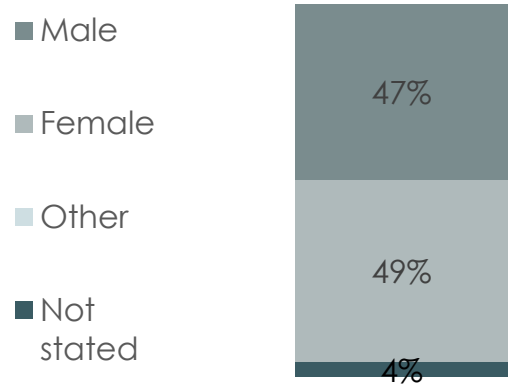
Household customer profile (weighted)

The data for household customers is weighted within supply area to age and gender based on bill payer information, and Index of Multiple Deprivation. The three geographic supply areas are also weighted to their natural proportions overall

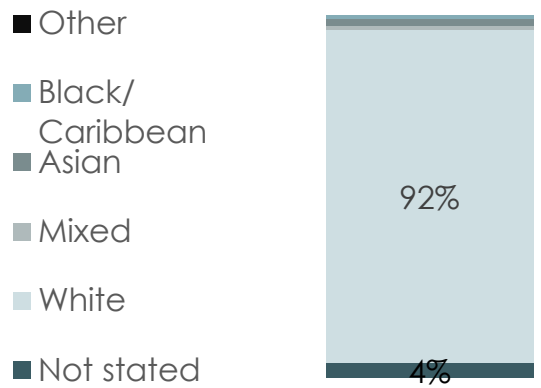
Age



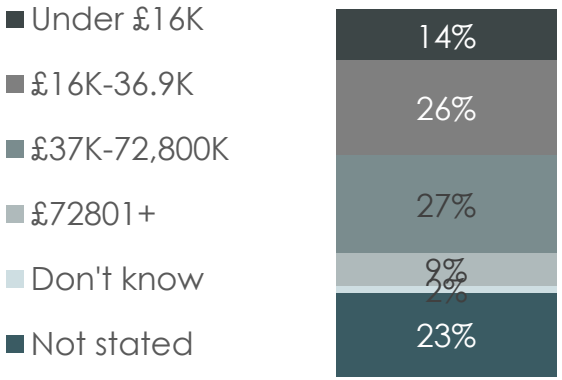
Gender



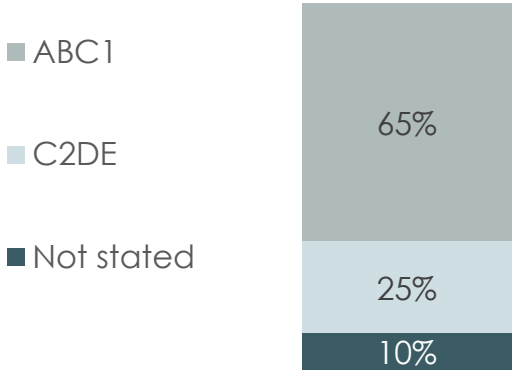
Ethnicity



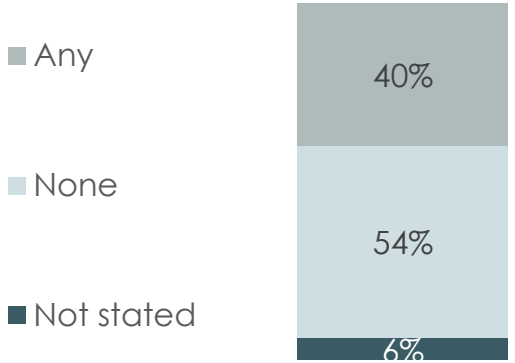
Household Income (pre tax)



Social Grade



Vulnerability

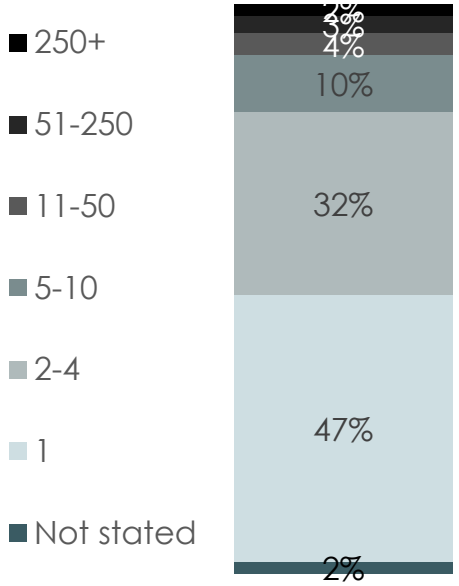


S1. How old are you?. **Q11.** In which of the following ways do you identify? **Q15.** What is your ethnic group? **Q16.** Which of the following bands does your household income fall into from all sources before tax and other deductions? **D6.** Social Grade **D7.** VULNERABLE CUSTOMERS
Base Total household bill payers (1935); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

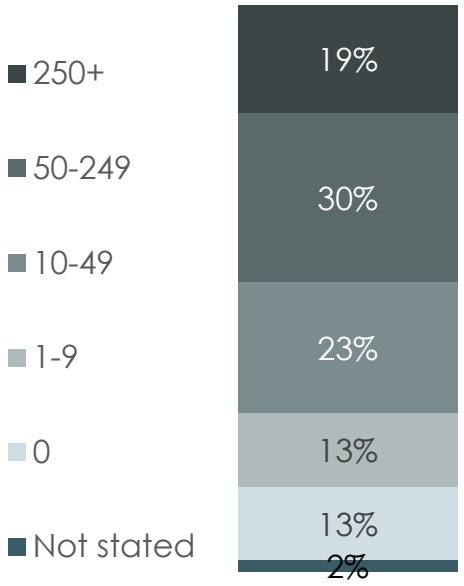
Non-household customer profile

The majority of non-household customers surveyed are SMEs. Sector is unweighted but broadly in line with expected profile of Standard Industrial Classification

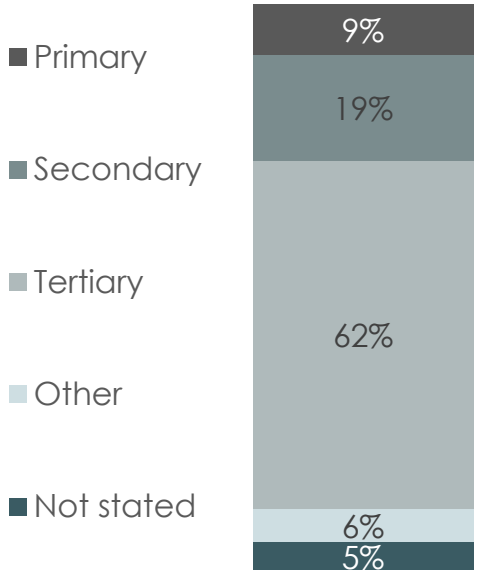
Number of UK sites



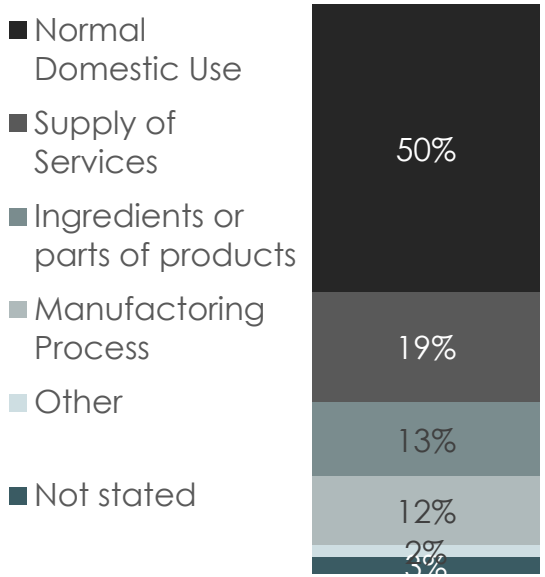
Number of UK employees



Sector



Service use



Q18. How many sites in the UK does your organisation operate from?; **Q19** How many employees does your organisation have in the UK?; **Q20.** Which of the following best defines the core activity of your organisation? **Q17.** How does your organisation mainly use water at its premises?
Base Total non-household bill payers (437)
WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES

Context

Customer context - Summary

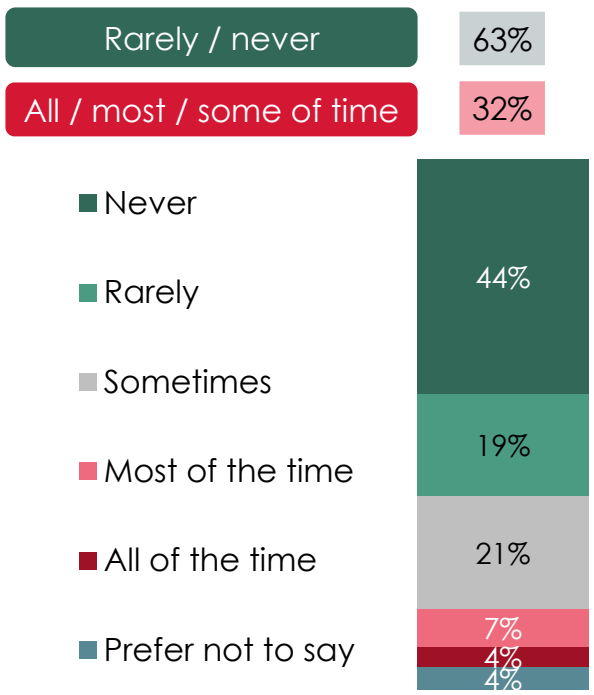
	HH & NHH	HH	NHH
Struggled to pay bills in the last year (all/most/some of the time)	32%	29%	40%
Finding it quite or very difficult to manage financially	11%	10%	12%
Expect financial situation to get worse	35%	41%	20%

Q1. Thinking about your household's /organisation's finances over the last year, how often, if at all, have you struggled to pay at least one of your household/ it's bills?; **Q2.** Overall, how well would you say you are managing financially now? **Q3.** Thinking about your household's/organisation's financial situation over the next few years up to 2030, do you expect it to get: **Base** Household and Non household bill payers: Total (**2373**); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

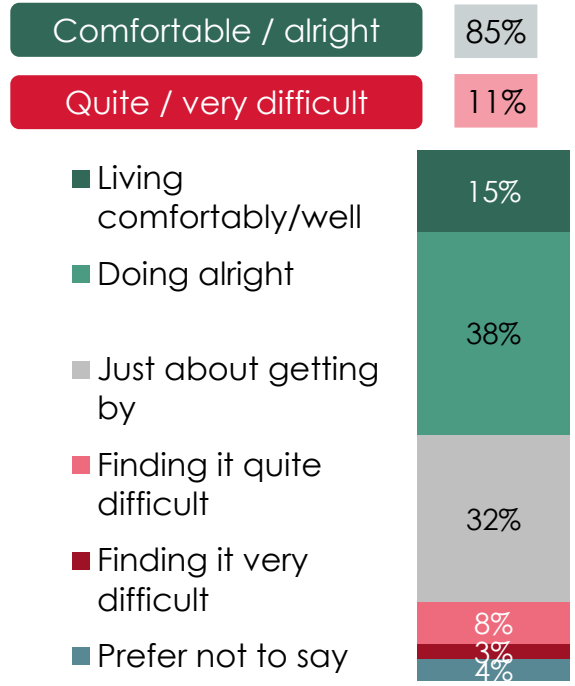
A substantial minority are struggling with paying bills, and many are pessimistic

3 in 10 customers have struggled to pay at least one bill in the last year, and 1 in 10 are finding it 'difficult' managing financially – indicating how widespread and significant the cost of living crisis is. What's more, over one third think that things will get worse over the next few years.

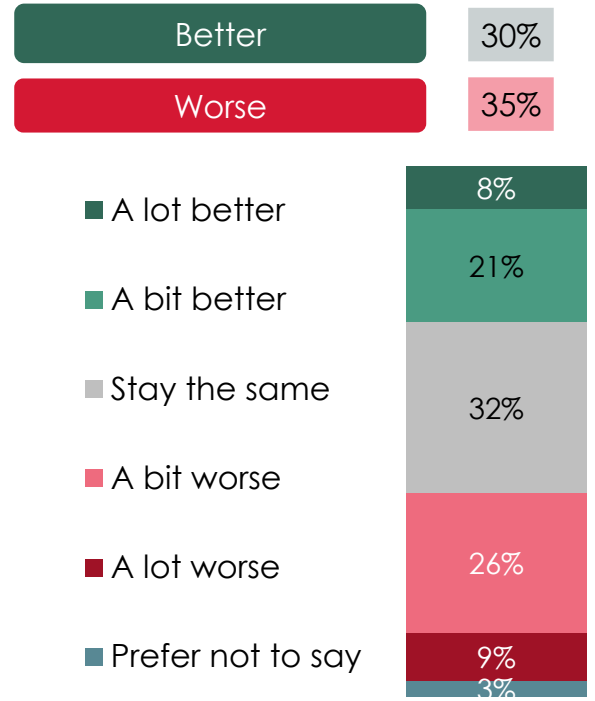
How often struggled to pay your bills in the last year?



How well managing financially now?



Expect financial situation to get...?



Q1. Thinking about your household's /organisation's finances over the last year, how often, if at all, have you struggled to pay at least one of your household/ it's bills?; **Q2.** Overall, how well would you say you are managing financially now? **Q3.** Thinking about your household's/organisation's financial situation over the next few years up to 2030, do you expect it to get…?
Base Household and Non household bill payers: Total (**2373**); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

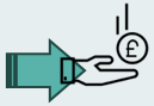
Current financial situation – Qualitative insight

Financial situation summary from Quantitative data

HH customers

Struggled to pay bills in the last year — **29%**

Finding it quite or very difficult to manage financially — **10%**



Expect financial situation to get worse — **41%**

Q2 / Q3 / Q4
Base Household bill payers (1935)

Qualitative insights (focus on household customers)

- Broadly, the qualitative stage of research (in May 2023) showed a comparable picture to the larger scale quantitative sample; no dramatic change in wider sentiments between the two phases of research – although indications of a slightly less pessimistic long-term outlook at the Quant stage.

- In the qualitative research:
  - the majority of the domestic sample (31/47) said they fell somewhere between 'just getting by' and 'struggling' when it comes to household finances
  - …and most (37/47) thought that the current economic situation was worsening
- A range of circumstances evident in the qualitative research show that even people with higher incomes and no financial vulnerability can *feel* as if they are struggling
- Qualitative research showed that many people were pre-occupied by price rises happening in 'the here and now'.

"I work full time on a well above average salary and my wife still had to go back to work after a few months of maternity just to make ends meet." HH Salisbury

"I have to think about the here and now." HH Salisbury

"I have a new job with a relatively low income which barely covers my day to day expenses, and I also have debts to repay. I don't have money left over to save each month" HH Taunton

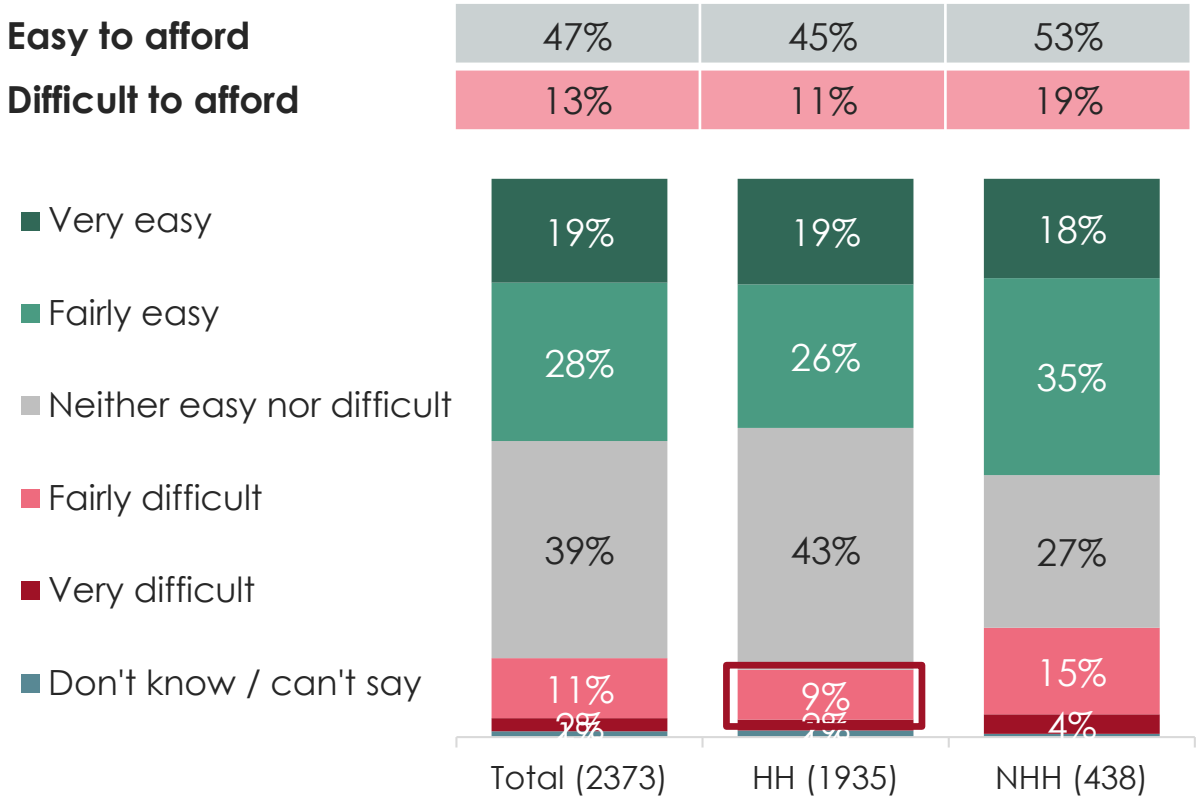
"Because, while I am making the bills each month, there is never any money to put aside." HH Bath

"The normal weekly shop is getting more and more expensive… some places are just using it as an excuse to make profit" HH Salisbury

Current water and sewerage bill affordability

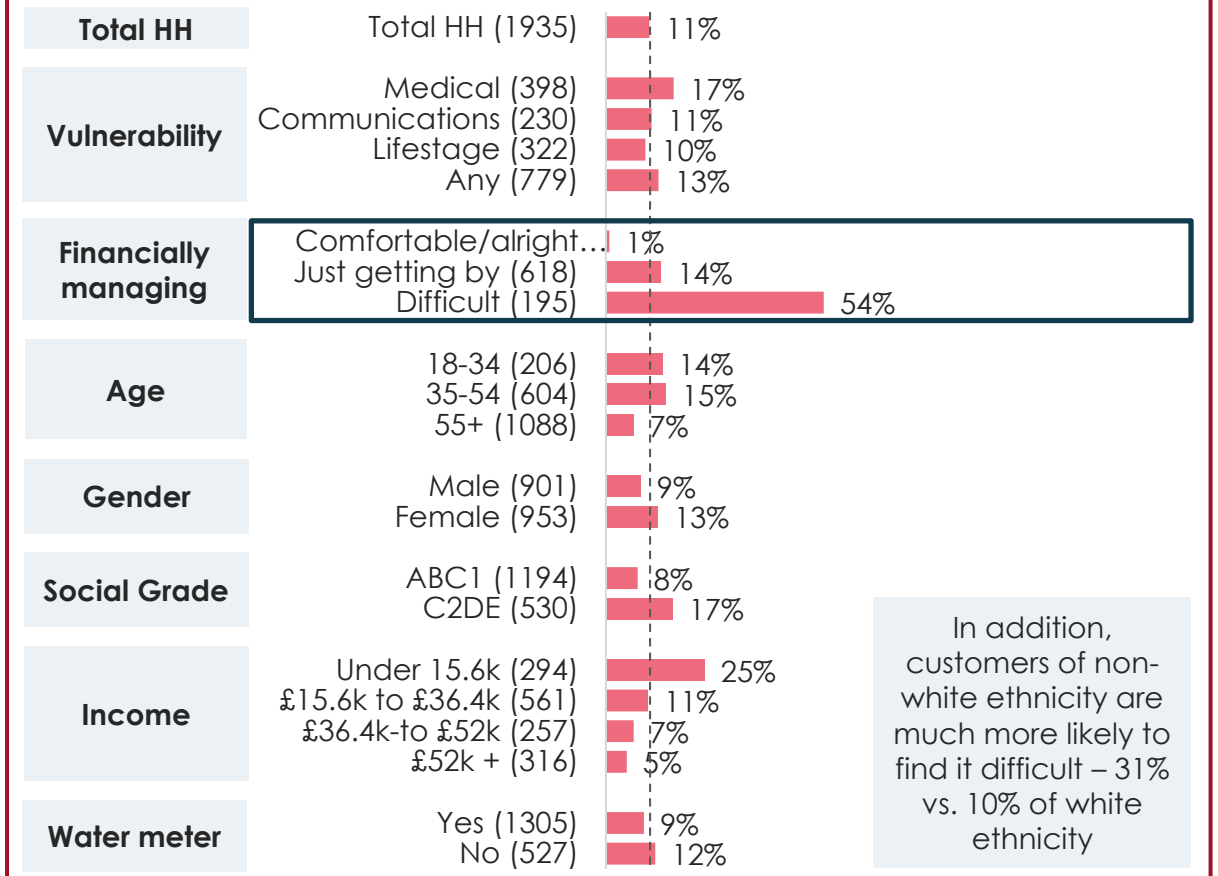
More currently find their water bill easy to afford than difficult. Those who are finding it difficult to manage financially are much more likely to be struggling to pay their current water services bill. Notably it is not just customers in lower income brackets who find it difficult to afford.

How easy or difficult to afford current water & sewerage bill?



Bill Affordability – **Household** subgroup differences

% of each group who think it is difficult to afford

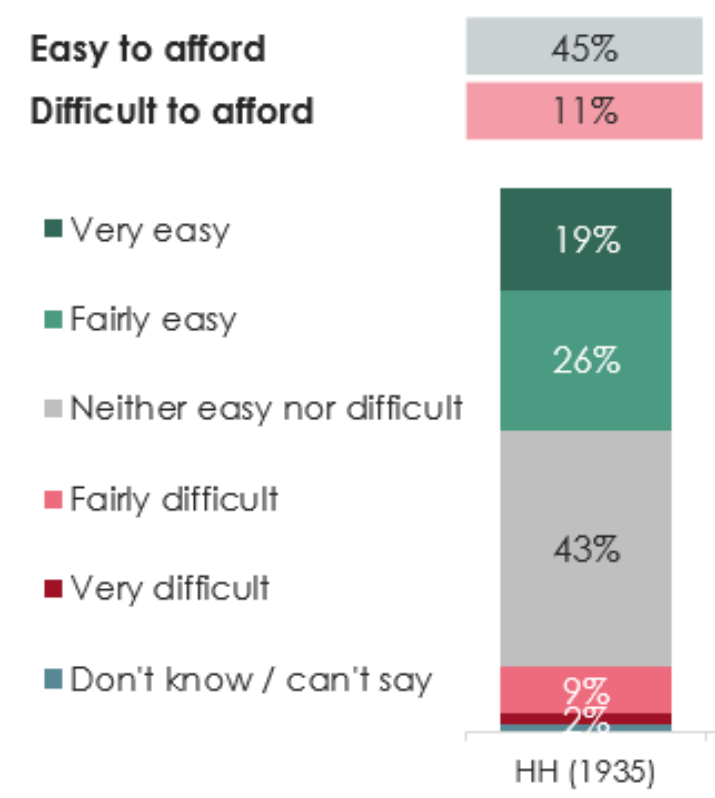


In addition, customers of non-white ethnicity are much more likely to find it difficult – 31% vs. 10% of white ethnicity

Q4. How easy or difficult is it for you to afford to pay your/your organisation current water and sewerage bill? **Base** Total household and non-household bill payers (**2373**); Total household bill payers (**1935**); Total non-household bill payers (**438**).
WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES

Current water and sewerage bill affordability – Qualitative context

How easy or difficult to afford current water and sewerage bill? Quantitative data



Q4 How easy or difficult is it for you to afford to pay your current water and sewerage bill?

Base HOUSEHOLD bill payers (1935)

Qualitative insights

- Affordability of customers' current water and sewerage bill in the qualitative research was a similar picture to the quantitative research:
  - A minority (7/40) of household customers in the qualitative research found it difficult to pay their current water and sewerage bills
- Qualitative research suggests that bills are seen as an essential and that there is no choice but to make do to afford them, but bills do impact on spending on other aspects of day-to-day life

"The essential thing when looking at a water company is that everyone has to pay the bill – it's not a choice. Over the last few years people have changed how much they spend on various things, like a holiday – things that are a choice. With essential costs, I think it's making the gap between rich and poor larger. If you're rich you don't really notice your energy bill going up. It's crucial for water companies to look at not increasing the costs year on year. It's morally wrong to keep increasing them."
HH Bath

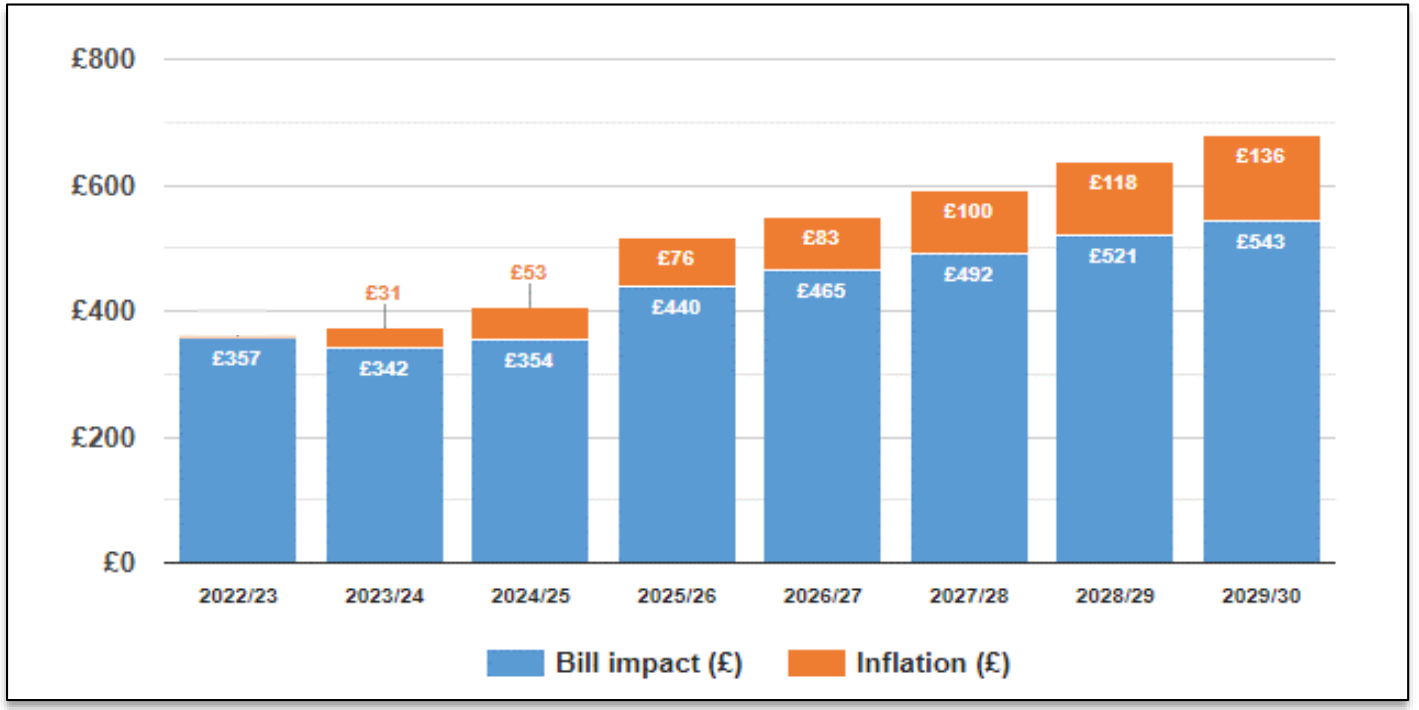
Future bill affordability for business plan

Bill Impact affordability – stimulus shown

Household customers were shown the bill increases for 2022-23 to 2029-30, based on their current annualised bill (and whether or not they are on social tariff, as flagged in the customer sample). Where bill information was not available, a bill profile based on the average annualised bill was shown

Non-household customers were shown the bill increases for 2022-23 to 2029-30, based on a bill of £1000 for 2022-23.

The bill is split into the proposed costs to cover the investments in water and sewerage services needed over the next few years, and predicted inflation(in orange).

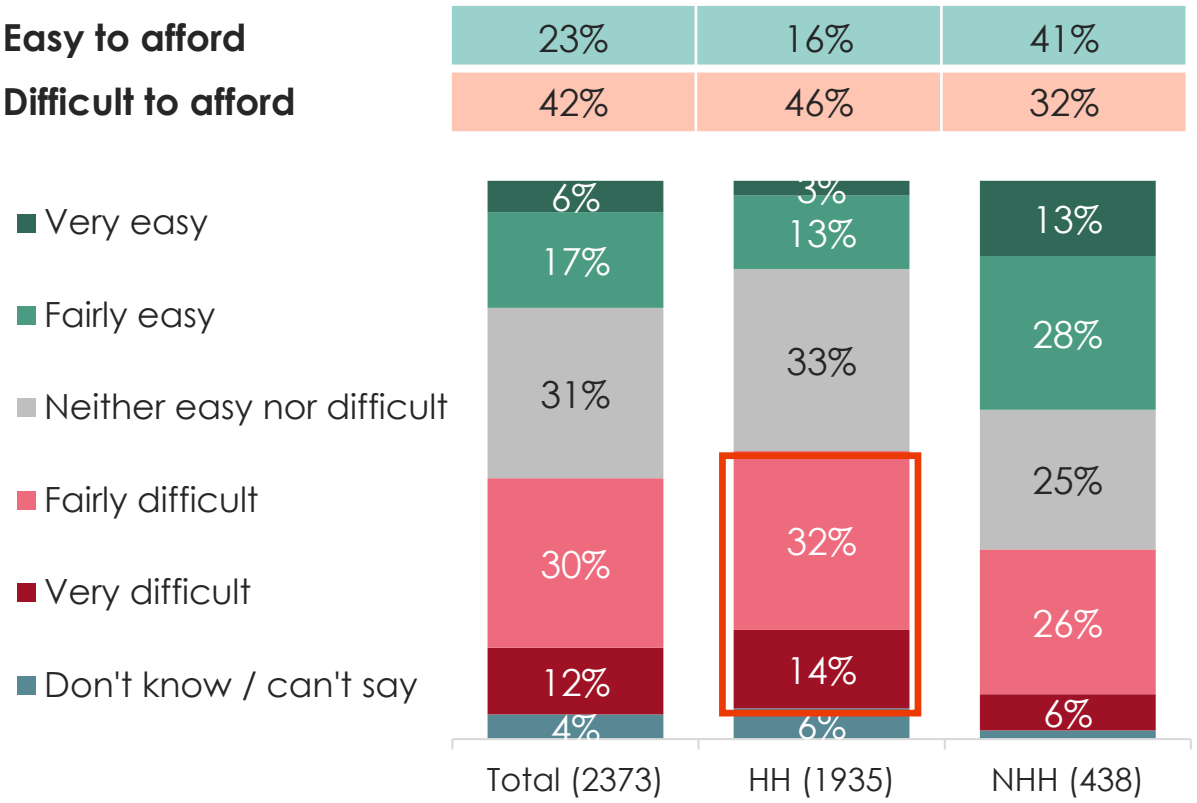


Example personalised bill profile shown

Just over 4 in 10 foresee they will struggle with the future bill increases – NHH customers more confident that they can afford the future water and sewerage bills than household customers

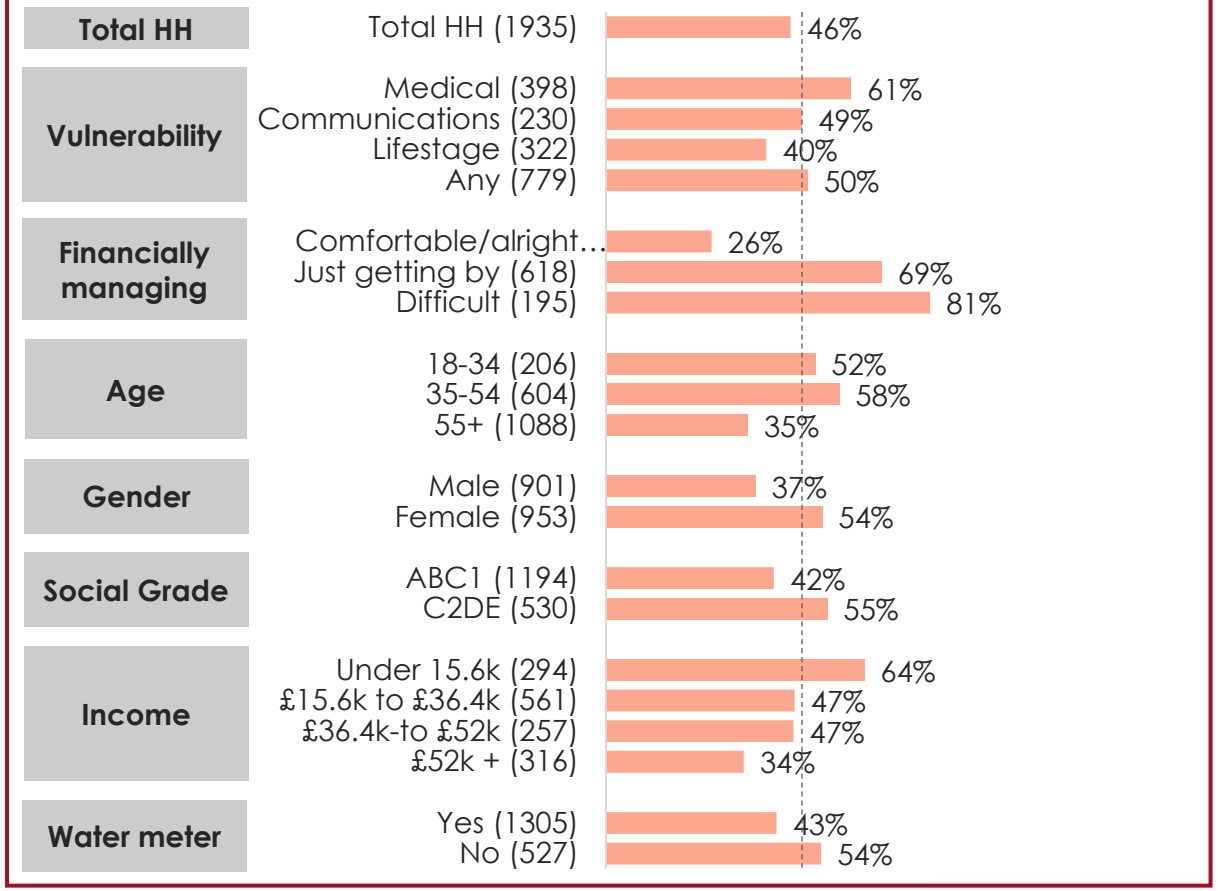
Lowest income households, lower social grade, and households who do not feel 'comfortable or alright' financially are more worried about being able to afford – a clear role for development of appropriate support – but it may need to go beyond a minimum income threshold

Affordability of water & sewerage bills up to 2029-30



Bill Affordability to 2029-30 – **Household** subgroup differences

% of each group who think it will be difficult to afford

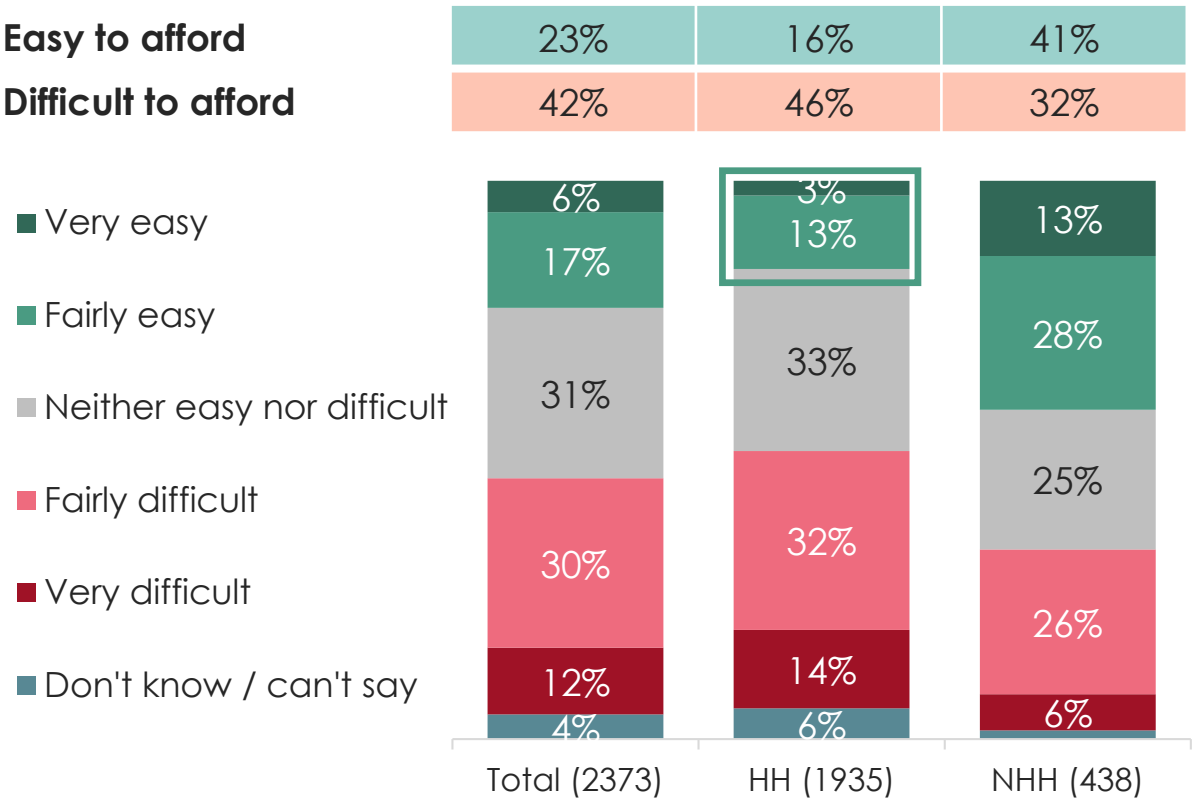


Q5. How easy or difficult do you think it would be for you to afford these water and sewerage bills?
Base Total household and non-household bill payers (**2373**); Total household bill payers (**1935**); Total non-household bill payers (**438**).
WEIGHTED % FIGURES and UNWEIGHTED BASE SIZES are displayed

While 4 in 10 NHH customers think it will be 'easy' to afford the bill profile to 2029-30, few household customers have this sentiment – even those who are comfortable financially

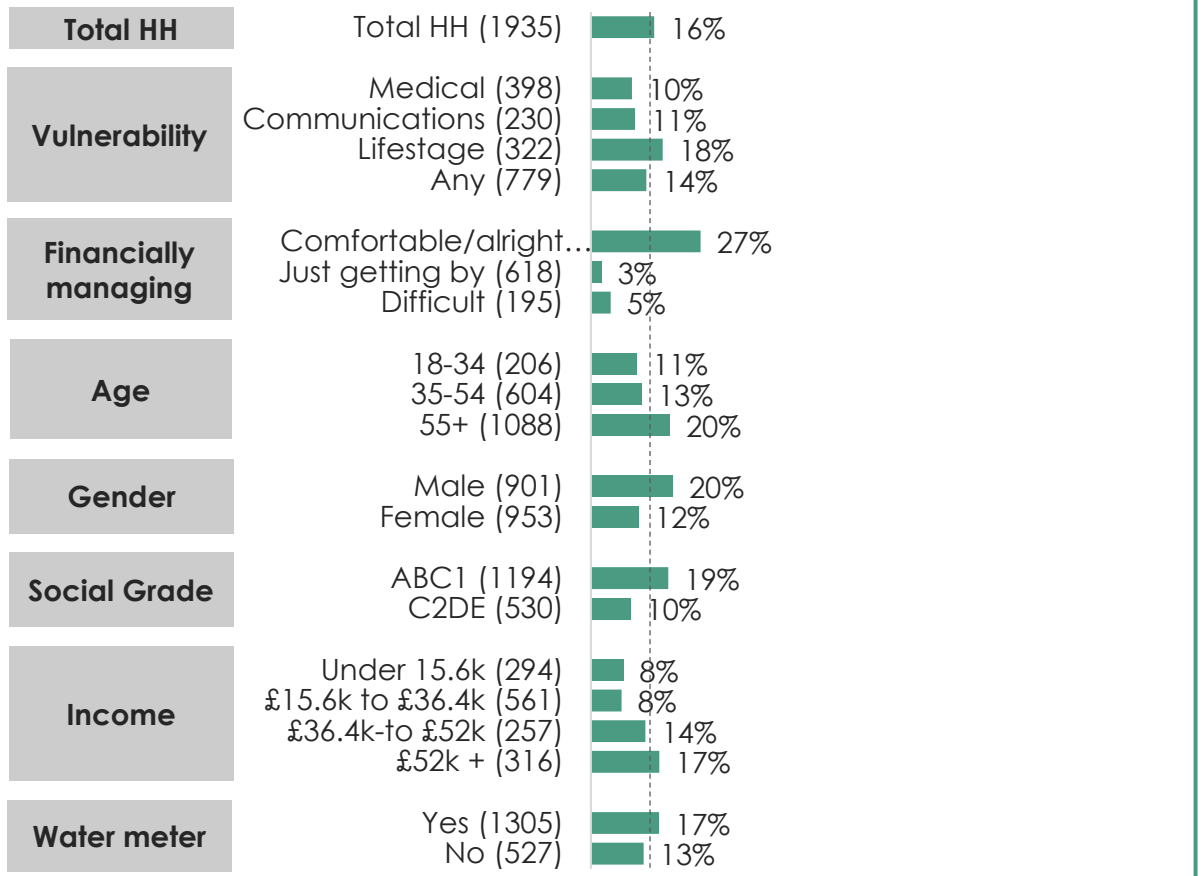
In the current financial climate, even higher income bracket households are reluctant to say that the proposed bill increases will be 'easy' to afford; many choose the neutral answer of 'neither easy nor difficult'

Affordability of water & sewerage bills up to 2029-30



Bill Affordability to 2029-30 – **Household** subgroup differences

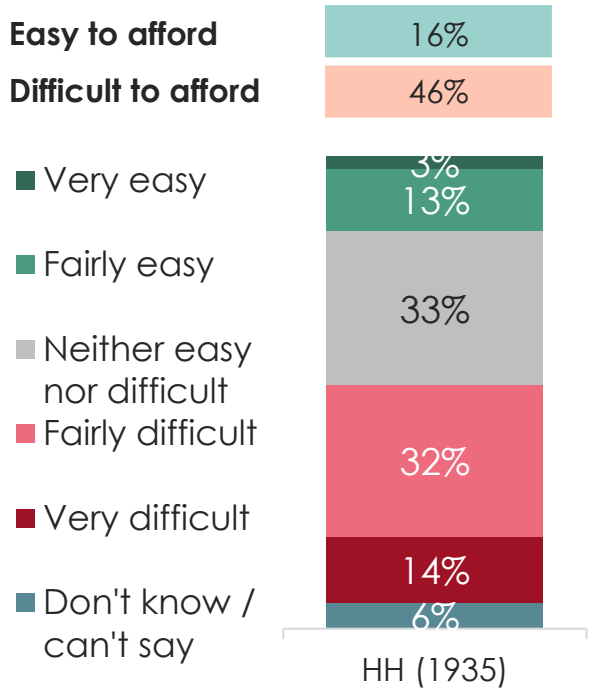
% of each group who think it will be easy to afford



Q5. How easy or difficult do you think it would be for you to afford these water and sewerage bills?
Base Total household and non-household bill payers (**2373**); Total household bill payers (**1935**); Total non-household bill payers (**438**).
WEIGHTED % FIGURES and UNWEIGHTED BASE SIZES are displayed

Proposed plan bill affordability – Qualitative context

Affordability of water & sewerage bills up to 2029-30 (Total households)



Q5 How easy or difficult do you think it would be for you to afford these water and sewerage bills?

Base HOUSEHOLD bill payers (1935)

Qualitative insights

- Affordability of the proposed plan in the qualitative research was a very similar picture to the quantitative research:
  - 8/48 of the household sample (Wessex supply area) said it would be easy to afford the proposed plan and 25/48 said it would be difficult to afford.
- The qualitative research showed customers were surprised to see both….
  - the **rate** of increase
  - the scale of **inflation**
- There is a nuanced picture with those who say it will be 'difficult to afford': The sense from the qualitative research is that many are commenting on their lack of willingness to pay for bill increases, as opposed to their inability to pay.

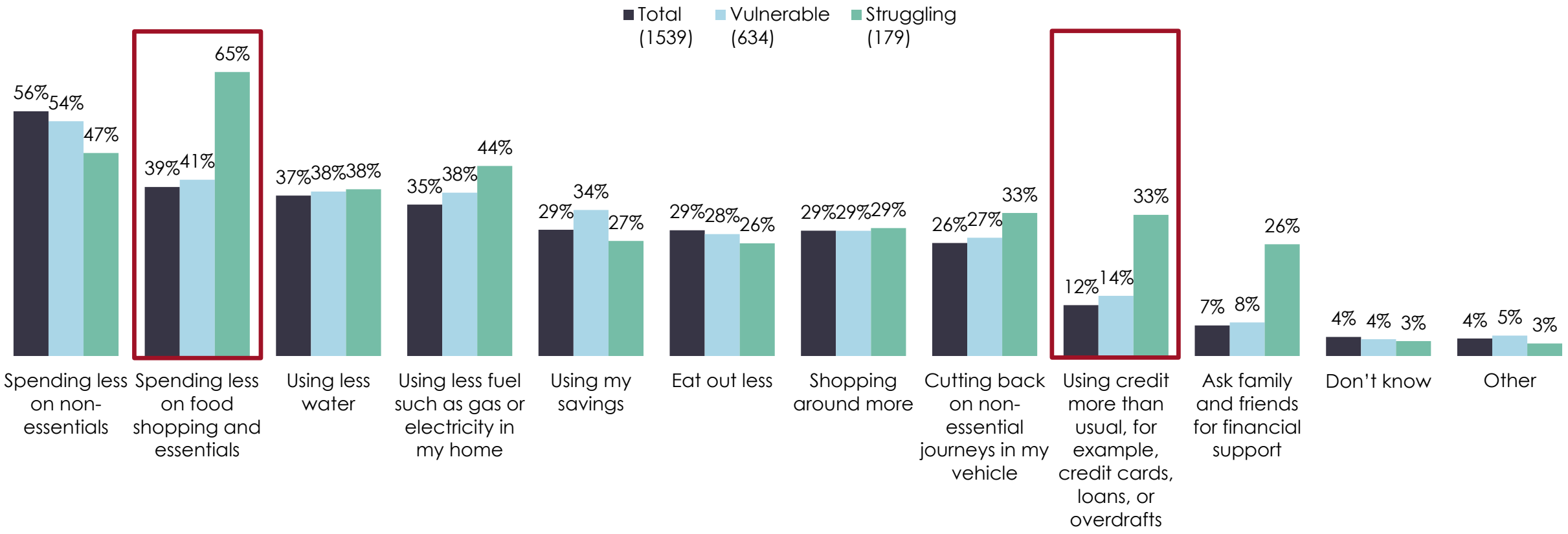
"Inflation is the killer."
HH Salisbury

"It's frightening – bills look like they'll double – and it makes you rethink all of the nice, ambitious things they've proposed."
HH Bath

How would customers pay for increased water bills between 2025 and 2030

The most widespread strategy of paying higher bills is by reducing discretionary spend but also limiting spend on day-to-day essentials like food, gas and water. Those struggling financially much more likely to spend less on essentials, as well as using credit and asking family.

Which of the following would you need to do to pay for the water bill increases between 2025 and 2030?
(Household customers who would not find it easy to pay the proposed bill from 2025-2030)

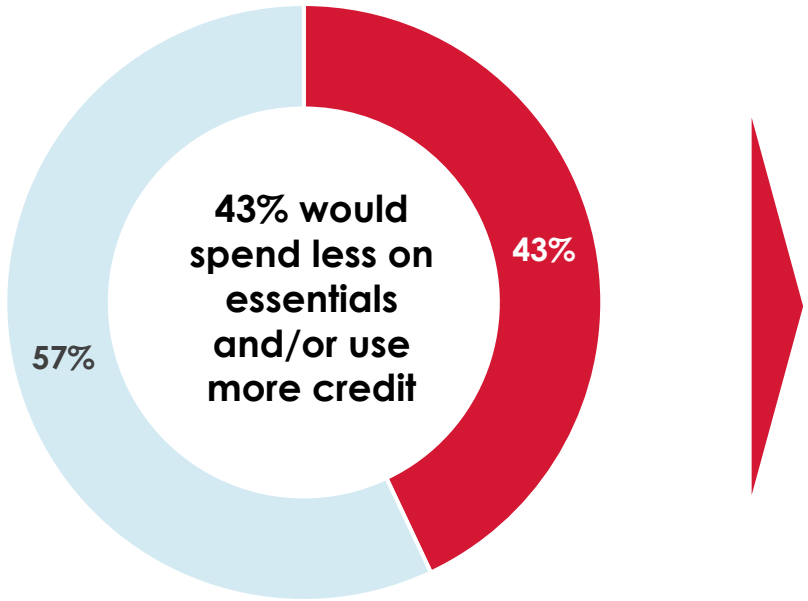


Q6. Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030?
Base Household bill payers who would not find it easy to pay for the increase in water bills (Wessex, Bournemouth and Bournemouth Water combined) : Total (1539); Vulnerable households (634) Struggling households (179). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

How would customers pay for increased water bills between 2025 and 2030

45% of customers who would not find it easy to pay the proposed bill say they would need to either spend less on food shopping and essentials and/or resort to using more credit than usual – serious measures to cope with bill pressure. This increases to over three quarters of those who say that they are finding it difficult to manage financially ('struggling households').

Which of the following would you need to do to pay for the water bill increases between 2025 and 2030?
(Based on household customers who would not find it easy to pay the proposed bill from 2025-2030)



Household subgroup differences
% of each group who would spend less on essentials and/or use credit more

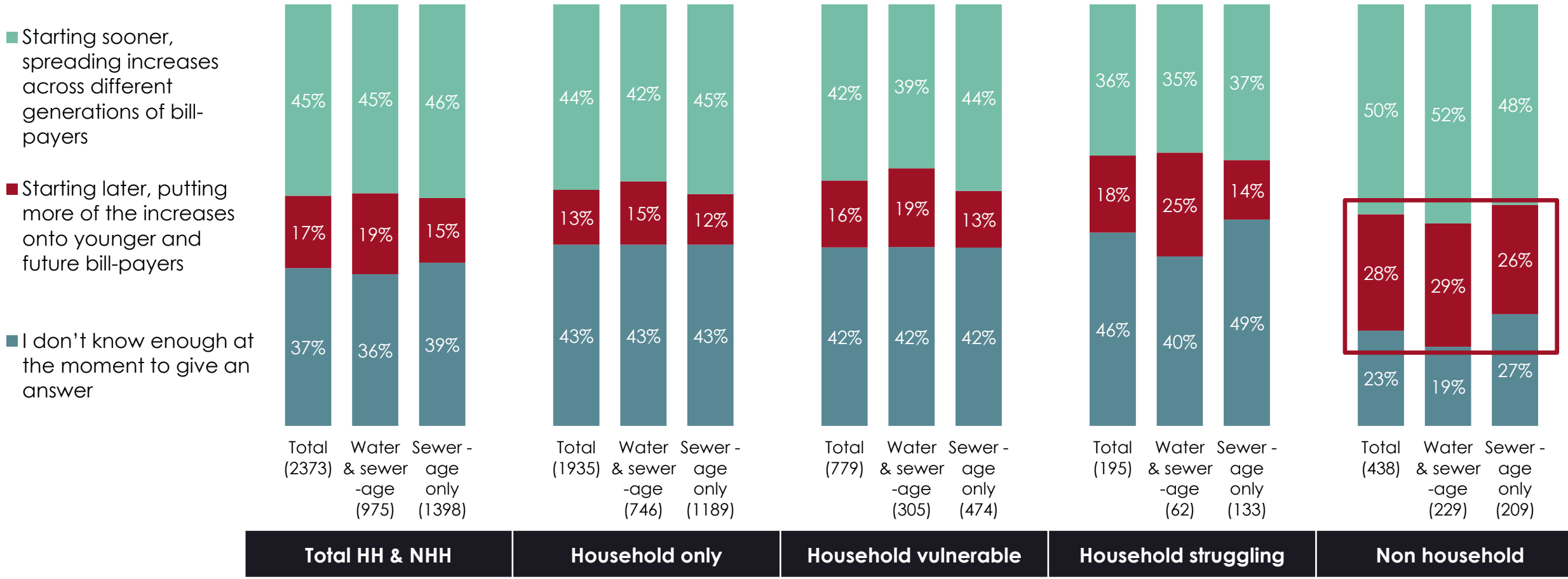
Total HH	Total HH (1539)	43%
Vulnerability	Medical (344)	53%
	Communications (188)	43%
	Lifestage (244)	39%
	Any (634)	46%
Financially managing	Comfortable/alright (705)	27%
	Just getting by (581)	54%
	Difficult (179)	77%
Age	18-34 (168)	48%
	35-54 (515)	55%
	55+ (827)	32%
Gender	Male (697)	31%
	Female (779)	54%
Social Grade	ABC1 (926)	39%
	C2DE (445)	53%
Income	Under 15.6k (260)	55%
	£15.6k to £36.4k (469)	43%
	£36.4k-to £52k (199)	49%
	£52k + (211)	34%
Water meter	Yes (1016)	40%
	No (435)	51%

Q6. Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030?
Base Household bill payers who would not find it easy to pay for the increase in water bills (Wessex, Bournemouth and Bournemouth Water combined) : Total (**1539**) **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Preferred phasing of water bill increase

There is a preference for the bill increasing sooner rather than later, though over a third give no opinion either way.

Which of the following options would you prefer?



Q9. Bills could increase in different ways over time. For example, there could be increases now for current bill payers, or bigger increases in the long term for future generations. Which one of the following options would you prefer? **Base** Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Extra analysis: Who will be able to afford bills?

The following section draws on data from the qualitative and quantitative phases of Acceptability and Affordability Research, as well as wider research, to understand which customers will genuinely struggle to afford proposed bills.

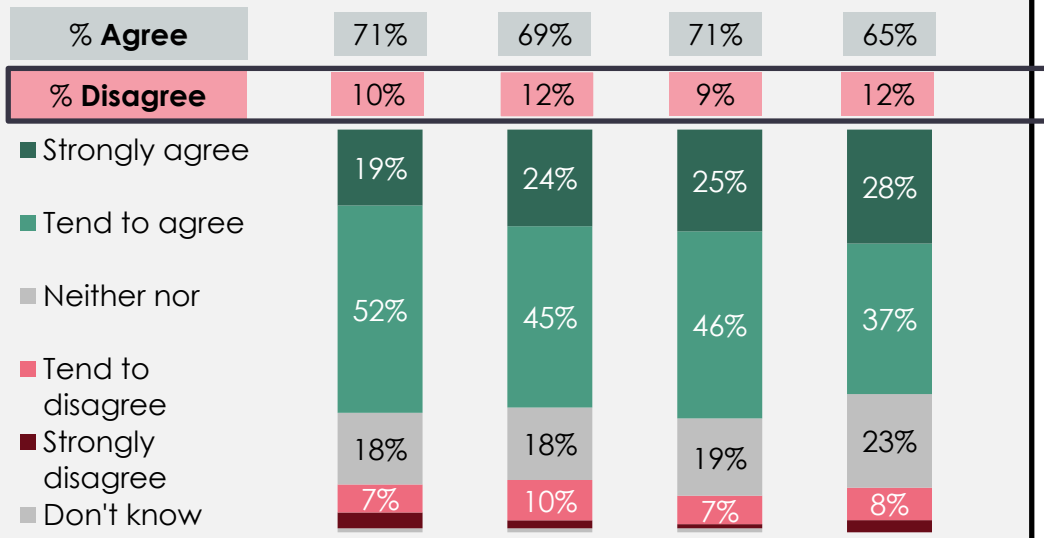
'Difficult to afford' looks to be more meaningful than 'easy to afford' when trying to understand if charges are affordable or not.

The qualitative research indicated that some customers were reluctant to agree with the ***sentiment*** that bills would be 'easy' to afford, even if possibly able to afford them: 'easy' does not feel compatible with a general sense of feeling poorer.

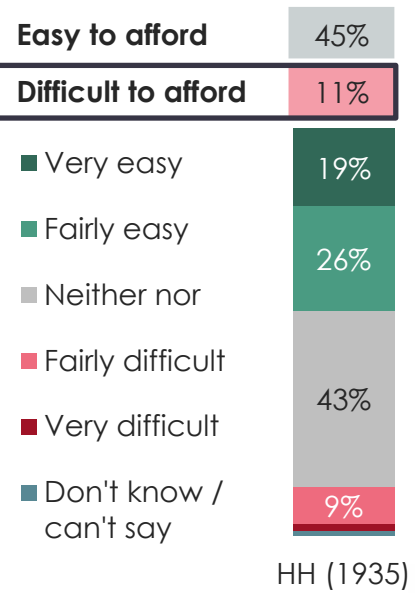
Comparing the quantitative data with recent Wessex Water tracking data suggests that % saying 'easy to afford' is significantly lower than % agreeing with the more ***literal*** question of whether water and sewerage charges are 'affordable'.

Meanwhile 'difficult to afford' is highly comparable with 'disagree' that water and sewerage charges are affordable in the tracking data. For this reason, we suggest that the focus should be on 'difficult to afford' (as a strong proxy for 'not affordable') rather than 'easy to afford', which understates absolute affordability.

How much do you agree or disagree the total water and sewerage charges that you pay are affordable to you?
Base: All HH bill payers ***SOURCE: WESSEX WATER TRACKER SURVEY***



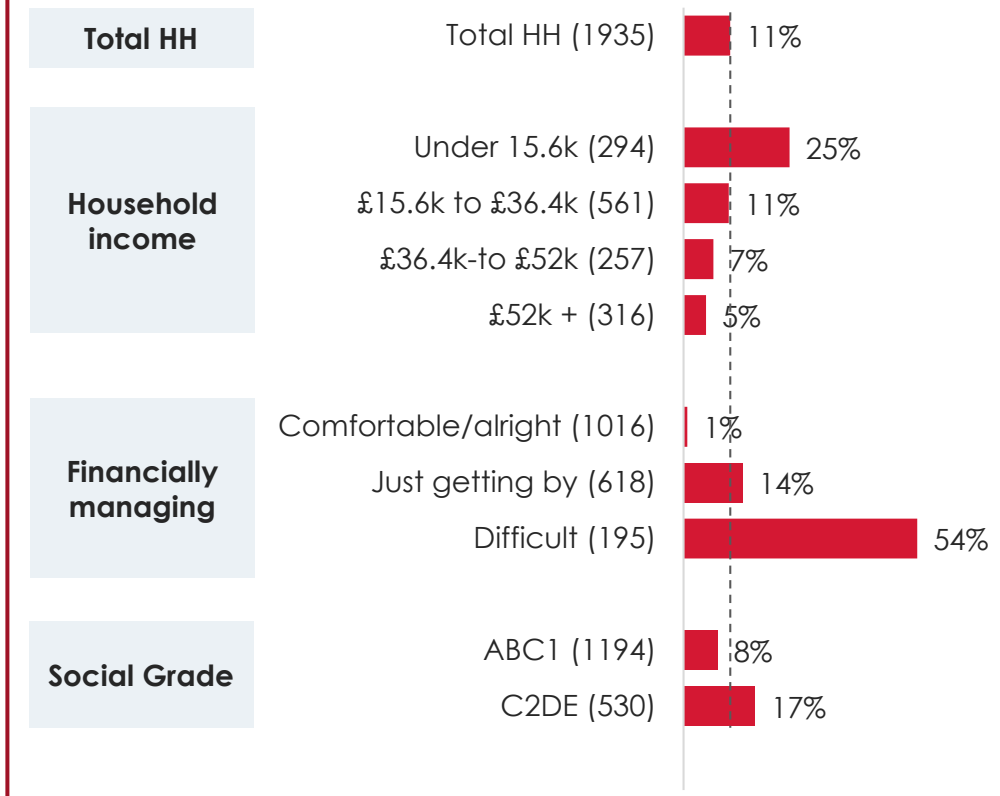
Q4. How easy or difficult is it for you to afford to pay your current water and sewerage bill? *Base: All HH bill payers*



Factors other than simple household income (e.g. size of household, level of water use, extent of other living costs) are likely to be key in whether customers feel genuinely able to afford their water and sewerage bills. Particularly in the current cost of living context, those with middling incomes, and even some with higher incomes may genuinely struggle to afford their current water and sewerage bills.

While lower household income correlates with finding the bill difficult to afford now, those in higher income brackets can also struggle to afford their current water bills

Bill Affordability – **Household** subgroup differences
% of each group who think current water and sewerage bill is difficult to afford

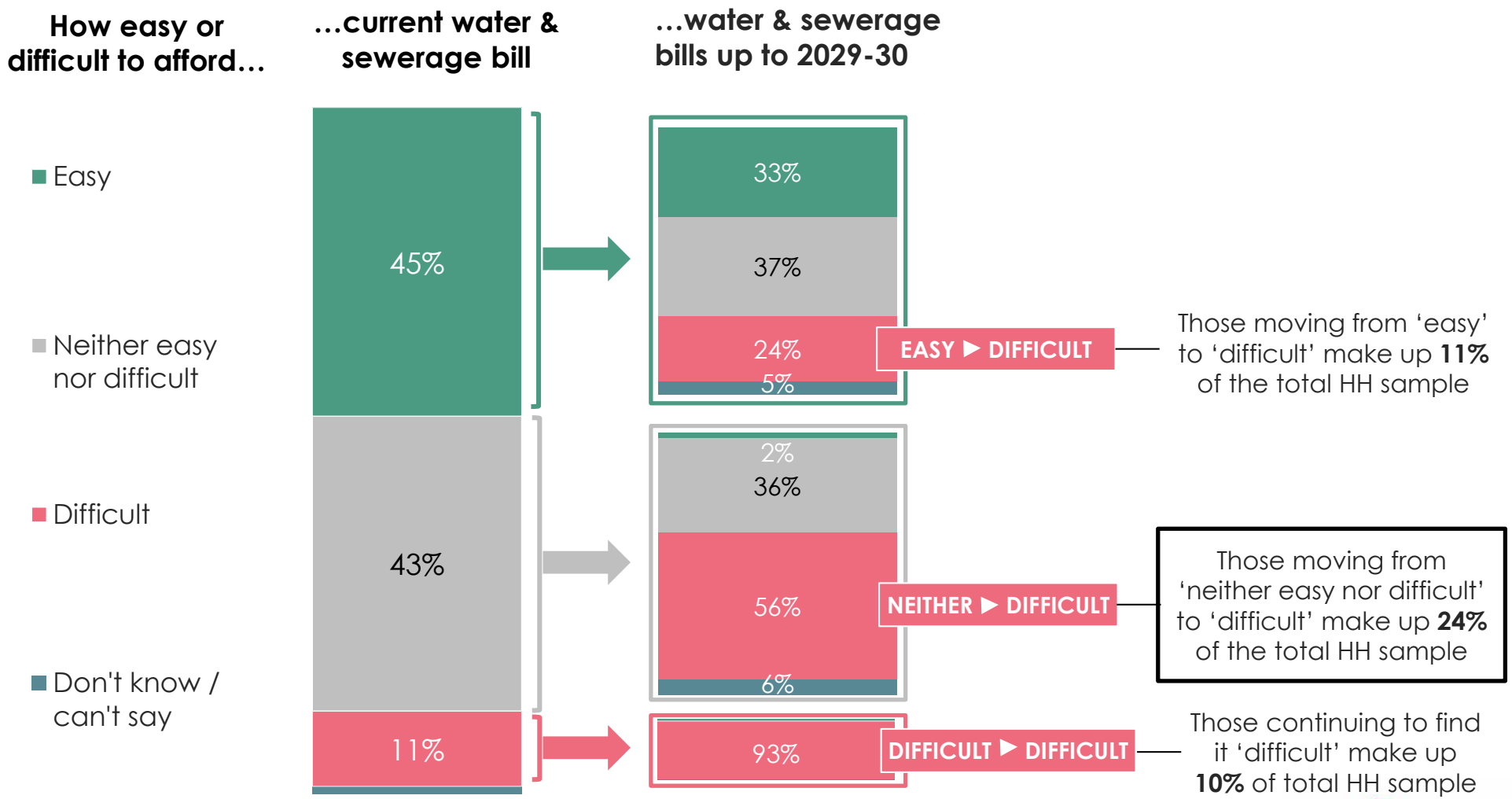


While the minority of customers in the lowest income bracket are substantially more likely to find current bills difficult to afford, the majority of customers who say it is difficult are in 'low-mid' income brackets

Perceptions of how the household is financially managing is far more strongly correlated with those who find their current water & sewerage bill difficult to afford

The group who currently say that the current bill is neither easy nor difficult to afford and then say the future bill will be difficult to afford is a very sizeable proportion of all customers (24%), and a key customer group that is important to understand.

The key household group driving the increase in unaffordability for future bills is those who currently find the bill neither easy nor difficult to afford.



Q4. How easy or difficult is it for you to afford to pay your/your organisation current water and sewerage bill?
Q5. How easy or difficult do you think it would be for you to afford these water and sewerage bills?
Base Total household bill payers (**1935**); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

NEITHER ▶ DIFFICULT

The key set of customers who move from 'neither easy nor difficult' to afford the bill now to 'difficult' to afford the bill in future are characterised as the squeezed middle who are 'just getting by'.

In many respects this group of customers is average in profile, but they stand out for saying they are 'just getting by' financially, and over-index for 'middling' age groups.

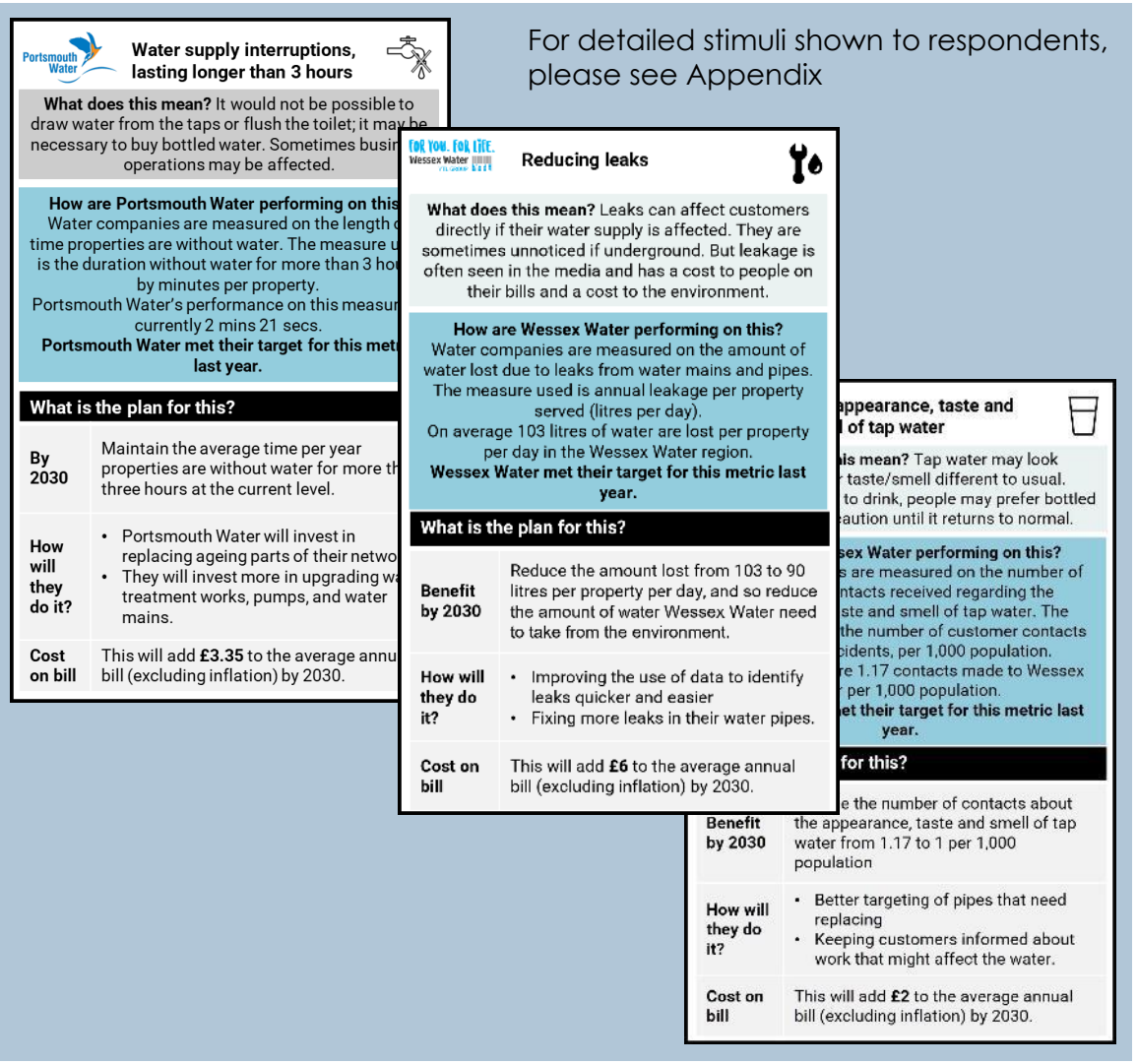
		HH customers moving from 'neither easy nor difficult' to 'difficult' to afford bill (474)	Total HH sample (1935)
Vulnerability in HH	Any	44%	39%
HH managing financially	'Comfortable/alright'	27%	52%
	'Just getting by'	**60%**	32%
	'Finding it difficult'	9%	10%
IMD quintile	1 – most deprived	10%	9%
	2	17%	16%
	3	31%	25%
	4	22%	26%
	5 – least deprived	20%	23%
Age	18-34	17%	18%
	35-54	**41%**	33%
	55+	40%	47%
Gender	Male	40%	47%
	Female	55%	49%
SEG	ABC1	60%	65%
	C2DE	30%	25%
HH income	Under £15.6k	17%	14%
	£15.6-36.4k	29%	26%
	£36.4-52k	15%	15%
	£52k+	15%	20%
What would need to do to pay for future bill (*based on total*)	Less spend on essentials/ more credit	**57%**	34%

Base Total household bill payers (**1935**); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Business plan components

Water supply Performance Commitments – Importance

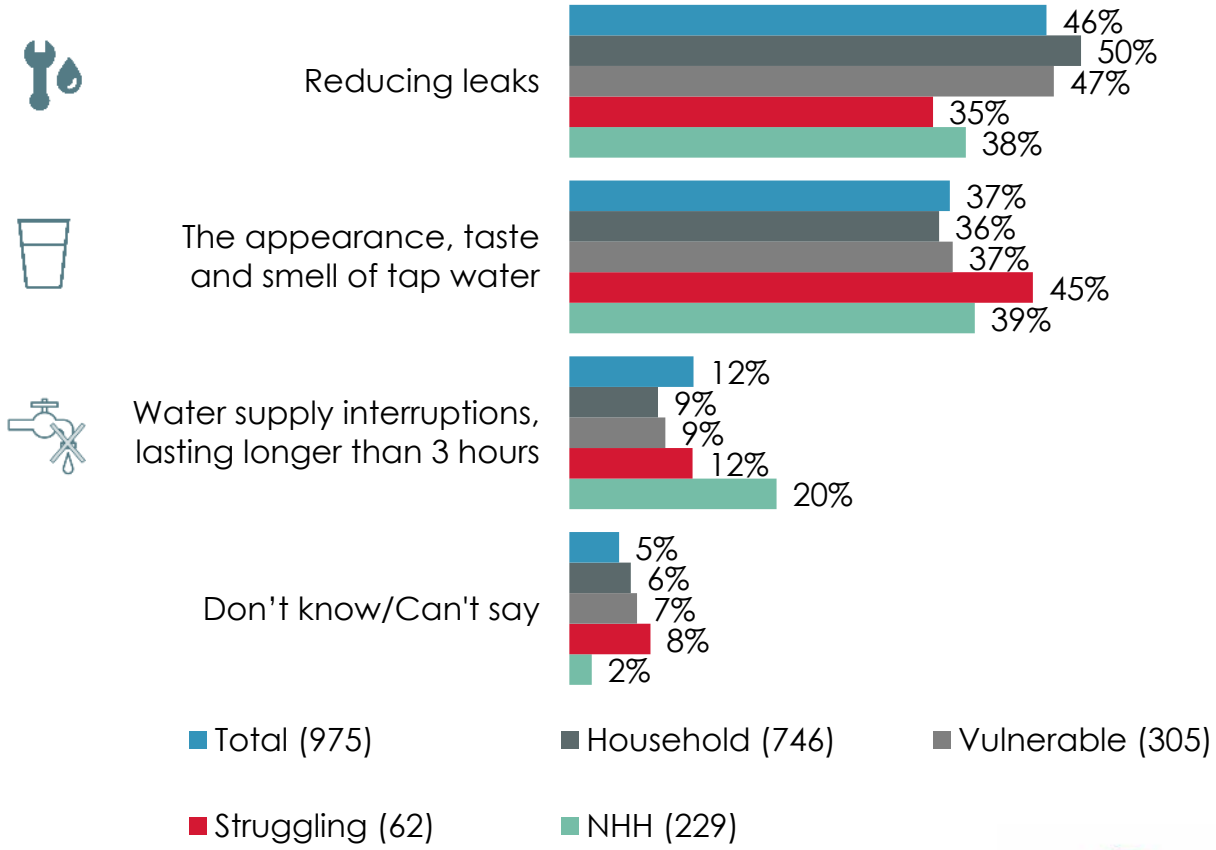
Reducing leaks is rated the most important of the water supply PCs overall, although those struggling to pay place slightly greater importance on water quality, and a larger minority of NHH customers rate supply interruptions as most important



For detailed stimuli shown to respondents, please see Appendix

Which of these three parts of the business plan is the most important to you: Common Performance Commitments (Water)

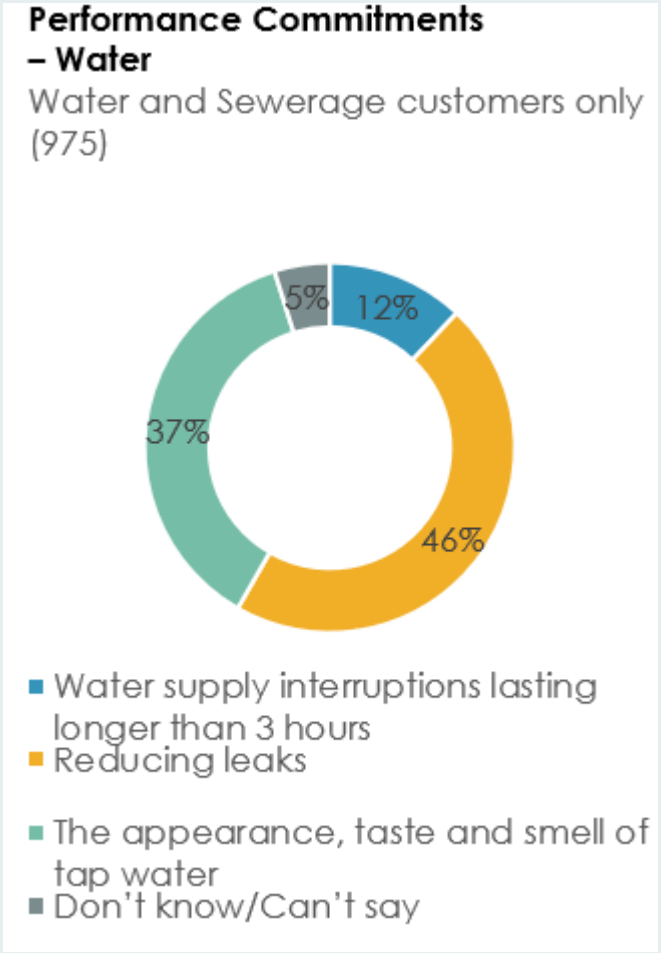
(Water and Sewerage customers only)



Q7a. Based on what you have just read, which of these three parts of the business plan is the most important to you?
Base Household and Non household bill payers: Total water and sewerage customers receiving water supply from Wessex Water (**975**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Water supply Performance Commitments – Qualitative context

Which of these three parts of the business plan is the most important to you? Quantitative data



Qualitative insights based on deliberative discussions

Supply interruptions: Agree that this is low priority for improvement

Reducing leaks: Surprise at level of leakage: this PC received the majority of comments

- Very high priority issue: **question ambition of target**
- But also the role of customers in paying for company infrastructure

"To reduce by 10l/day isn't very much at all"
HH Taunton

"If it was gas and they lost x amount per day you'd think woah! But because it is water they act like it's fine. It's a precious commodity, it's not to be wasted."
HH Taunton

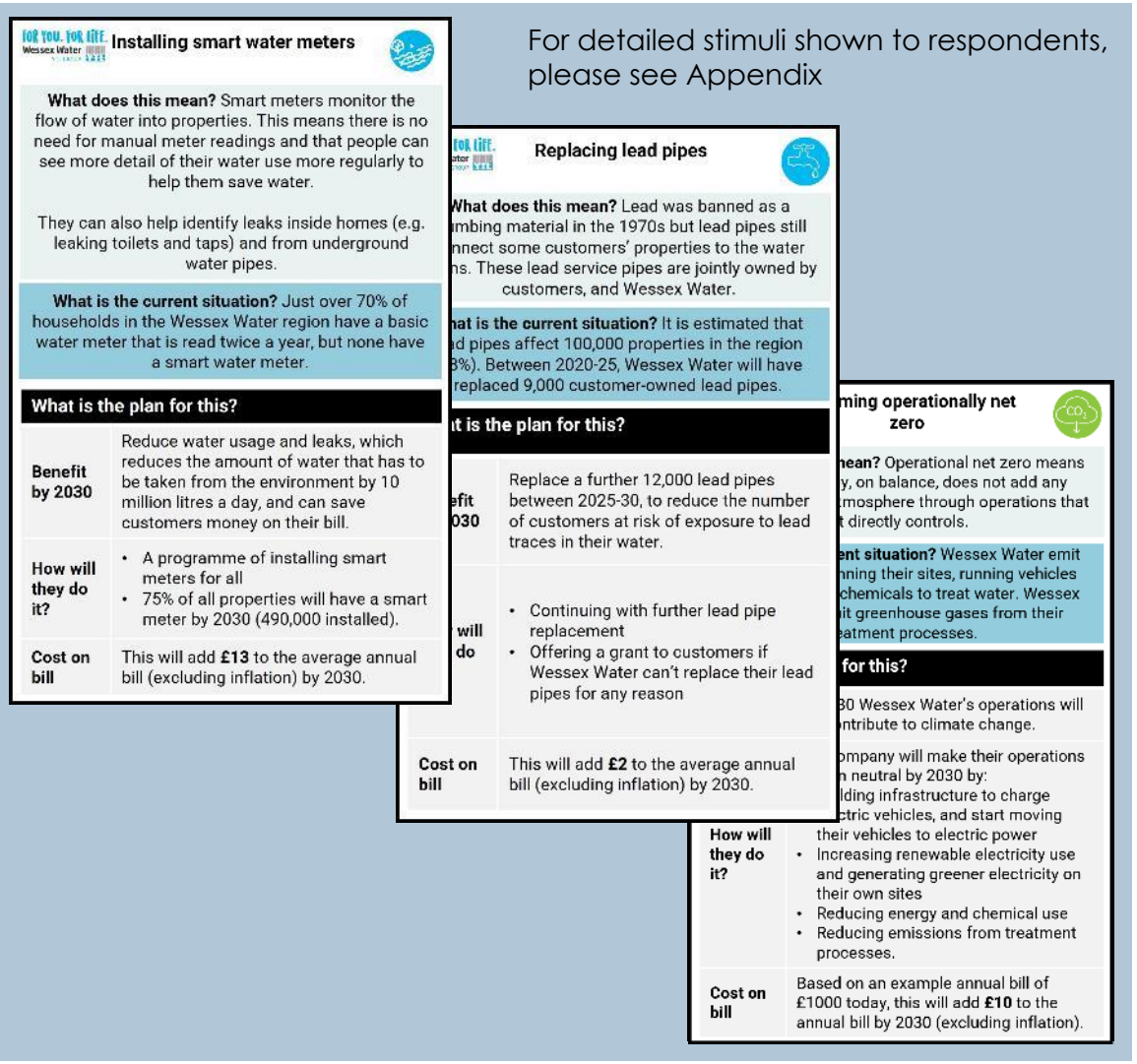
Appearance, taste and smell of tap water: See as low priority for improvement: perceive current performance is fine

- Bill impact accepted.

Additional water supply plan components – Importance

Of the three additional water supply plan components, replacing lead pipes has the biggest share of the vote for which is most important, across all the key groups. Installing smart water meters is, by some margin, rated least important for household customers.

For detailed stimuli shown to respondents, please see Appendix



Installing smart water meters

What does this mean? Smart meters monitor the flow of water into properties. This means there is no need for manual meter readings and that people can see more detail of their water use more regularly to help them save water.

They can also help identify leaks inside homes (e.g. leaking toilets and taps) and from underground water pipes.

What is the current situation? Just over 70% of households in the Wessex Water region have a basic water meter that is read twice a year, but none have a smart water meter.

What is the plan for this?

Benefit by 2030	Reduce water usage and leaks, which reduces the amount of water that has to be taken from the environment by 10 million litres a day, and can save customers money on their bill.
How will they do it?	• A programme of installing smart meters for all • 75% of all properties will have a smart meter by 2030 (490,000 installed).
Cost on bill	This will add **£13** to the average annual bill (excluding inflation) by 2030.

Replacing lead pipes

What does this mean? Lead was banned as a …mbing material in the 1970s but lead pipes still …nnect some customers' properties to the water …s. These lead service pipes are jointly owned by customers, and Wessex Water.

…at is the current situation? It is estimated that …d pipes affect 100,000 properties in the region …8%). Between 2020-25, Wessex Water will have replaced 9,000 customer-owned lead pipes.

…t is the plan for this?

…efit …030	Replace a further 12,000 lead pipes between 2025-30, to reduce the number of customers at risk of exposure to lead traces in their water.
… will do	• Continuing with further lead pipe replacement • Offering a grant to customers if Wessex Water can't replace their lead pipes for any reason
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

…ming operationally net zero

…ean? Operational net zero means …y, on balance, does not add any …tmosphere through operations that …t directly controls.

…ent situation? Wessex Water emit …nning their sites, running vehicles …chemicals to treat water. Wessex …it greenhouse gases from their …eatment processes.

… for this?

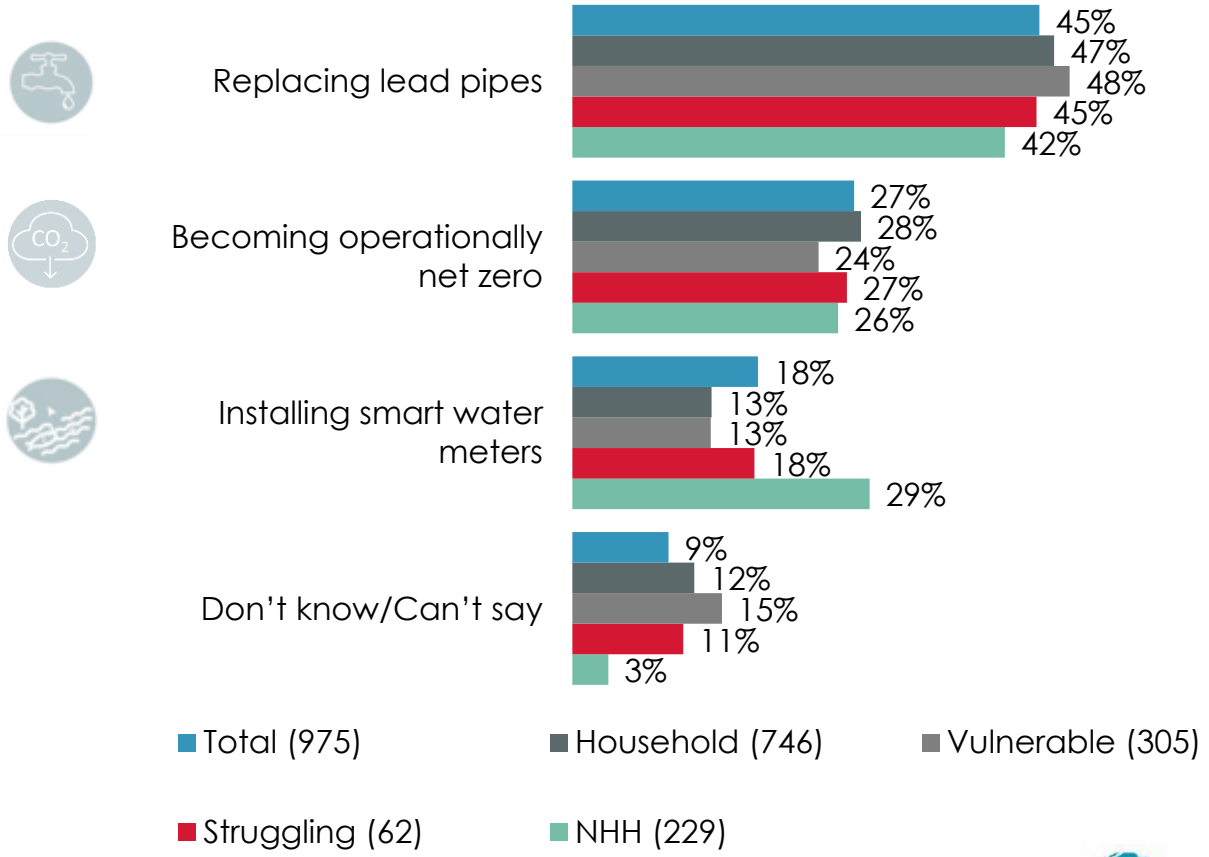
…30 Wessex Water's operations will …ntribute to climate change.

…ompany will make their operations …n neutral by 2030 by:
…lding infrastructure to charge …ctric vehicles, and start moving their vehicles to electric power
• Increasing renewable electricity use and generating greener electricity on their own sites
• Reducing energy and chemical use
• Reducing emissions from treatment processes.

How will they do it?	
Cost on bill	Based on an example annual bill of £1000 today, this will add **£10** to the annual bill by 2030 (excluding inflation).

Which of these three parts of the business plan is the most important to you: Additional Plan Components (Water)

(Water and Sewerage customers only)



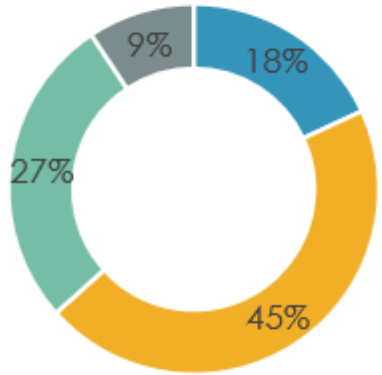
Q7b. Based on what you have just read, which of these three parts of the business plan is the most important to you?
Base Household and Non household bill payers: Total water and sewerage customers receiving water supply from Wessex Water (**975**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Additional water supply plan components – Qualitative context

Which of these three parts of the business plan is the most important to you? Quantitative data

Additional Plan Components – Water

Water and Sewerage customers only (975)



- Installing smart water meters
- Replacing lead pipes
- Becoming operationally net zero
- Don't know/Can't say

Qualitative insights based on deliberative discussions

Smart meters: The most contentious area of the plan with low support for the proposed plan to roll out by 2030 (this was scaled back slightly for the Quantitative phase of research)

- Customers don't see the benefits *to them* of smart meters
- Barriers to smart meters: obsessing over usage; adding worry
- For unmetered, loss of ability to use water 'freely'
- Unclear about the cost benefit for customers: What saving is likely?
- Many customers don't link smart meters and leakage (when informed, they question whether leak reduction will lower bills)

"This is not a good use of our money" HH Bath

"The health benefits haven't been laboured that much… it doesn't seem as pressing as sewage leakage or pollution" HH Bath

Replacing lead pipes: Most accept the proposed plan for some enhancement to the lead replacement programme

- Surprise that there is an issue at all
- Lead doesn't affect everyone: should those affected pay rather than all?
- Level of urgency: how great a risk is it (if so serious it would be a legal requirement)?

"I saw a haulage co switching to electric. They are paying for that - so why are we paying Wessex to do the same?" HH Bath

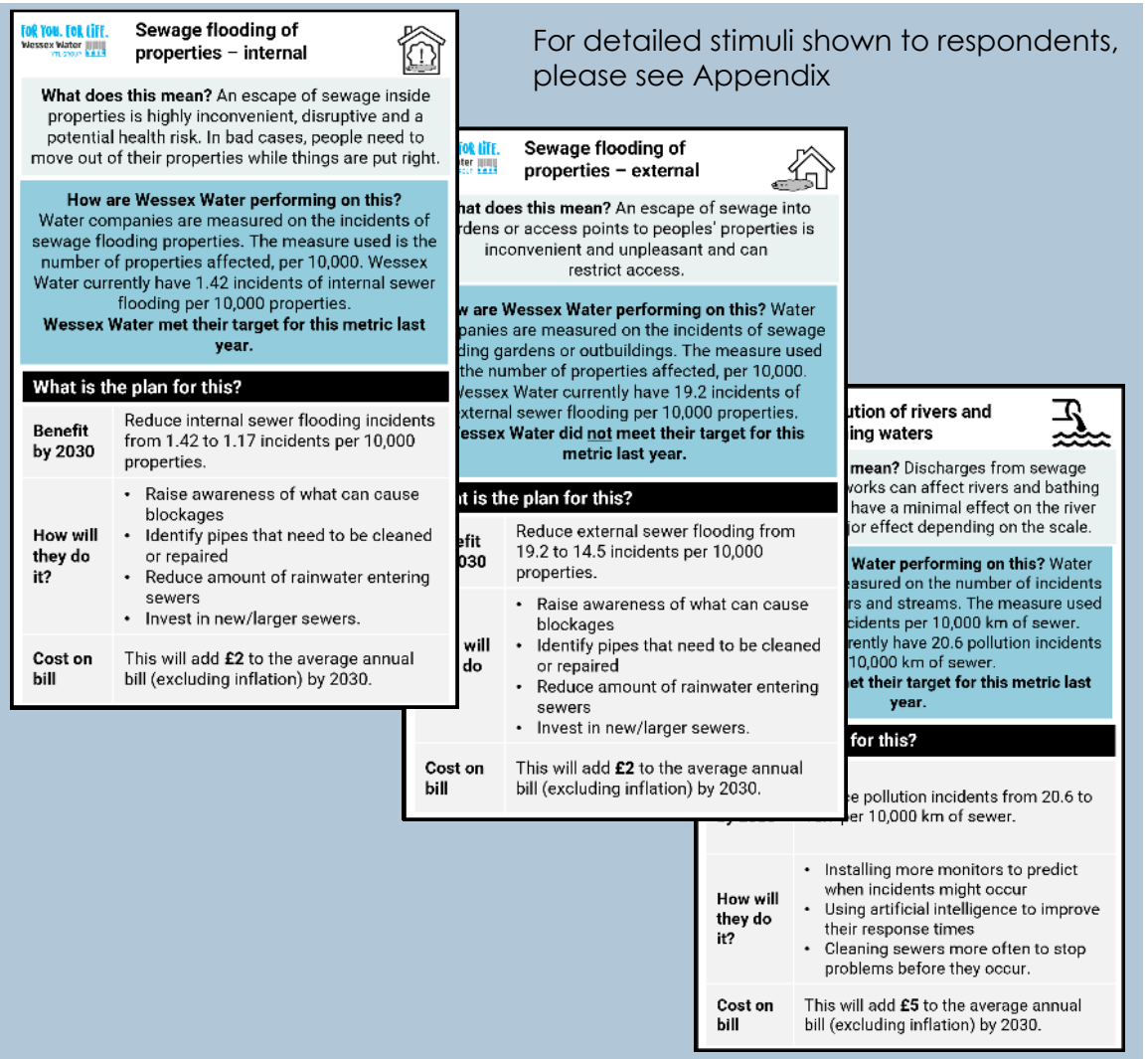
Becoming operationally net zero: While the issue is seen as important, customers find it unacceptable they should pay for Wessex Water to transform its operation to net zero

- Question the cost of this – appears expensive (when savings should come from reducing emissions)
- All support the target but many question the approach.

Sewerage Performance Commitments – Importance

Addressing pollution issues are chosen decisively as the most important of the sewage PCs – 6 in 10 rating it most important of the three. External sewage flooding is least likely to be rated no.1 importance, behind internal sewage flooding.

For detailed stimuli shown to respondents, please see Appendix



Sewage flooding of properties – internal

What does this mean? An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

How are Wessex Water performing on this?
Water companies are measured on the incidents of sewage flooding properties. The measure used is the number of properties affected, per 10,000. Wessex Water currently have 1.42 incidents of internal sewer flooding per 10,000 properties.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce internal sewer flooding incidents from 1.42 to 1.17 incidents per 10,000 properties.
How will they do it?	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

Sewage flooding of properties – external

…at does this mean? An escape of sewage into …rdens or access points to peoples' properties is inconvenient and unpleasant and can restrict access.

…w are Wessex Water performing on this? Water …panies are measured on the incidents of sewage …ding gardens or outbuildings. The measure used …the number of properties affected, per 10,000. …Vessex Water currently have 19.2 incidents of …xternal sewer flooding per 10,000 properties. **…essex Water did not meet their target for this metric last year.**

…t is the plan for this?

…efit …030	Reduce external sewer flooding from 19.2 to 14.5 incidents per 10,000 properties.
…will …do	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

…ution of rivers and …ing waters

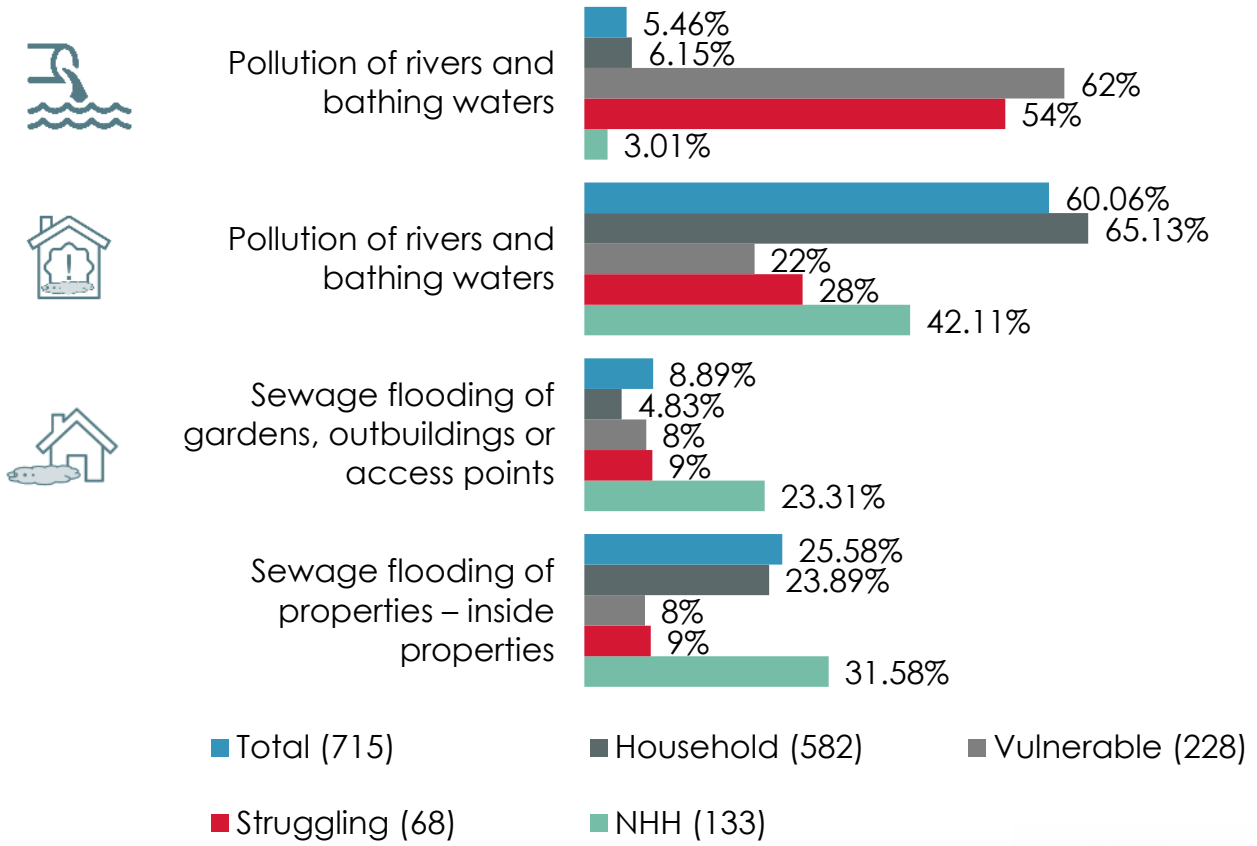
…mean? Discharges from sewage …works can affect rivers and bathing …have a minimal effect on the river …or effect depending on the scale.

…Water performing on this? Water …easured on the number of incidents …rs and streams. The measure used …cidents per 10,000 km of sewer. …rently have 20.6 pollution incidents …10,000 km of sewer. **…et their target for this metric last year.**

…for this?

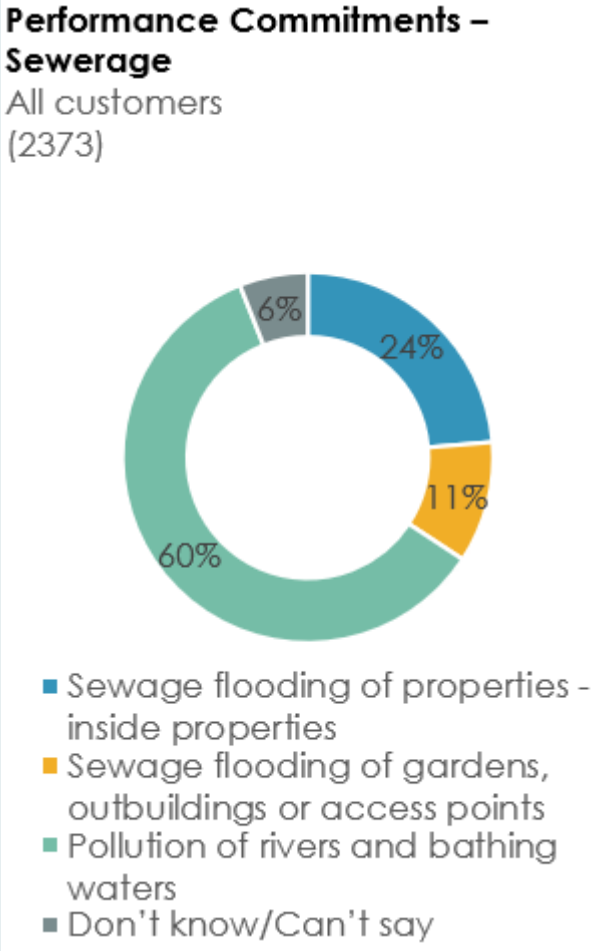
	…e pollution incidents from 20.6 to …er 10,000 km of sewer.
How will they do it?	• Installing more monitors to predict when incidents might occur • Using artificial intelligence to improve their response times • Cleaning sewers more often to stop problems before they occur.
Cost on bill	This will add **£5** to the average annual bill (excluding inflation) by 2030.

Which of these three parts of the business plan is the most important to you: Common Performance Commitments (Sewerage)
(All customers)



Q7c. Based on what you have just read, which of these three parts of the business plan is the most important to you?
Base Household and Non household bill payers: Total (**2373**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Which of these three parts of the business plan is the most important to you? Quantitative data



Qualitative insights based on deliberative discussions

Internal sewer flooding: Support target: recognise very few are affected/rare events

- But the bill impact (presented in the qualitative as a single figure with external sewer flooding) looks high

External sewer flooding: Support target: recognise very few are affected/rare events

- But the bill impact (presented in the qualitative as a single figure with internal sewer flooding) looks high

Pollution of rivers and bathing waters: Important target: many feel it is unambitious

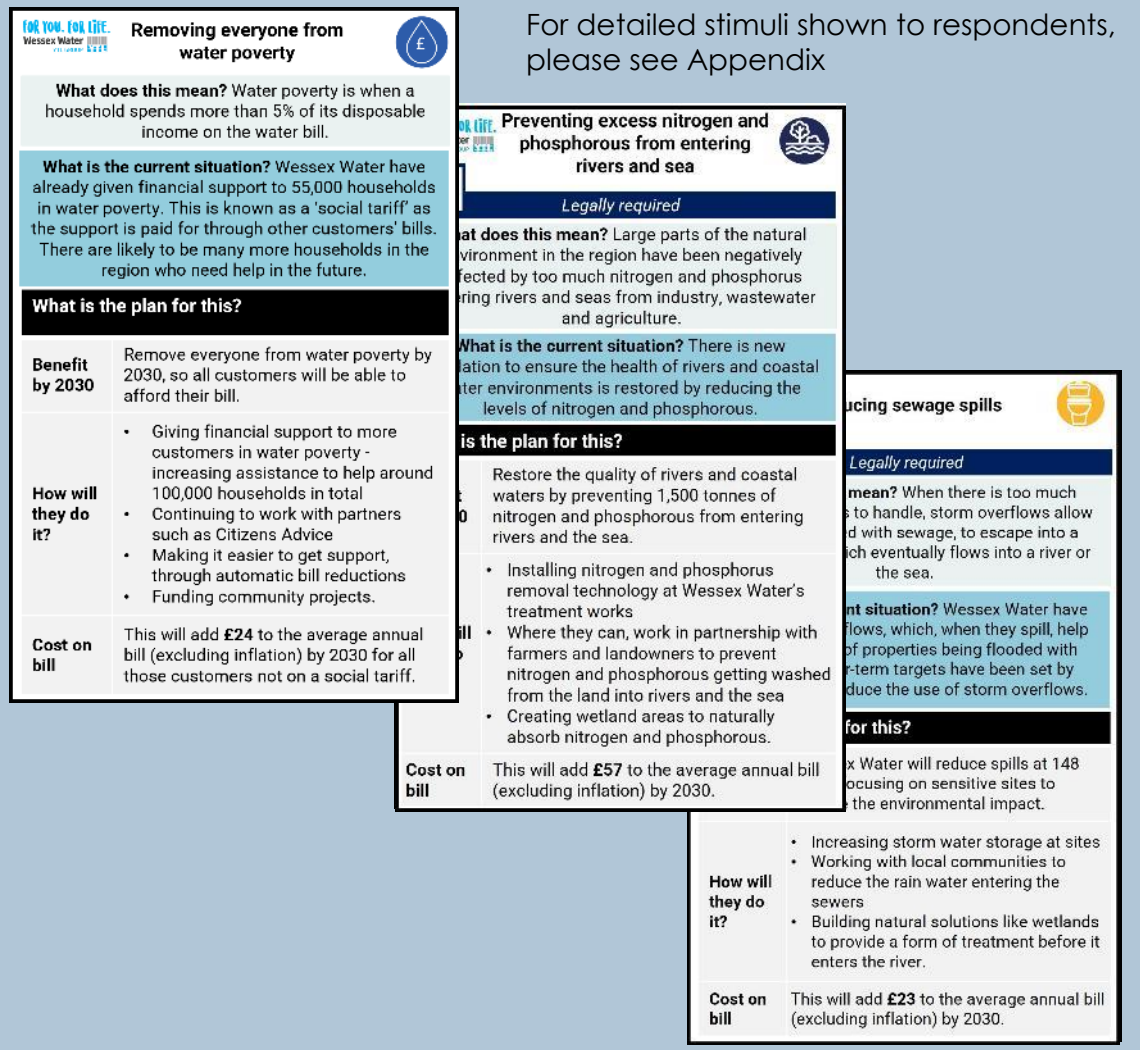
- Hard to assess measure (per 10k sewer).

"With each target they are asking for more money. How are they looking to work smarter, change the way they currently operate, use technology?"
HH Bath

Additional sewerage plan components – Importance

Reducing sewage spills (through storm overflows) receives a larger share of the vote than the other plan elements here – reflecting widespread publicity and awareness of this issue.

For detailed stimuli shown to respondents, please see Appendix



Removing everyone from water poverty

What does this mean? Water poverty is when a household spends more than 5% of its disposable income on the water bill.

What is the current situation? Wessex Water have already given financial support to 55,000 households in water poverty. This is known as a 'social tariff' as the support is paid for through other customers' bills. There are likely to be many more households in the region who need help in the future.

What is the plan for this?

Benefit by 2030	Remove everyone from water poverty by 2030, so all customers will be able to afford their bill.
How will they do it?	• Giving financial support to more customers in water poverty - increasing assistance to help around 100,000 households in total • Continuing to work with partners such as Citizens Advice • Making it easier to get support, through automatic bill reductions • Funding community projects.
Cost on bill	This will add **£24** to the average annual bill (excluding inflation) by 2030 for all those customers not on a social tariff.

Preventing excess nitrogen and phosphorous from entering rivers and sea

Legally required

at does this mean? Large parts of the natural vironment in the region have been negatively fected by too much nitrogen and phosphorus ring rivers and seas from industry, wastewater and agriculture.

What is the current situation? There is new ation to ensure the health of rivers and coastal ter environments is restored by reducing the levels of nitrogen and phosphorous.

is the plan for this?

	Restore the quality of rivers and coastal waters by preventing 1,500 tonnes of nitrogen and phosphorous from entering rivers and the sea.
	• Installing nitrogen and phosphorus removal technology at Wessex Water's treatment works • Where they can, work in partnership with farmers and landowners to prevent nitrogen and phosphorous getting washed from the land into rivers and the sea • Creating wetland areas to naturally absorb nitrogen and phosphorous.
Cost on bill	This will add **£57** to the average annual bill (excluding inflation) by 2030.

ucing sewage spills

Legally required

mean? When there is too much to handle, storm overflows allow d with sewage, to escape into a ich eventually flows into a river or the sea.

nt situation? Wessex Water have flows, which, when they spill, help of properties being flooded with r-term targets have been set by duce the use of storm overflows.

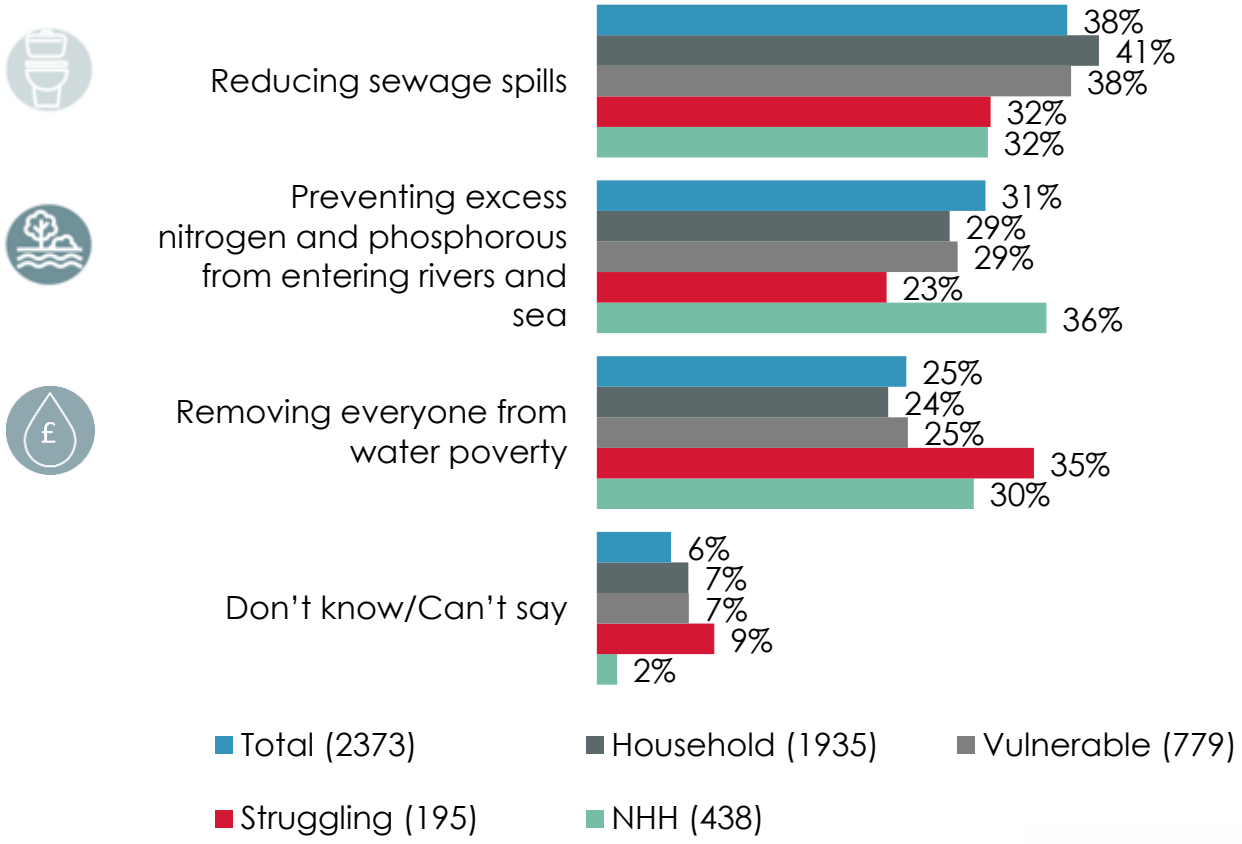
for this?

x Water will reduce spills at 148 ocusing on sensitive sites to the environmental impact.

How will they do it?	• Increasing storm water storage at sites • Working with local communities to reduce the rain water entering the sewers • Building natural solutions like wetlands to provide a form of treatment before it enters the river.
Cost on bill	This will add **£23** to the average annual bill (excluding inflation) by 2030.

Which of these three parts of the business plan is the most important to you: Additional Plan Components (Sewerage)

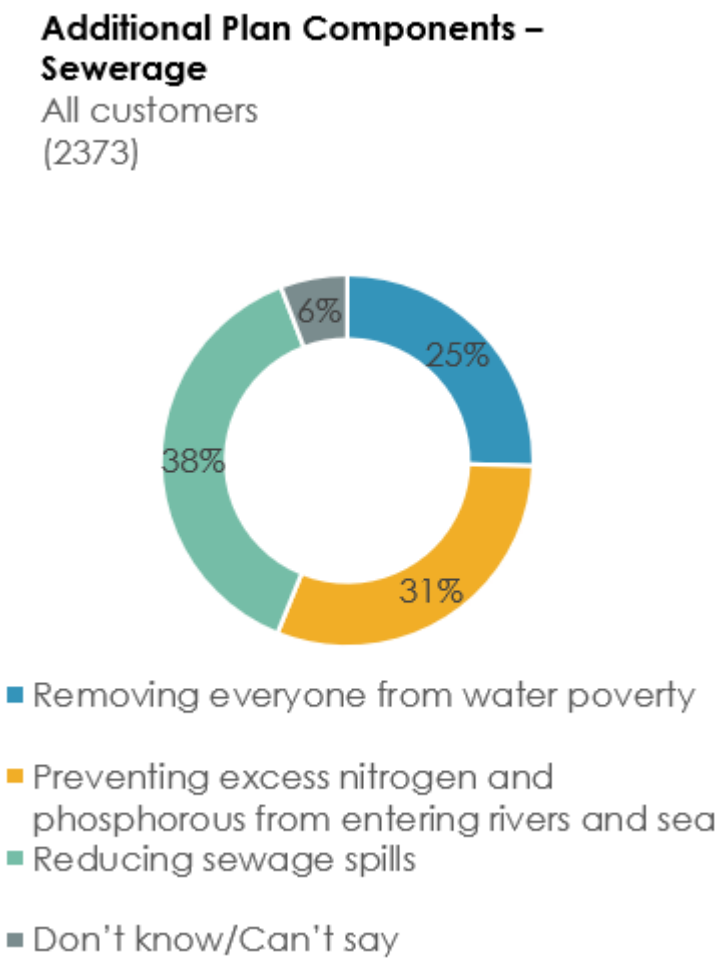
(All customers only)



Q7d. Based on what you have just read, which of these three parts of the business plan is the most important to you?
Base Household and Non household bill payers: Total (**2373**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Additional sewerage plan components – Qualitative context

Which of these three parts of the business plan is the most important to you? Quantitative data



Qualitative insights based on deliberative discussions

Water poverty: The large bill impact means there is a cautious response as many are feeling the squeeze.

- Role of water company vs. state in responding to poverty
- Unappealing for the 'squeezed middle'
- Some question the fairness, how eligibility is decided

"The squeezed middle are not getting enough help." HH Salisbury

Nutrient removal *(Legally required)*: Lower acceptance of nutrient removal investment as the problem isn't known or understood – and it is unclear what is responsible for this (and therefore who should pay)

- Expensive bill impact: hard to understand the value / benefit
- Many accepting however as there is no choice

"If it is required, it's required!" HH Bath

Sewage spills *(Legally required)*: High levels of acceptance (and support) for this investment with only a small number questioning the role of customers in funding it through bills.

- Awareness of problem and media interest
- All see as very important and question target: halving by 2050 seems very unambitious
- Pockets of resistance that this is mandatory (for the customer to pay) but overall high acceptance of the necessity of the investment.

"Should we in this day and age, and in this country, should we be discharging sewage into the sea?" HH Bath

Acceptability of proposed plans

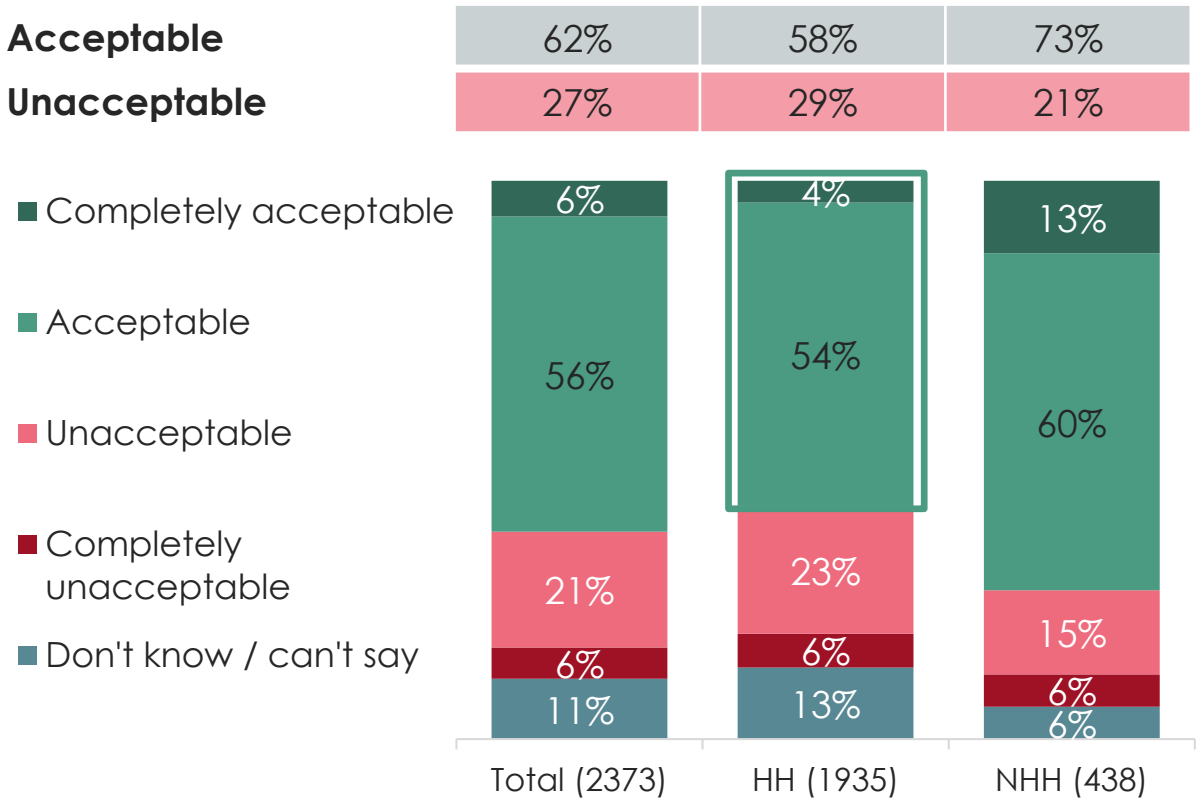
Acceptability - Summary

	HH and NHH	HH	NHH
Overall plan – acceptable (Combination of water & sewerage customers commenting on whole plan and sewerage only customers commenting on sewerage only plan)	62%	58%	73%
Water supply only plan – acceptable (Water & sewerage customers only)	70%	68%	74%
Sewerage only plan – acceptable (All water & sewerage customers and sewerage only customers)	61%	56%	72%

Acceptability of Wessex Water's business plans is 62% overall; slightly lower at 58% for households specifically. This is comparable to the qualitative (26 of 48 household customers)

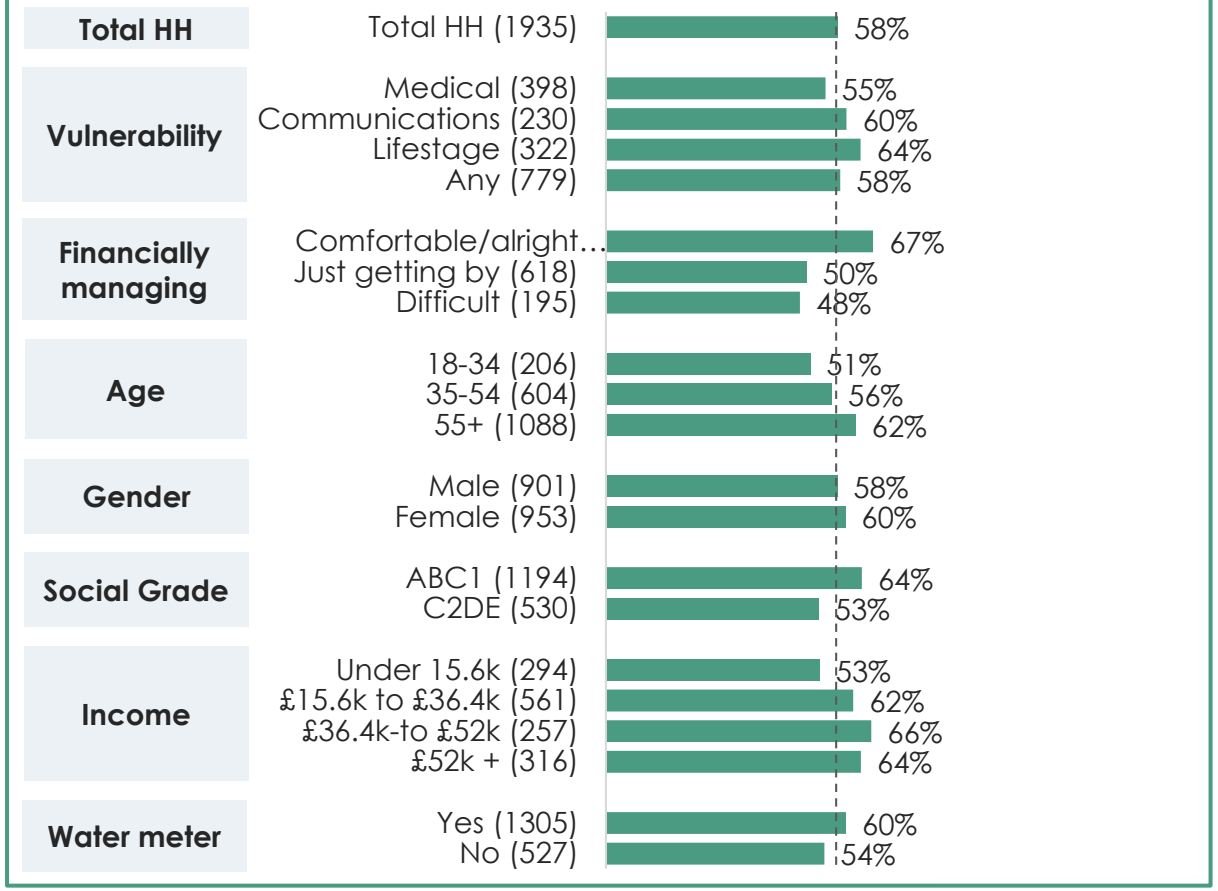
There is not huge variation in acceptability by various demographic groups, although a correlation between those feeling more financially comfortable and higher acceptability; older age groups are also slightly more favourable than younger

Acceptability of plan (Wessex Water elements only)



Plan Acceptability– **Household** subgroup differences

% of each group who think it is completely acceptable or acceptable

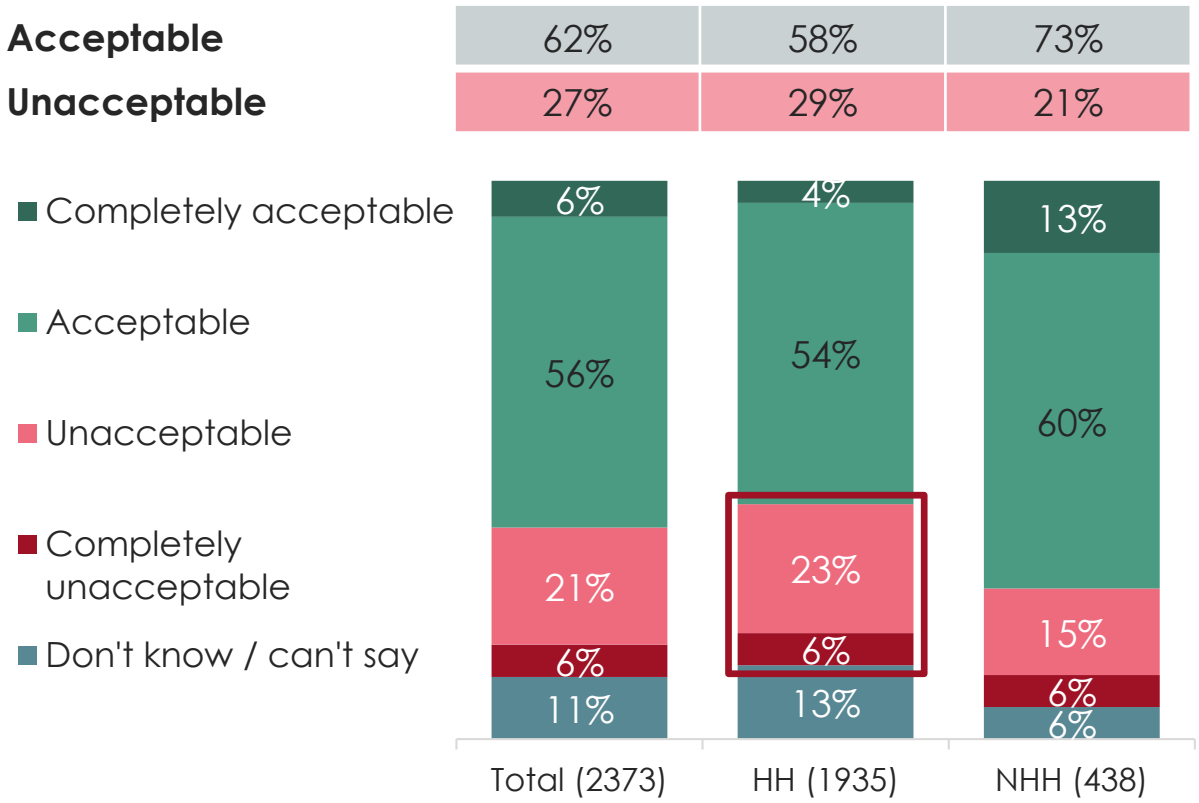


Q8. Based on everything you have seen and read about the proposed business plan, how acceptable or unacceptable is it to you? **Base** Total household and non-household bill payers in the Wessex Water supply area (**975**) COMBINED WITH **Q10b** Now please think specifically about Wessex Water's proposed plan for sewerage services? **Base** Total household and non-household bill payers in the Bristol Water & Bournemouth Water supply areas (**1398**) **WEIGHTED % FIGURES and UNWEIGHTED BASE SIZES are displayed**

27% overall think Wessex Water's plans are unacceptable; 29% of household customers. This is comparable to the qualitative findings (16 of 48 household customers found it unacceptable)

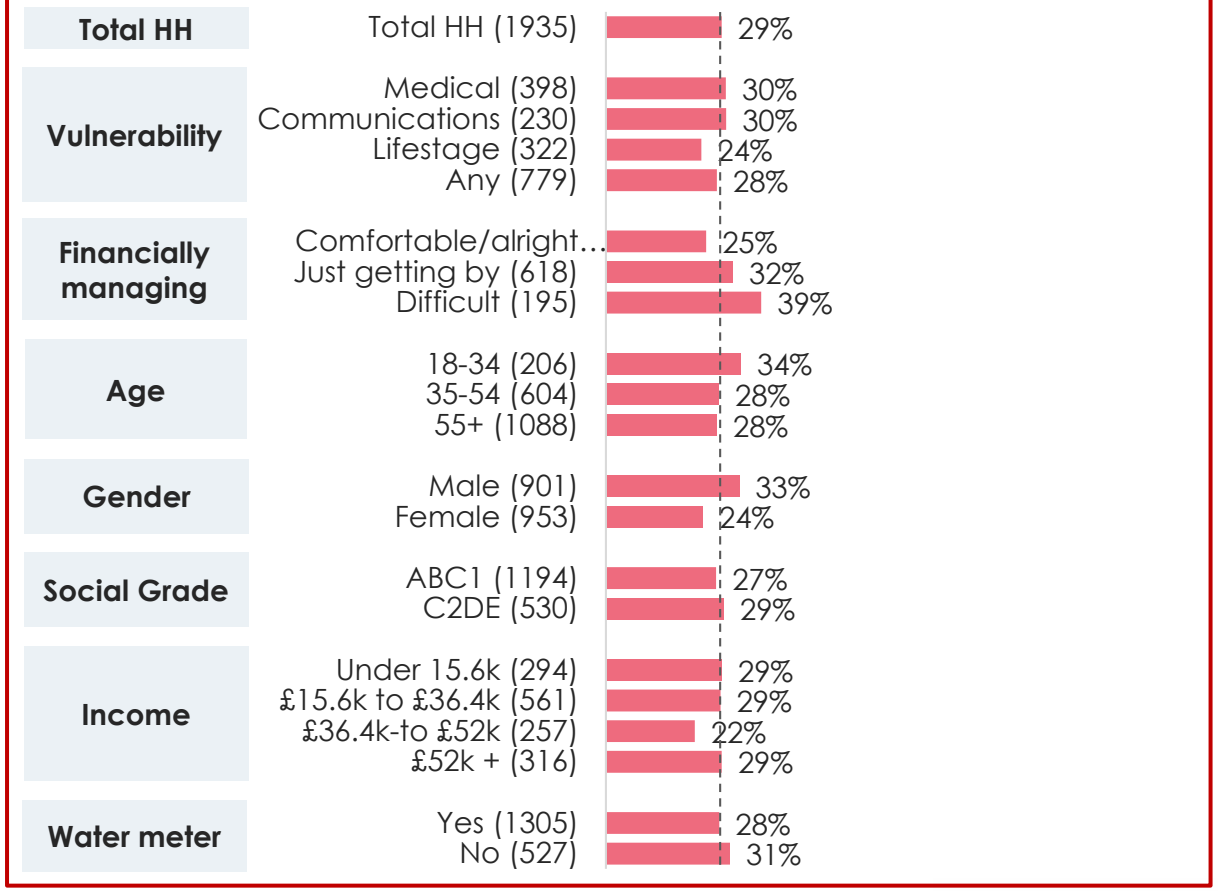
Amongst specific household demographic groups, active unacceptability is highest amongst those finding it difficult to manage financially. Younger customers (18-34s) and male customers also record slightly higher levels of unacceptability

Acceptability of plan (Wessex Water elements only)



Plan Unacceptability – **Household** subgroup differences

% of each group who think it is completely unacceptable or unacceptable

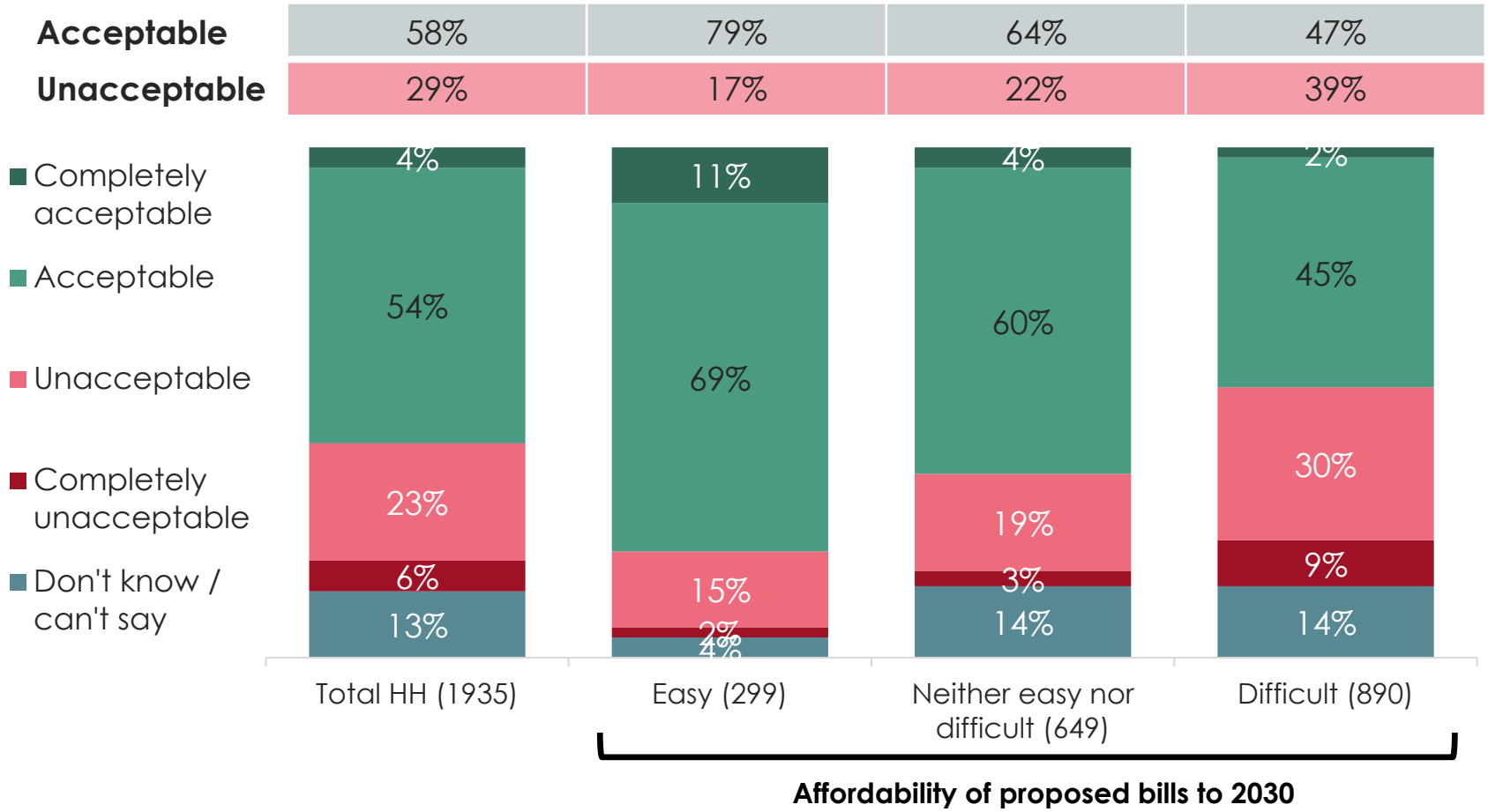


Q8. Based on everything you have seen and read about the proposed business plan, how acceptable or unacceptable is it to you? **Base** Total household and non-household bill payers in the Wessex Water supply area (**975**) COMBINED WITH **Q10b** Now please think specifically about Wessex Water's proposed plan for sewerage services? **Base** Total household and non-household bill payers in the Bristol Water & Bournemouth Water supply areas (**1398**) **WEIGHTED % FIGURES and UNWEIGHTED BASE SIZES are displayed**

Affordability of the proposed bills has a large impact on business plan acceptability

Future bill affordability has a big impact on accepting the business plan. Nearly 8 in 10 household customers who would find the proposed bills easy to afford say the plans are acceptable, compared to only 47% of the (majority) who say the bills would be difficult to afford.

Acceptability of plan (Wessex Water elements only) – household customers



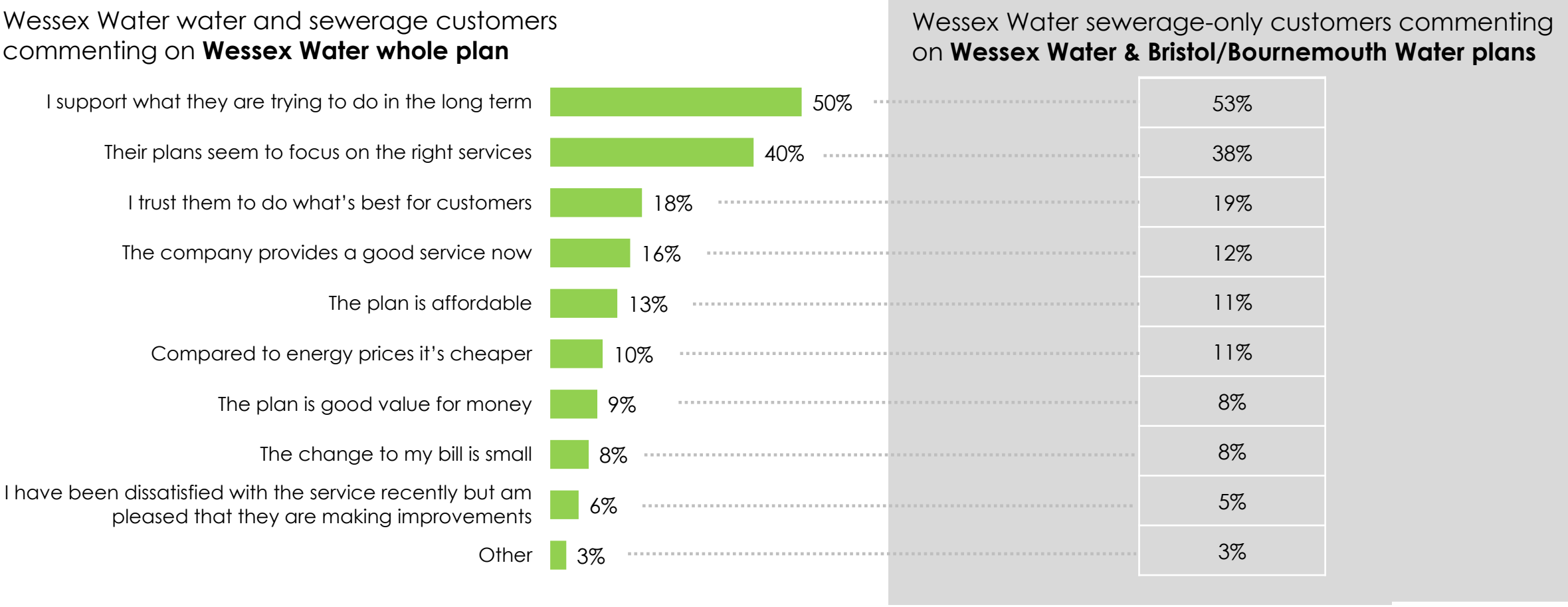
Q8. Based on everything you have seen and read about the proposed business plan, how acceptable or unacceptable is it to you? **Base** Total household bill payers in the Wessex Water supply area (**746**) COMBINED WITH **Q10b** Now please think specifically about Wessex Water's proposed plan for sewerage services? **Base** Total household bill payers in the Bristol Water & Bournemouth Water supply areas (**1189**) **WEIGHTED % FIGURES and UNWEIGHTED BASE SIZES are displayed**

Reasons for accepting the plan were similar to those seen in the qualitative

The key reasons why customer endorse the plan is because the they think it focuses on the right things (for the long term), but relatively few choose positive reasons around value for money / affordability

Reasons for accepting the plan

(Household and Non household customers who found the plans acceptable)



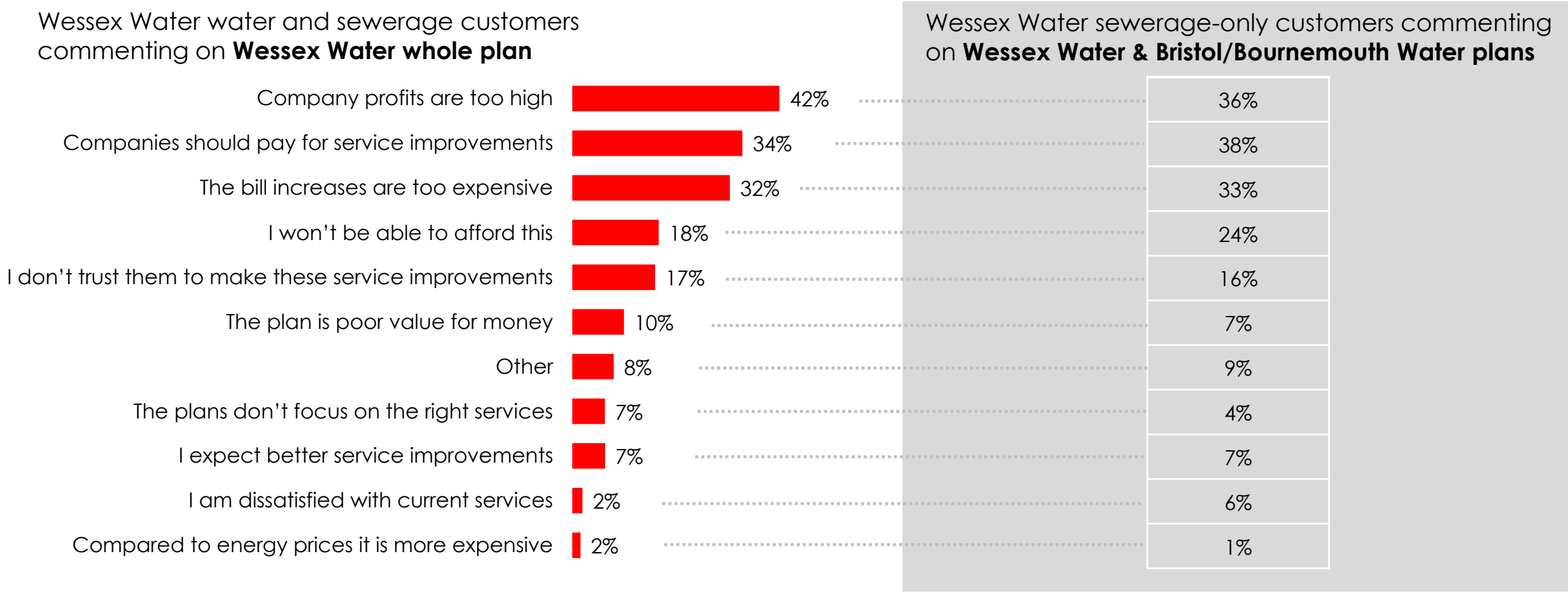
A8b. What are the two main reasons that you feel the proposals for your water services are acceptable?
Base Household and Non household bill payers who found the plan acceptable: Water and sewerage customers receiving water supply from Wessex Water (622). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (920). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Reasons for not accepting the plan revolve around company profits and cost

The main reason for not accepting the business plan is because customers think water companies' profits are too high, that the companies should pay (more) for improvements, and that the bill increases are too expensive

Reasons for not accepting the plan

(Household and Non household customers who found the plans unacceptable)



A8a. What are the two main reasons that you feel the proposals for your water services are unacceptable?
Base Household and Non household bill payers who found the plan unacceptable: Water and sewerage customers receiving water supply from Wessex Water (226). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (279). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Acceptability of proposed plan for water supply services

Focusing just on the aspects of the Wessex Water plans for water supply services, acceptability (amongst water and sewerage customers) is notably higher than for the plan overall (including both water supply and sewerage elements)

For detailed stimuli shown to respondents, please see Appendix

Wessex Water's plan for water supply services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030...	£/yr
Continue to meet the current target for duration properties are without water	£0
Reduce leakage from 103 to 90 litres per property per day	£6
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	£2
Install smart water meters in 75% of properties	£13
Replace 12,000 customer lead pipes	£2
Become operationally net zero	£6

£/yr means the **added amount** on to the **average** current annual bill (excluding inflation) by 2030

Note: None of these elements are legally required

Wessex Water's plan for water supply services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

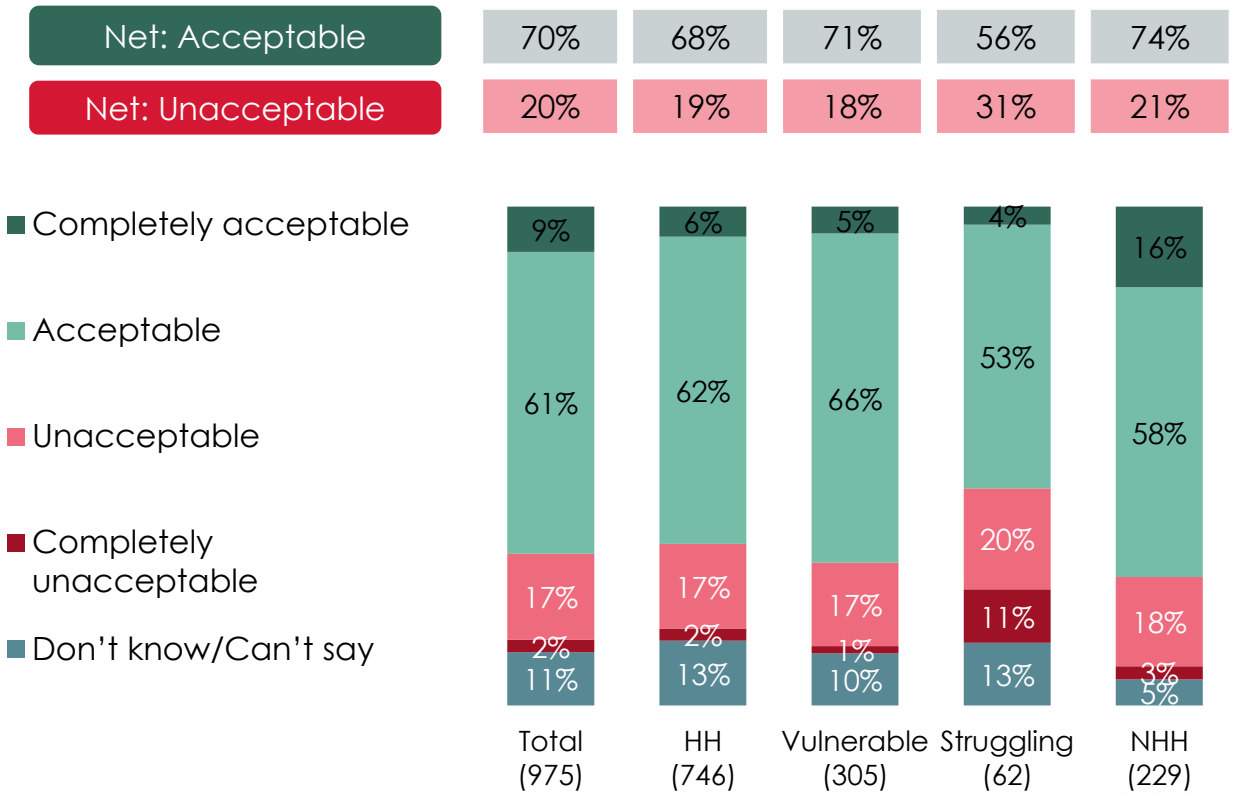
By 2030...	£/yr
Continue to meet the current target for duration properties are without water	£0
Reduce leakage from 103 to 90 litres per property per day	£13
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	£4
Install smart water meters in 75% of properties	£29
Replace 12,000 customer lead pipes	£5
Become operationally net zero	£10

£/yr means the **added amount** (excluding inflation) on to an example current annual bill of £1,000 by 2030.

Note: None of these elements are legally required

How acceptable or unacceptable is the business plan for the water supply services?

(Water and Sewerage customers only)



Q10a. Based on everything you have seen and read Wessex Water's proposed business plan for water supply services, how acceptable or unacceptable is it to you? **Base** Household and Non household bill payers receiving water and sewerage services from Wessex Water (973).
WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES

Acceptability of proposed plan for sewerage services

Focusing on the sewerage services aspects of the Wessex Water plans, acceptability is lower than for the water only plan. Sewerage elements (with notably higher costs attached than water supply) may be holding back overall acceptability

For detailed stimuli shown to respondents, please see Appendix

Wessex Water's plan for sewerage services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030...	£/yr
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	£2
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	£2
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	£5
Remove everyone from water poverty	£24
Prevent excess nitrogen and phosphorous entering rivers & sea *(Legally required)*	£57
Reduce sewage spills at 148 sites, focusing on sensitive sites *(Legally required)*	£23

£/yr means the **added amount** on to the **average** current annual bill (excluding inflation) by 2030

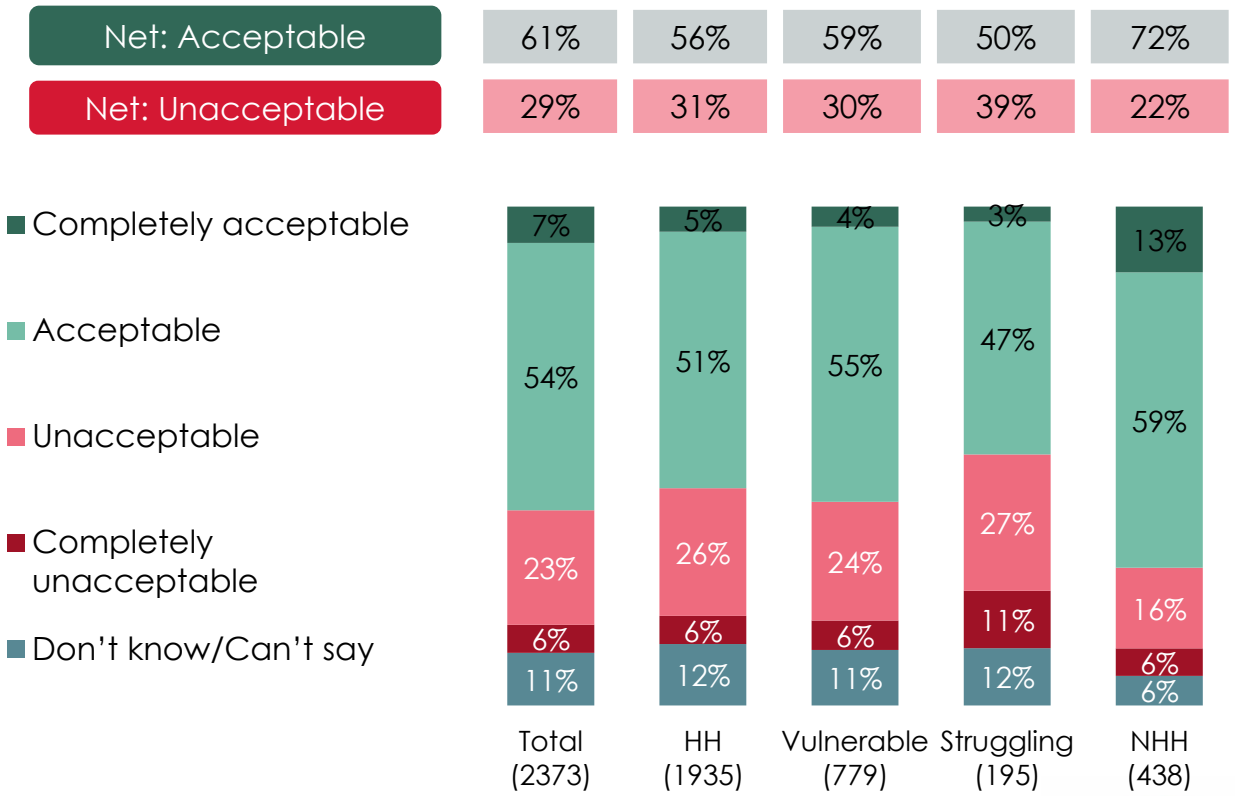
Wessex Water's plan for sewerage services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030...	£/yr
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	£5
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	£5
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	£12
Remove everyone from water poverty	£0
Prevent excess nitrogen and phosphorous entering rivers & sea *(Legally required)*	£137
Reduce sewage spills at 148 sites, focusing on sensitive sites *(Legally required)*	£55

£/yr means the **added amount** (excluding inflation) on to an example current annual bill of £1,000 by 2030.

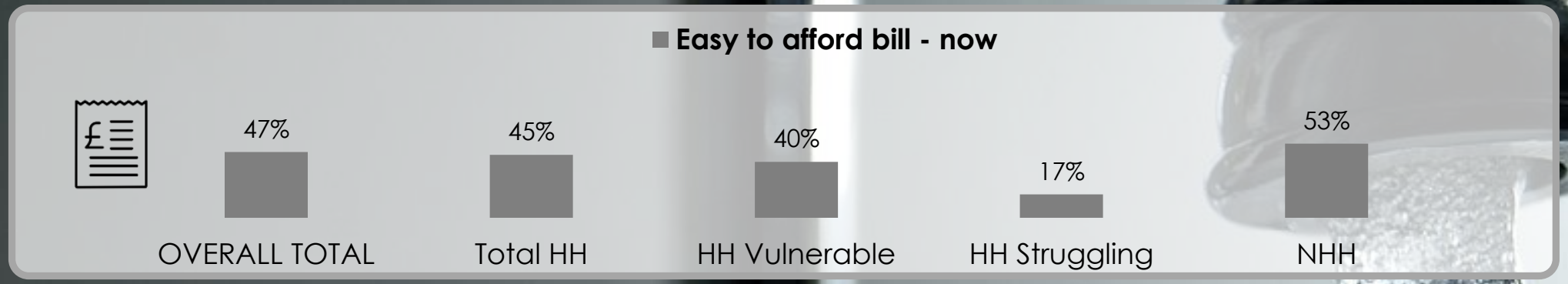
How acceptable or unacceptable is the business plan for the sewerage services?
(All customers)



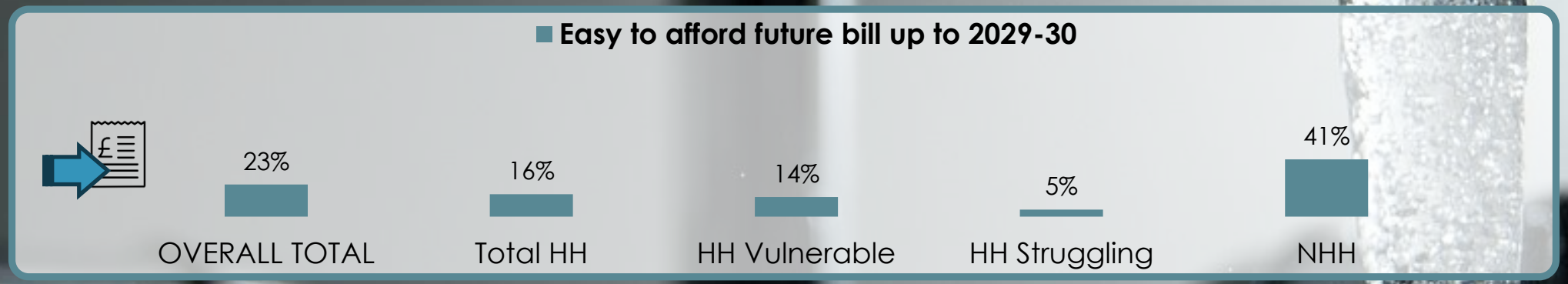
Q10b. Based on everything you have seen and read Wessex Water's proposed business plan for sewerage services, how acceptable or unacceptable is it to you? **Base** Household and Non household bill payers: Total (**2373**); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Summary

Easy to afford bill now



Would be easy to afford future bill



Plan Acceptability

1. Customers' perceptions of their economic situation is similar in both the qualitative and quantitative phases of research: Only a minority of customers feel that they are 'comfortable' financially and the outlook is pessimistic - more customers think that the situation will get worse over the next few years than think it will get better.

2. Despite the financial squeeze, only a minority (10%) find it difficult to afford their current water & sewerage bill. However, when presented with proposed future bills, the proportion who will find it difficult to afford jumps to over 4 in 10. Qualitative discussions showed customers were surprised by the extent of the bill increases, which were unexpected.

3. The qualitative research also revealed a nuanced picture on customers' responses around plan affordability. Their answers to the affordability question (reluctance to answer 'easy to afford') can to some extent reflect a lack of their willingness to pay for investments as opposed to their inability to pay. There's particular reluctance in contributing to what are seen as 'business as usual' investments (e.g. operational net zero).

4. The quantitative data shows the majority of customers moving to the view that proposed future bills will be difficult to afford are those who find their current bill 'neither easy nor difficult' to afford. A high proportion of these say that they are 'just getting by' - and many are in middling income brackets. The 'squeezed middle' look to be genuinely concerned that future bills will not be affordable to them, along with those who already struggle to afford.

5. Acceptability of the proposed business plan at both the qualitative and quantitative stages was similar. Overall, 63% of customers accept the plan in the quantitative research (59% of household customers). This level of acceptability is lower than typical levels seen in previous price reviews, and is heavily influenced by how affordable they find the proposed bills

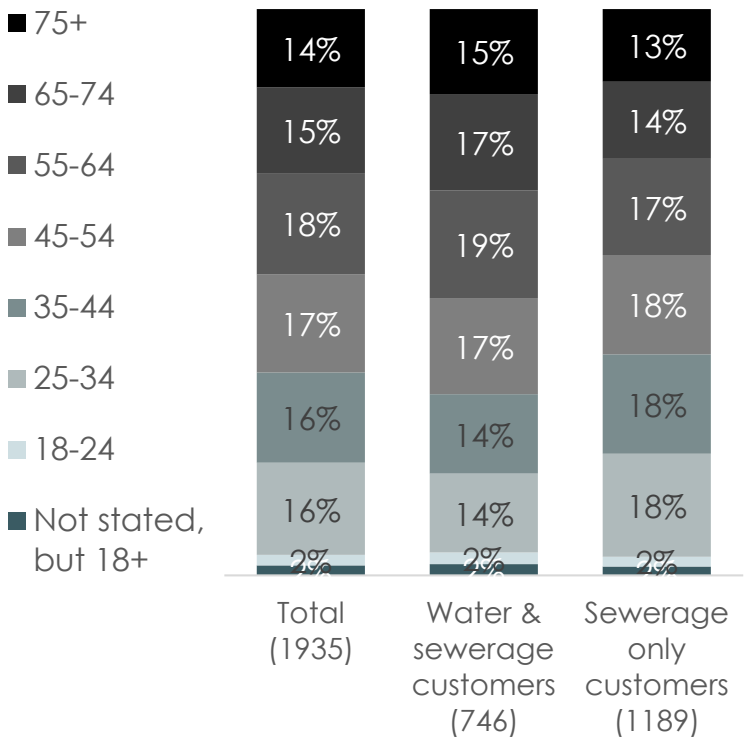
6. Lack of acceptance of the plans for PR24 revolves around the (linked) issues of the cost of the plan and a (growing) sense that water companies' profits are too high, and that they should be paying for more of the investments.

Appendices

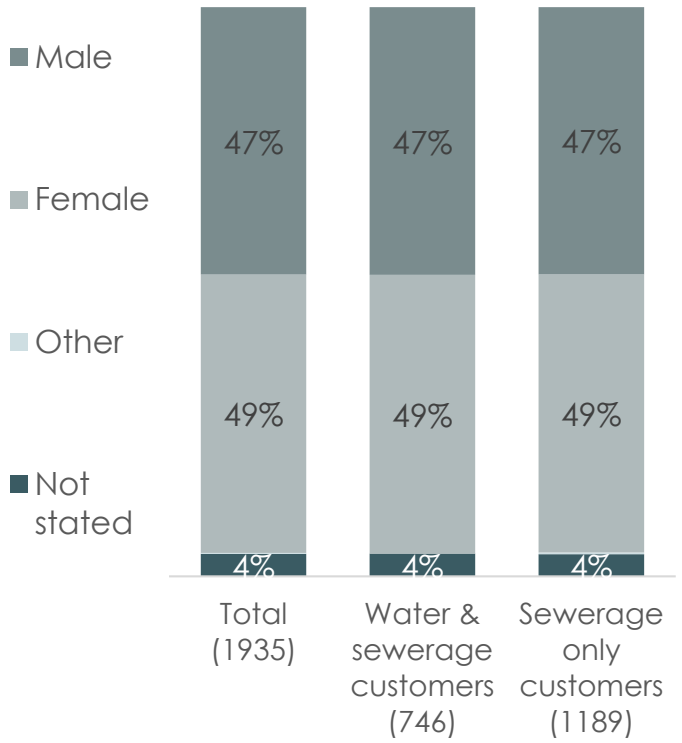
Appendix 1 – Full breakdown of results

Household sample profile

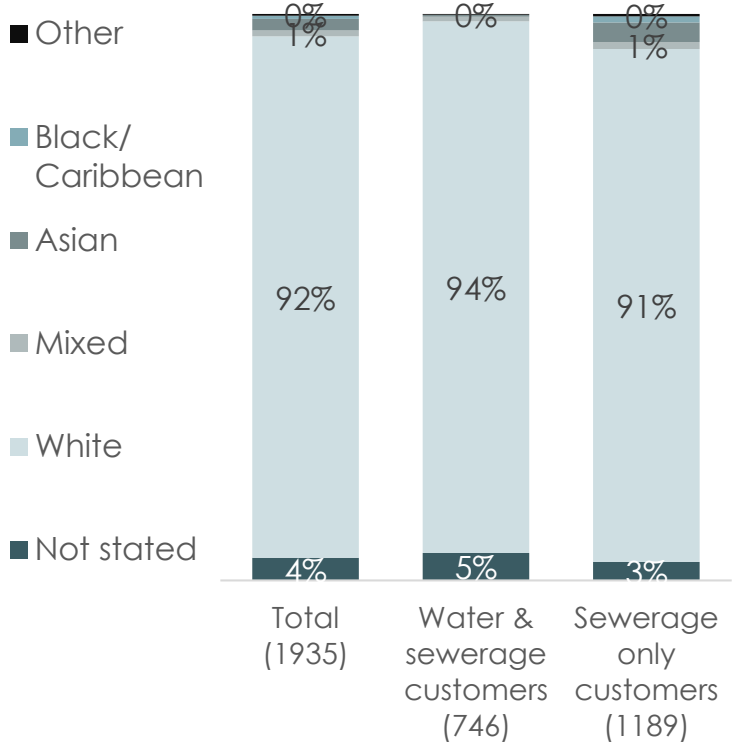
Age
(Household customers only)



Gender
(Household customers only)



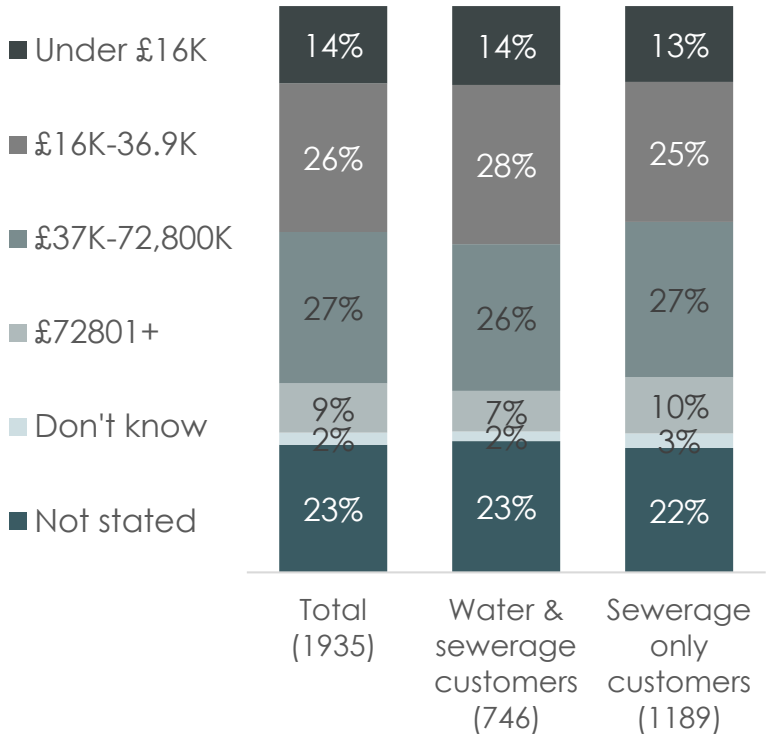
Ethnicity
(Household customers only)



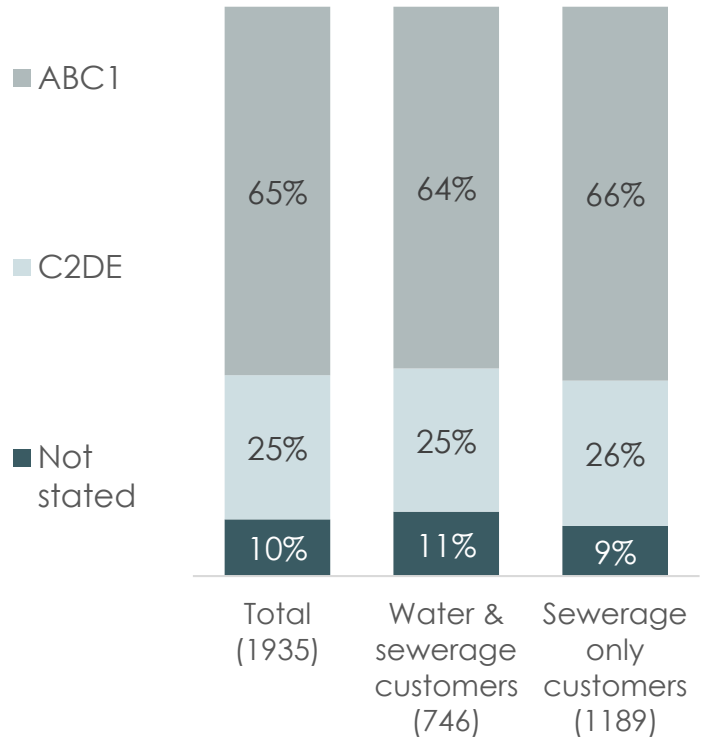
S1. How old are you?.
Q11. In which of the following ways do you identify?
Q15. What is your ethnic group? Choose one option that best describes your ethnic group or background
Base Household bill payers: Total (1935); Water and sewerage customers receiving water supply from Wessex Water (746). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (1189). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Household sample profile

Household Income (pre tax)
(Household customers only)



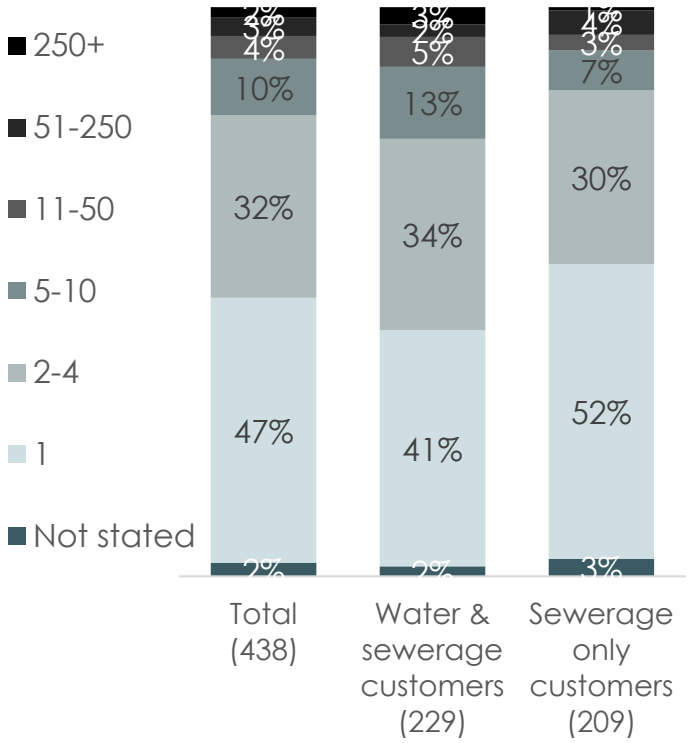
Social Grade
(Household customers only)



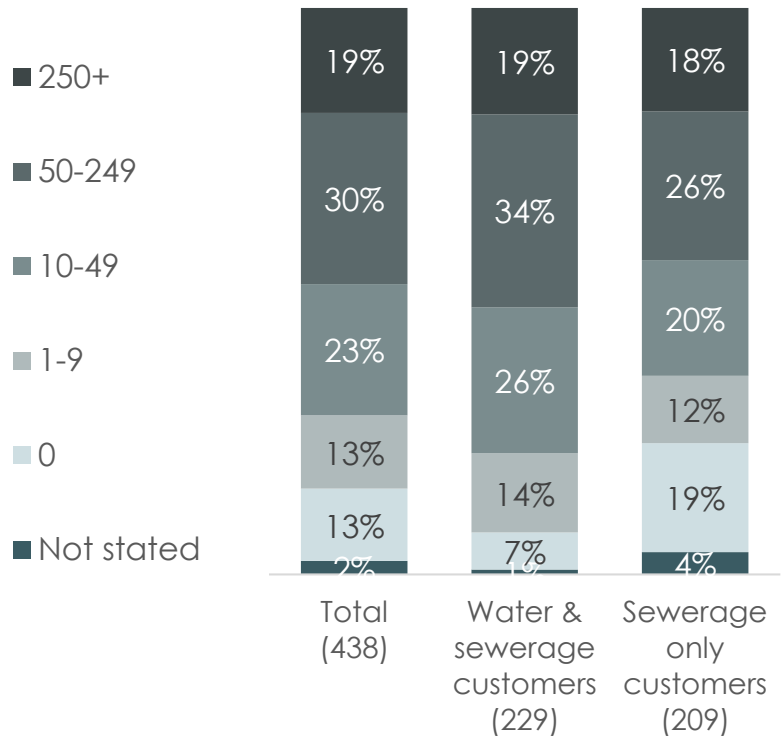
Q16. Which of the following bands does your household income fall into from all sources before tax and other deductions?
D6. Social Grade
D7. VULNERABLE CUSTOMERS
Base Household bill payers: Total (1935); Water and sewerage customers receiving water supply from Wessex Water (746). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (1189). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Non-household sample profile

Number of UK sites
(Non Household customers only)



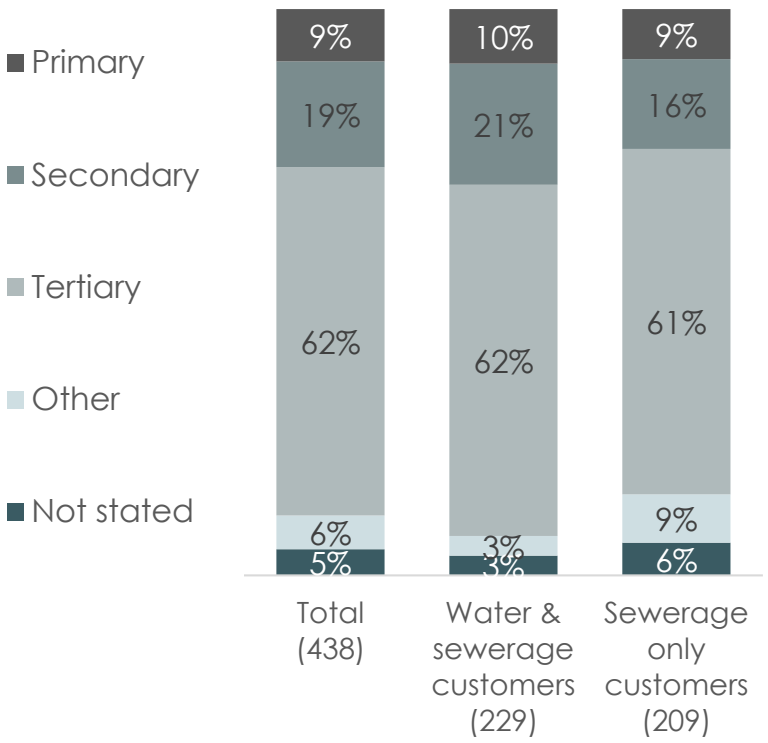
Number of UK employees
(Non Household customers only)



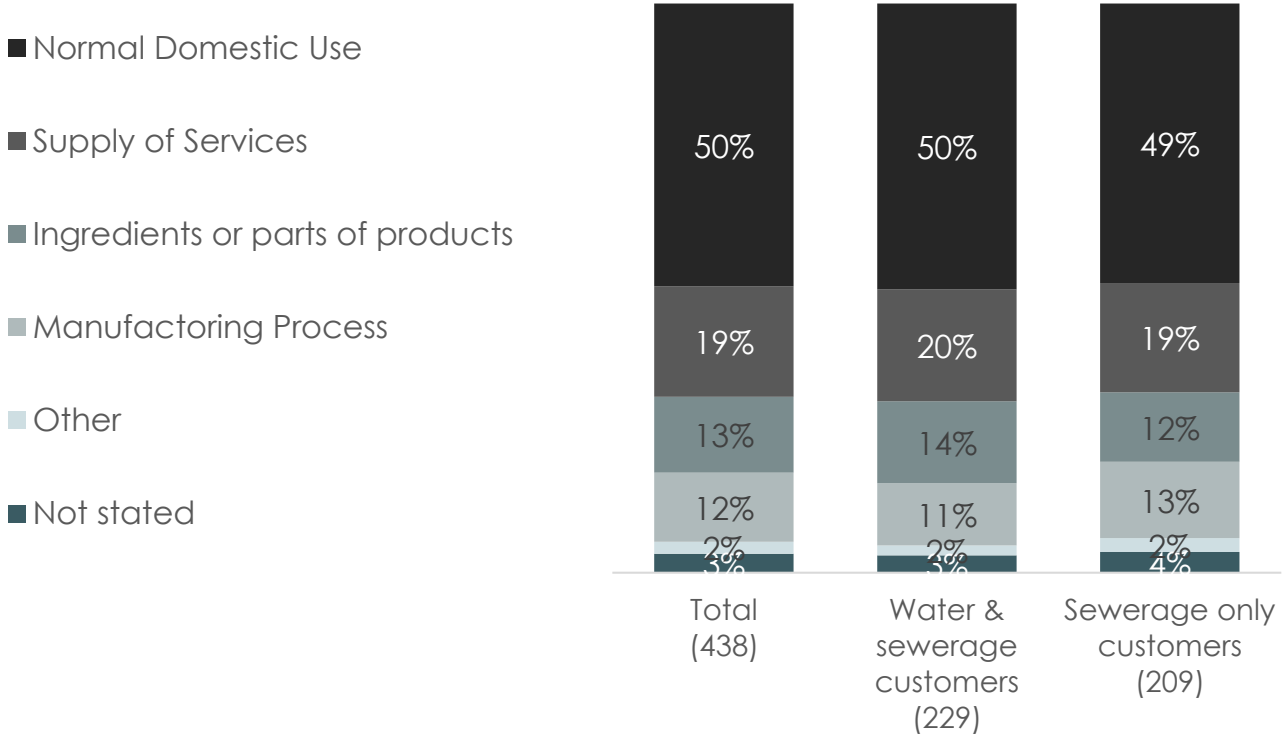
Q18. How many sites in the UK does your organisation operate from?
Q19 How many employees does your organisation have in the UK?
Base Non household bill payers: Total (437); Water and sewerage customers receiving water supply from Wessex Water (229). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (209). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Non-household sample profile

Sector
(Non Household customers only)



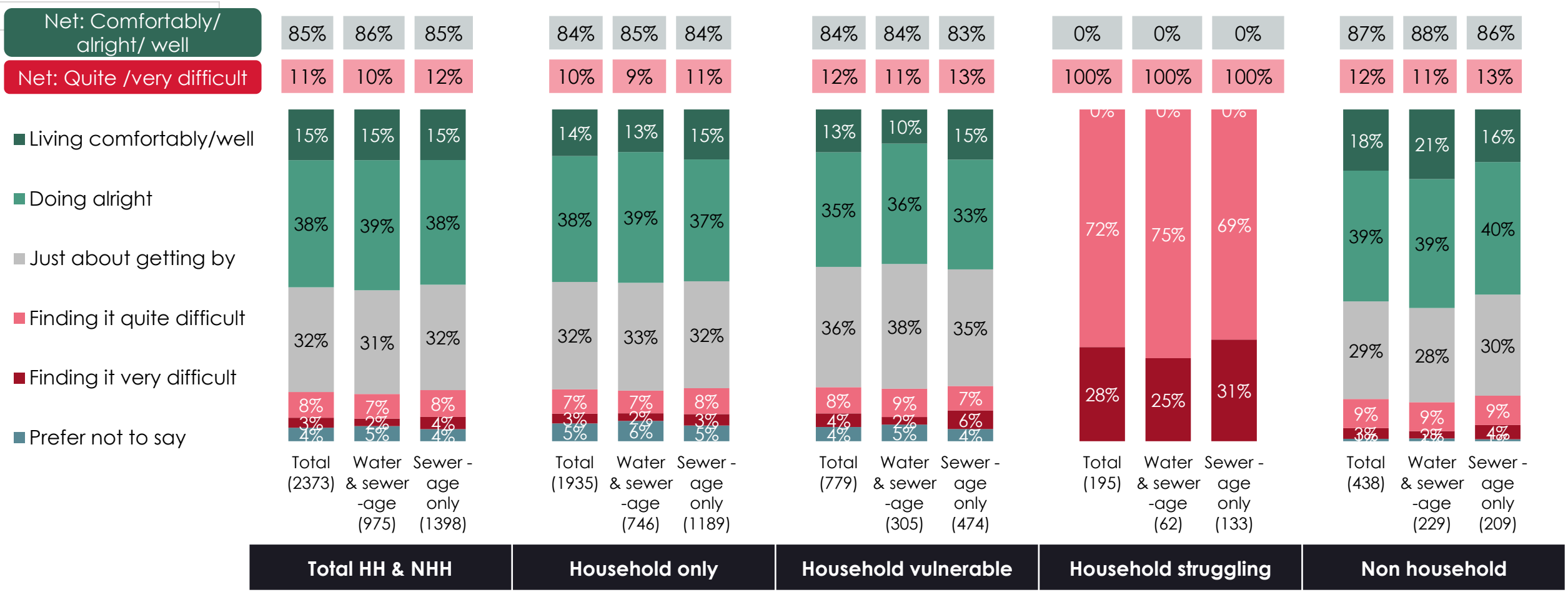
Service use
(Non Household customers only)



Q20. Which of the following best defines the core activity of your organisation?
Q17. How does your organisation mainly use water at its premises?
Base Non household bill payers: Total (438); Water and sewerage customers receiving water supply from Wessex Water (229). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (209). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Current financial situation

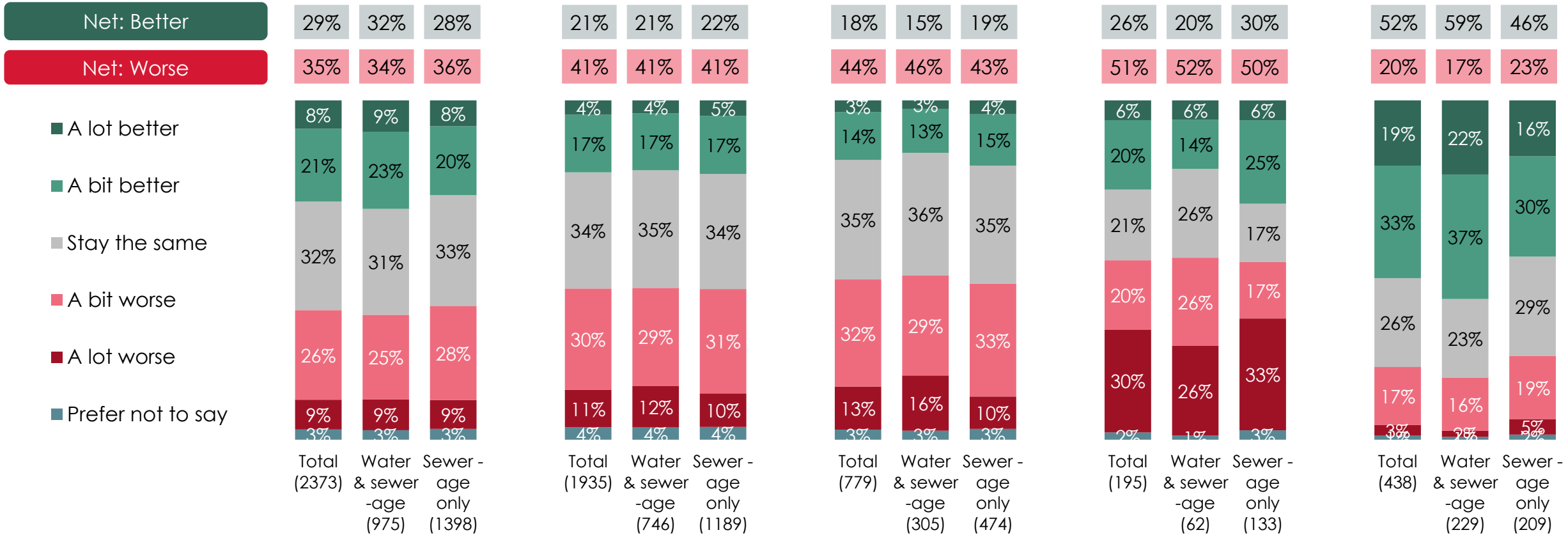
How well managing financially now?



Q2. Overall, how well would you say you are managing financially now?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Expected financial situation

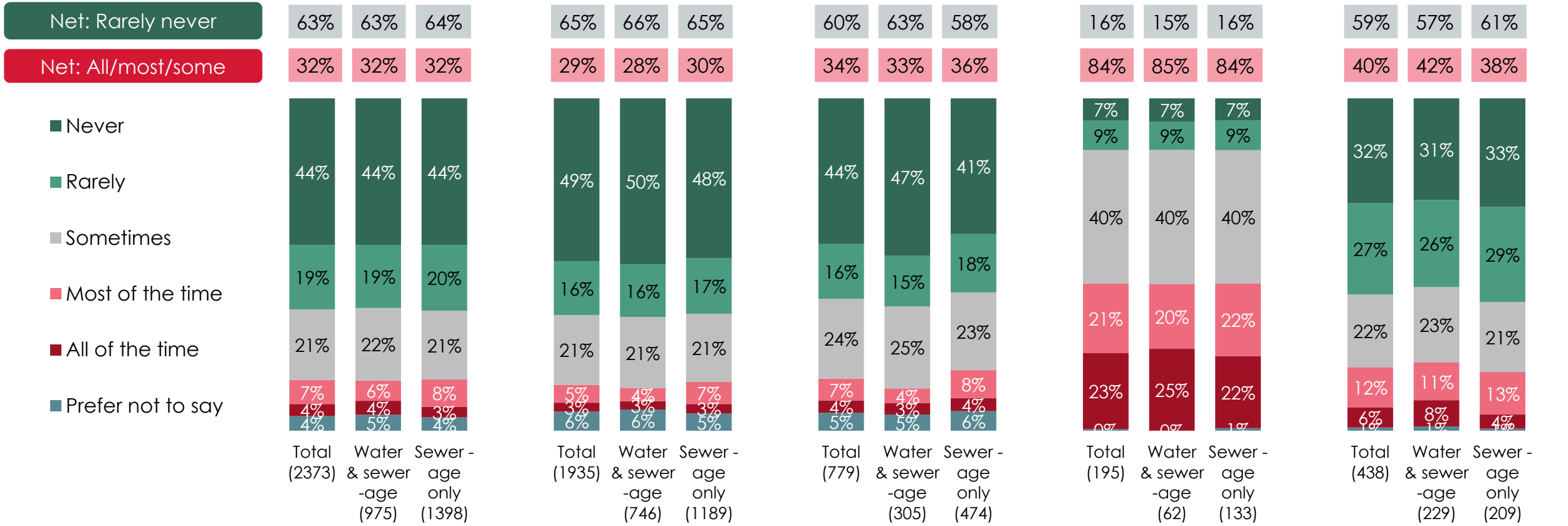
Expect financial situation to get...?



Q3. Thinking about your household's/organisation's financial situation over the next few years up to 2030, do you expect it to get:
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Struggling financially

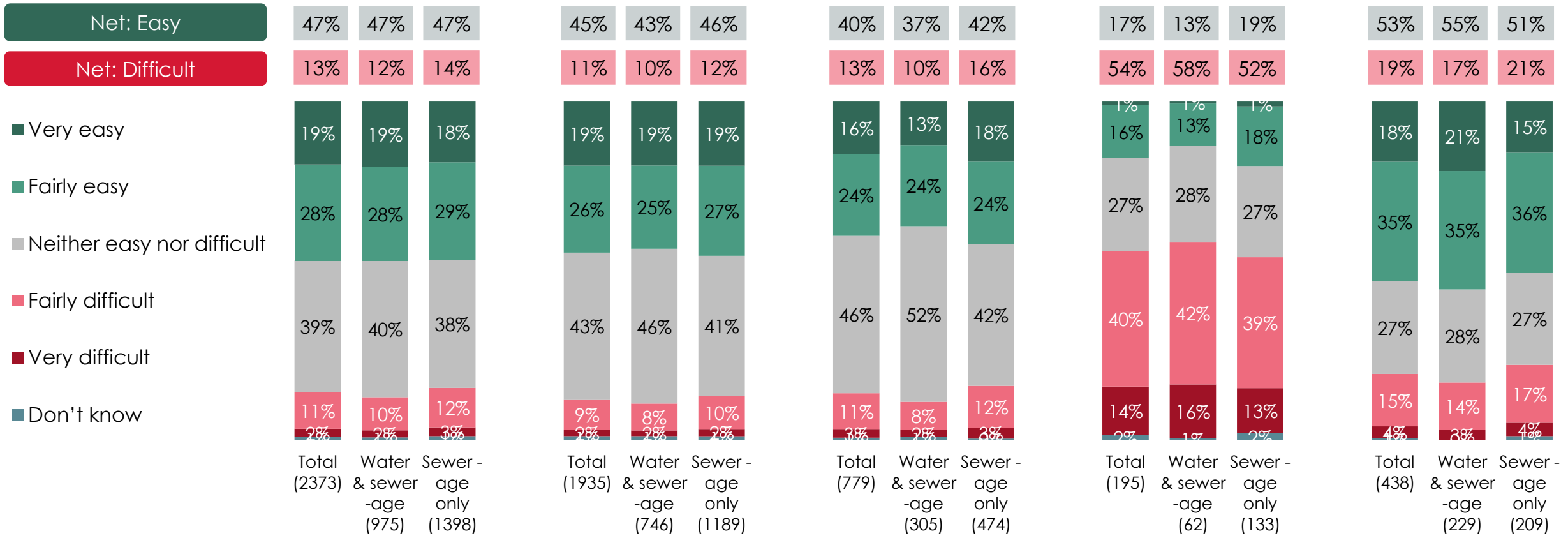
How often do you struggle to pay your bills in the last year?



Q1. Thinking about your household's /organisation's finances over the last year, how often, if at all, have you struggled to pay at least one of your household/ it's bills?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Current bill affordability

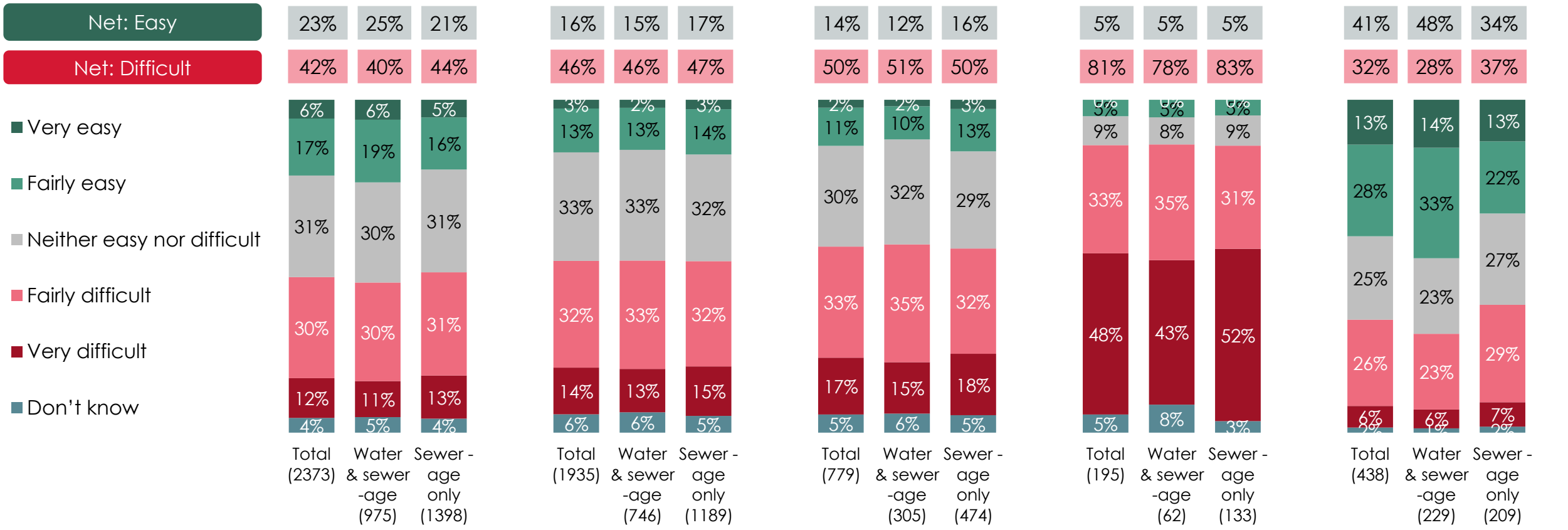
How easy or difficult is it to afford to pay current water and sewerage bill?



Q4. How easy or difficult is it for you to afford to pay your/your organisation current water and sewerage bill?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Future bill affordability based on bill impact

How easy or difficult do you think it would be to afford these water and sewerage bills?



Q5. How easy or difficult do you think it would be for you to afford these water and sewerage bills?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Future bill affordability based on bill impact - by water company

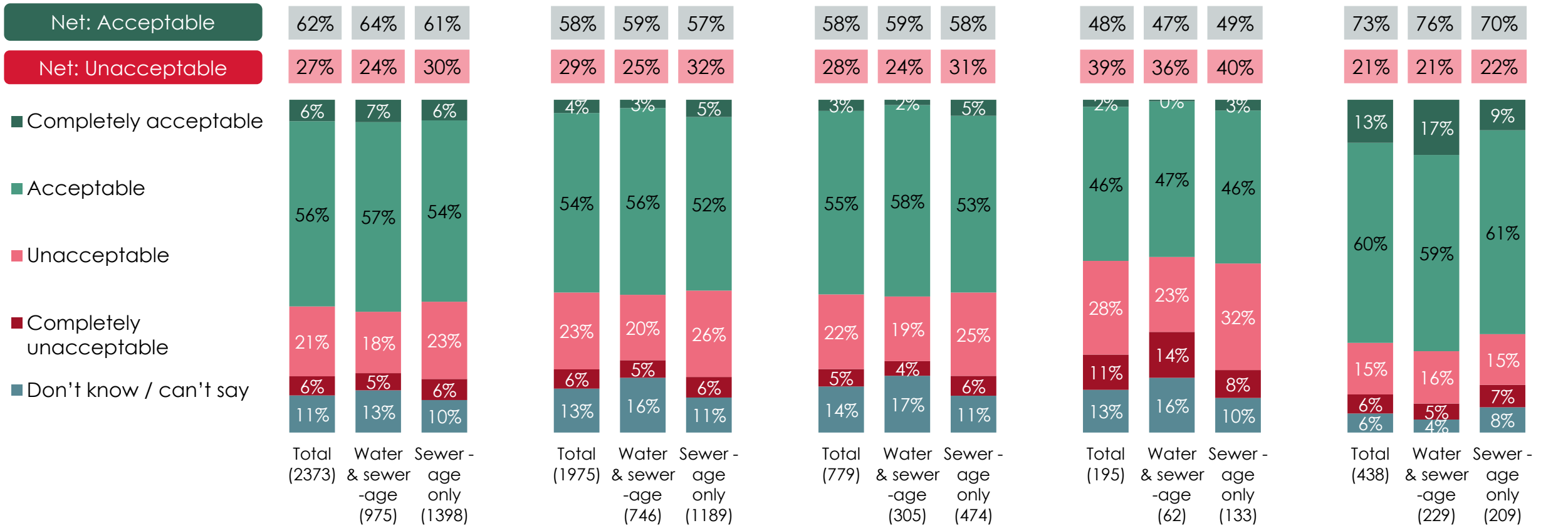
How easy or difficult do you think it would be to afford these water and sewerage bills? By water company

Total HH & NHH	Household only	Household vulnerable	Household struggling	Non household

Q5. How easy or difficult do you think it would be for you to afford these water and sewerage bills?
Base Household and Non household bill payers: Wessex Water (**975**); Bristol Water (**716**) Bournemouth Water (**682**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Acceptability of overall plan

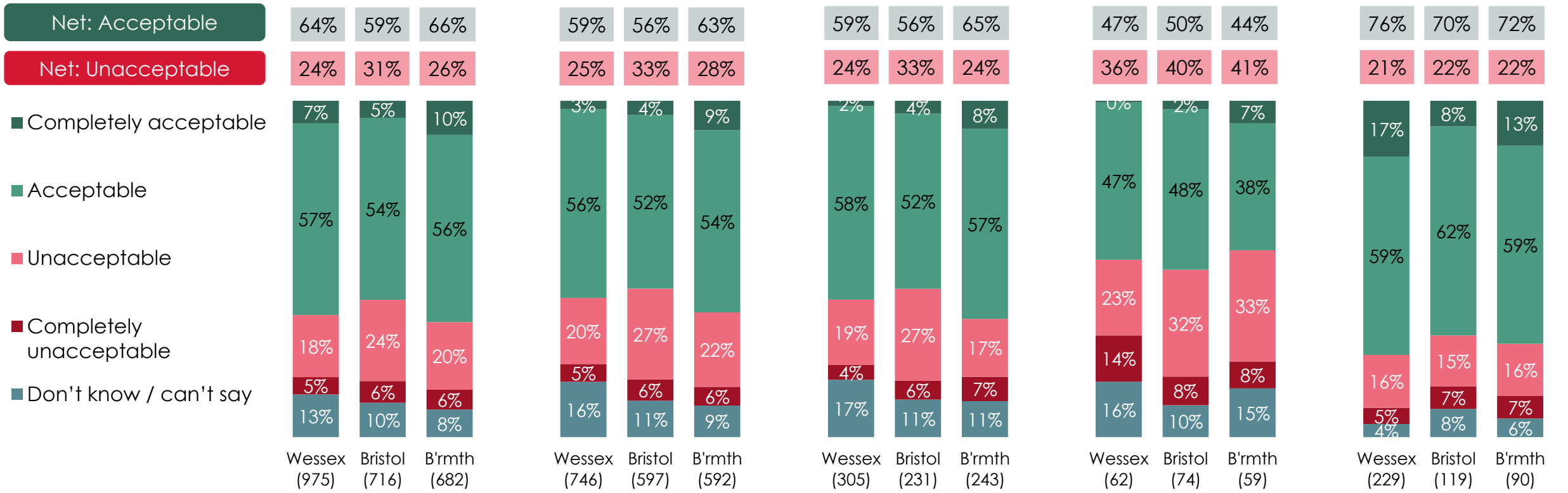
How acceptable is the overall plan?



Q8/10b. Based on everything you have seen and read about XXX proposed business plan, how acceptable or unacceptable is it to you?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Acceptability of overall plan – By water company

How acceptable is the overall plan? By water company

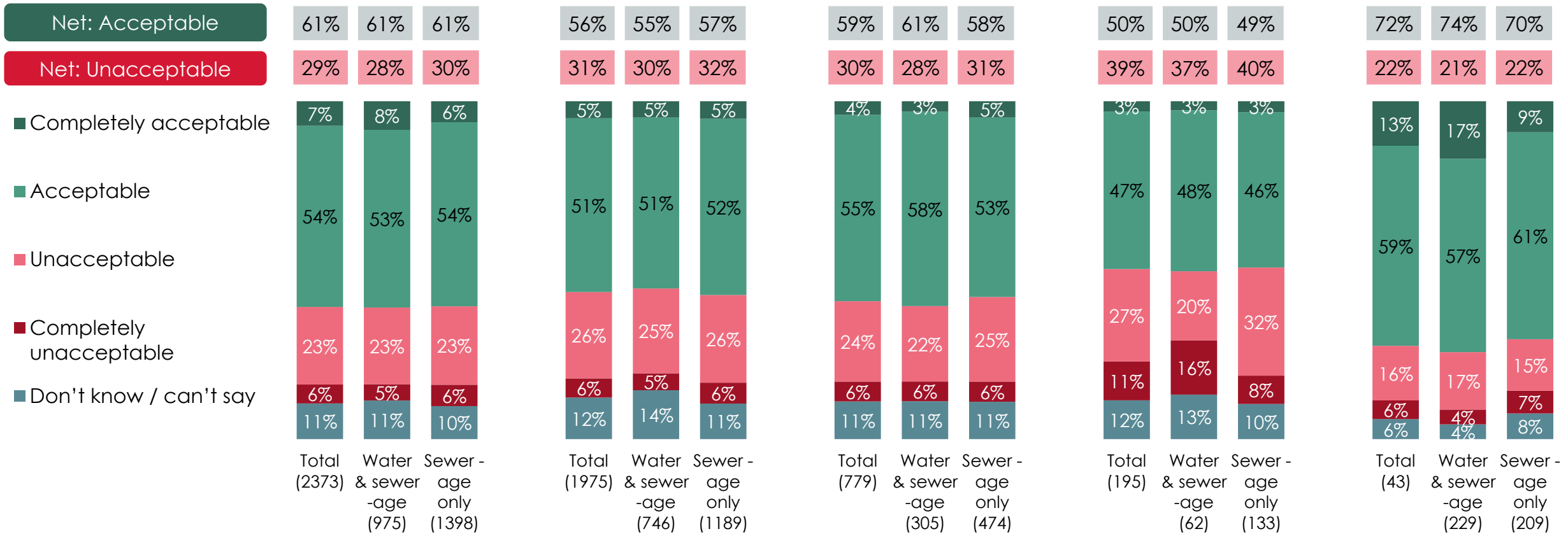


Total HH & NHH	Household only	Household vulnerable	Household struggling	Non household

Q8/10b. Based on everything you have seen and read about XXX proposed business plan, how acceptable or unacceptable is it to you?
Base Household and Non household bill payers: Wessex Water (975); Bristol Water (716) Bournemouth Water (682). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Acceptability of proposed plan for sewerage services

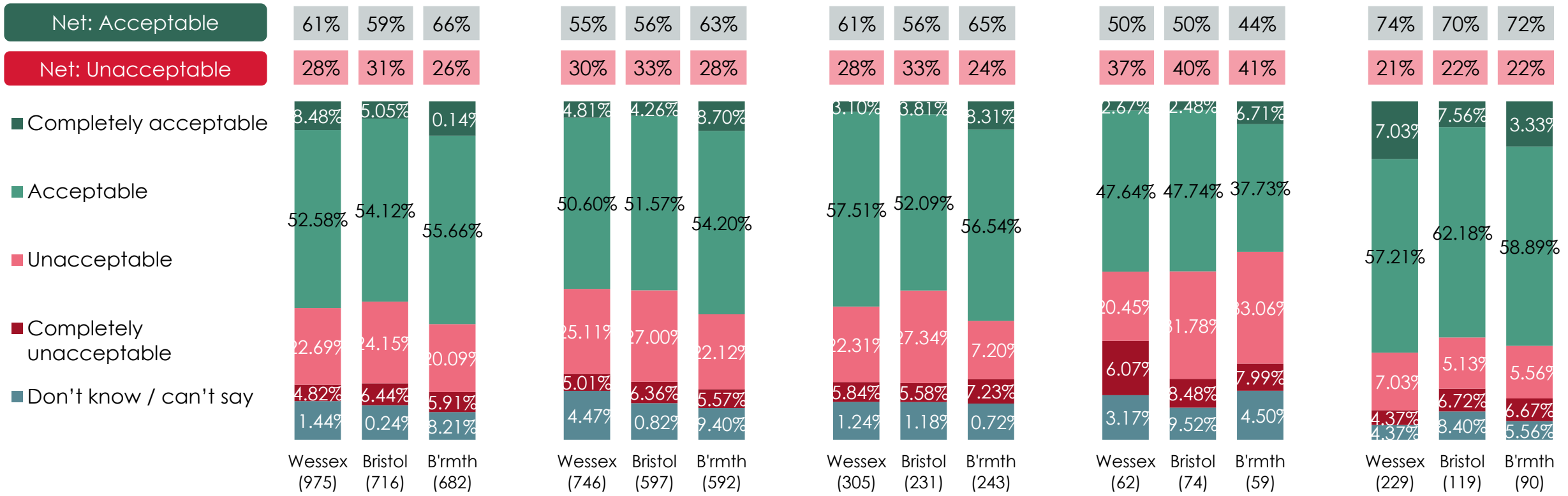
How acceptable or unacceptable is the business plan for the sewerage services?



Q10b. Based on everything you have seen and read Wessex Water's proposed business plan for sewerage services, how acceptable or unacceptable is it to you?
Base Household and Non household bill payers: Total (**2373**); Water and sewerage customers receiving water supply from Wessex Water (**975**). Sewerage only customers receiving water supply from Bristol Water or Bournemouth Water (**1398**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Acceptability of proposed plan for sewerage services – by water company

How acceptable or unacceptable is the business plan for the sewerage services? By water company



Total HH & NHH	Household only	Household vulnerable	Household struggling	Non household

Q10b. Based on everything you have seen and read Wessex Water's proposed business plan for sewerage services, how acceptable or unacceptable is it to you?
Base Household and Non household bill payers: Wessex Water (**975**); Bristol Water (**716**) Bournemouth Water (**682**). **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**

Appendix 2 – Survey stimuli

STIM_1A_WessexWater_Households

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

Water supply interruptions, lasting longer than 3 hours

What does this mean? It would not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water. Sometimes business operations may be affected.

How are Wessex Water performing on this?
Water companies are measured on the length of time properties are without water. The measure used is the duration without water for more than 3 hours by minutes per property.
Wessex Water's performance on this measure is currently 4 minutes and 12 seconds.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	The length of time properties are without water will continue to meet the current target of 5 minutes.
How will they do it?	• Maintain current level of investment in the water supply network.
Cost on bill	This will not add anything to your annual bill above what you pay today.

STIM_1A_WessexWater_NonHouseholds

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

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How will they do it?	• Maintain current level of investment in the water supply network.
Cost on bill	This will not add anything to your annual bill above what you pay today.

STIM_1B_WessexWater_HH+NHH

How do water companies perform on the length of time properties are without water?

The measure used is the duration without water for more than 3 hours by minutes per property.
Companies with the *lowest* numbers perform best for this service.

*Wessex Water perform **6th out of 17** companies overall on this measure:*

	min:sec
Portsmouth Water	02:21
Bristol Water	02:31
SES Water	02:58
SSC	03:15
Affinity Water	03:43
Wessex Water	***04:12***
United Utilities Water	07:58
Southern Water	09:22
Anglian Water	09:48
Yorkshire Water	10:38
Thames Water	11:03
Northumbrian Water	11:45
Severn Trent Water	12:39
South West Water	13:40
Dwr Cymru	16:12
Hafren Dyfrdwy	37:28
South East Water	72:33

Better performance

Worse performance

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

BLUE MARBLE

STIM_2A_WessexWater_Households

Reducing leaks

What does this mean? Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

How are Wessex Water performing on this?
Water companies are measured on the amount of water lost due to leaks from water mains and pipes. The measure used is annual leakage per property served (litres per day).
On average 103 litres of water are lost per property per day in the Wessex Water region.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce the amount lost from 103 to 90 litres per property per day, and so reduce the amount of water Wessex Water need to take from the environment.
How will they do it?	• Improving the use of data to identify leaks quicker and easier • Fixing more leaks in their water pipes.
Cost on bill	This will add **£6** to the average annual bill (excluding inflation) by 2030.

STIM_2A_WessexWater_NonHouseholds

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What is the plan for this?

Benefit by 2030	Reduce the amount lost from 103 to 90 litres per property per day, and so reduce the amount of water Wessex Water need to take from the environment.
How will they do it?	• Improving the use of data to identify leaks quicker and easier • Fixing more leaks in their water pipes.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£13** to the annual bill by 2030 (excluding inflation).

STIM_2B_WessexWater_HH+NHH

How do water companies perform on the amount of water lost due to leaks from water mains and pipes?

The measure used is annual leakage per property served (litres per day).
Companies with the *lowest* numbers perform best for this service.

*Wessex Water perform **9th out of 19** companies overall on this measure:*

	Litres / day
Bristol Water	65.0
Essex and Suffolk	76.4
Portsmouth Water	77.0
SES Water	78.7
Anglian Water	80.2
Southern Water	83.2
South East Water	87.6
Cambridge Water	90.7
Wessex Water	***103.3***
South West Water	107.7
Northumbrian Water	108.3
Affinity Water	108.7
Dwr Cymru	112.3
South Staffs Water	113.5
Severn Trent Water	119.7
Yorkshire Water	122.9
United Utilities Water	124.2
Hafren Dyfrdwy	131.0
Thames Water	151.5

Better performance

Worse performance

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

BLUE MARBLE

STIM_3A_WessexWater_Households

The appearance, taste and smell of tap water

What does this mean? Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

How are Wessex Water performing on this?
Water companies are measured on the number of customer contacts received regarding the appearance, taste and smell of tap water. The measure used is the number of customer contacts regarding incidents, per 1,000 population.
Currently there are 1.17 contacts made to Wessex Water per 1,000 population.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce the number of contacts about the appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population
How will they do it?	• Better targeting of pipes that need replacing • Keeping customers informed about work that might affect the water.
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

STIM_3A_WessexWater_NonHouseholds

The appearance, taste and smell of tap water

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Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce the number of contacts about the appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population
How will they do it?	• Better targeting of pipes that need replacing • Keeping customers informed about work that might affect the water.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£4** to the annual bill by 2030 (excluding inflation).

STIM_3B_WessexWater_HH+NHH

How do water companies perform on number of customer contacts received regarding appearance, taste and smell of tap water?

The measure used is the number of customer contacts regarding incidents, per 1,000 population.
Companies with the *lowest* numbers perform best for this service.

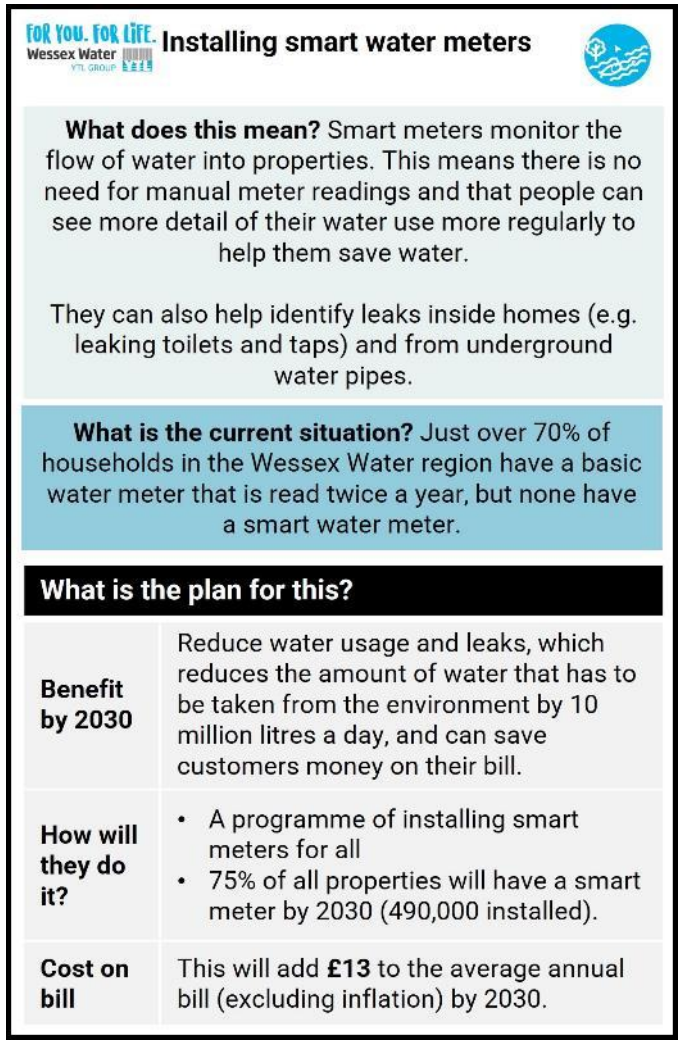
*Wessex Water perform **11th out of 17** companies overall on this measure:*

	Contacts per 1,000 population
Portsmouth Water	0.41
Thames Water	0.49
SES Water	0.58
Affinity Water	0.73
SSC	0.76
Severn Trent Water	0.93
Northumbrian Water	0.97
Anglian Water	1.03
Yorkshire Water	1.09
Southern Water	1.1
Wessex Water	***1.17***
South East Water	1.34
Bristol Water	1.38
South West Water	1.55
Hafren Dyfrdwy	1.71
United Utilities Water	1.79
Dwr Cymru	2.38

Better performance

Worse performance

STIM_4_WessexWater_Households



FOR YOU. FOR LIFE. Wessex Water YTL GROUP

Installing smart water meters

What does this mean? Smart meters monitor the flow of water into properties. This means there is no need for manual meter readings and that people can see more detail of their water use more regularly to help them save water.

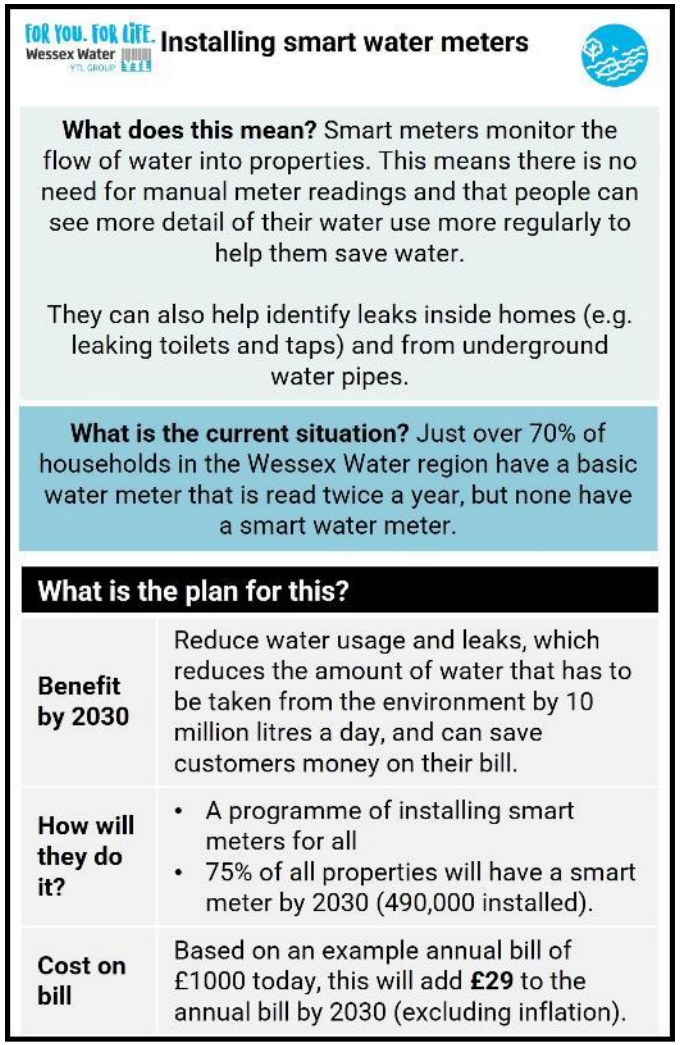
They can also help identify leaks inside homes (e.g. leaking toilets and taps) and from underground water pipes.

What is the current situation? Just over 70% of households in the Wessex Water region have a basic water meter that is read twice a year, but none have a smart water meter.

What is the plan for this?

Benefit by 2030	Reduce water usage and leaks, which reduces the amount of water that has to be taken from the environment by 10 million litres a day, and can save customers money on their bill.
How will they do it?	• A programme of installing smart meters for all • 75% of all properties will have a smart meter by 2030 (490,000 installed).
Cost on bill	This will add **£13** to the average annual bill (excluding inflation) by 2030.

STIM_4_WessexWater_NonHouseholds



FOR YOU. FOR LIFE. Wessex Water YTL GROUP

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What is the plan for this?

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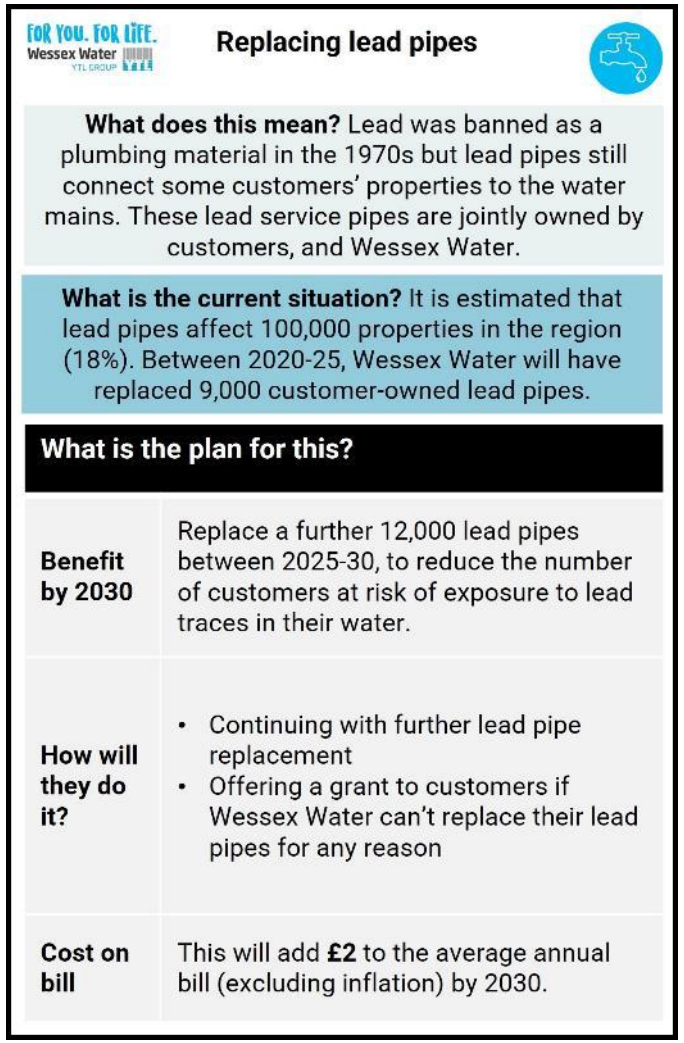
How will they do it?	• A programme of installing smart meters for all • 75% of all properties will have a smart meter by 2030 (490,000 installed).
Cost on bill	Based on an example annual bill of £1000 today, this will add **£29** to the annual bill by 2030 (excluding inflation).

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

BLUE MARBLE

STIM_5_WessexWater_Households



FOR YOU. FOR LIFE. Wessex Water YTL GROUP

Replacing lead pipes

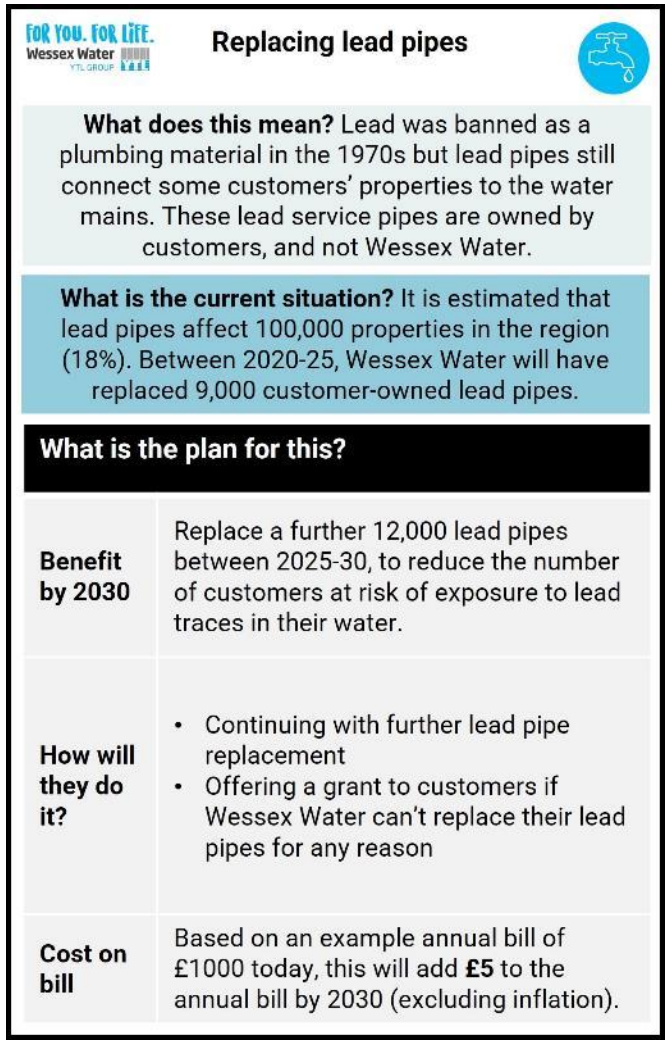
What does this mean? Lead was banned as a plumbing material in the 1970s but lead pipes still connect some customers' properties to the water mains. These lead service pipes are jointly owned by customers, and Wessex Water.

What is the current situation? It is estimated that lead pipes affect 100,000 properties in the region (18%). Between 2020-25, Wessex Water will have replaced 9,000 customer-owned lead pipes.

What is the plan for this?

Benefit by 2030	Replace a further 12,000 lead pipes between 2025-30, to reduce the number of customers at risk of exposure to lead traces in their water.
How will they do it?	• Continuing with further lead pipe replacement • Offering a grant to customers if Wessex Water can't replace their lead pipes for any reason
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

STIM_5_WessexWater_NonHouseholds



FOR YOU. FOR LIFE. Wessex Water YTL GROUP

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What is the current situation? It is estimated that lead pipes affect 100,000 properties in the region (18%). Between 2020-25, Wessex Water will have replaced 9,000 customer-owned lead pipes.

What is the plan for this?

Benefit by 2030	Replace a further 12,000 lead pipes between 2025-30, to reduce the number of customers at risk of exposure to lead traces in their water.
How will they do it?	• Continuing with further lead pipe replacement • Offering a grant to customers if Wessex Water can't replace their lead pipes for any reason
Cost on bill	Based on an example annual bill of £1000 today, this will add **£5** to the annual bill by 2030 (excluding inflation).

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

BLUE MARBLE

STIM_6_WessexWater_Households

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

Becoming operationally net zero

What does this mean? Operational net zero means that a company, on balance, does not add any carbon into the atmosphere through operations that it directly controls.

What is the current situation? Wessex Water emit carbon when running their sites, running vehicles and when using chemicals to treat water. Wessex Water also emit greenhouse gases from their treatment processes.

What is the plan for this?

Benefit by 2030	By 2030 Wessex Water's operations will not contribute to climate change.
How will they do it?	The company will make their operations carbon neutral by 2030 by: • Building infrastructure to charge electric vehicles, and start moving their vehicles to electric power • Increasing renewable electricity use and generating greener electricity on their own sites • Reducing energy and chemical use • Reducing emissions from treatment processes.
Cost on bill	This will add **£6** to the average annual bill (excluding inflation) by 2030.

STIM_6_WessexWater_NonHouseholds

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

Becoming operationally net zero

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Benefit by 2030	By 2030 Wessex Water's operations will not contribute to climate change.
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Cost on bill	Based on an example annual bill of £1000 today, this will add **£10** to the annual bill by 2030 (excluding inflation).

STIM_7A_WessexWater_Households

Sewage flooding of properties – internal

What does this mean? An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

How are Wessex Water performing on this?
Water companies are measured on the incidents of sewage flooding properties. The measure used is the number of properties affected, per 10,000. Wessex Water currently have 1.42 incidents of internal sewer flooding per 10,000 properties.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce internal sewer flooding incidents from 1.42 to 1.17 incidents per 10,000 properties.
How will they do it?	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

STIM_7A_WessexWater_NonHouseholds

Sewage flooding of properties – internal

What does this mean? An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

How are Wessex Water performing on this?
Water companies are measured on the incidents of sewage flooding properties. The measure used is the number of properties affected, per 10,000. Wessex Water currently have 1.42 incidents of internal sewer flooding per 10,000 properties.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce internal sewer flooding incidents from 1.42 to 1.17 incidents per 10,000 properties.
How will they do it?	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£5** to the annual bill by 2030 (excluding inflation).

STIM_7B_WessexWater_HH+NHH

How do water companies perform on the incidents of sewage flooding inside properties?

The measure used is the number of properties affected by sewage flooding, per 10,000.
Companies with the *lowest* numbers perform best for this service.

*Wessex Water perform **3rd out of 11** companies overall on this measure:*

	No. properties affected per 1,000
South West Water	0.76
Dwr Cymru	1.36
Wessex Water	***1.42***
Severn Trent Water	1.61
Anglian Water	1.73
Northumbrian Water	1.84
Hafren Dyfrdwy	2.34
Yorkshire Water	2.83
United Utilities	2.97
Southern Water	3.04
Thames Water	3.46

Better performance

Worse performance

Only the companies that provide sewerage services are included in this comparison

FOR YOU. FOR LIFE. Wessex Water YTL GROUP

BLUE MARBLE

STIM_8A_WessexWater_Households

Sewage flooding of properties – external

What does this mean? An escape of sewage into gardens or access points to peoples' properties is inconvenient and unpleasant and can restrict access.

How are Wessex Water performing on this? Water companies are measured on the incidents of sewage flooding gardens or outbuildings. The measure used is the number of properties affected, per 10,000. Wessex Water currently have 19.2 incidents of external sewer flooding per 10,000 properties. **Wessex Water did not meet their target for this metric last year.**

What is the plan for this?

Benefit by 2030	Reduce external sewer flooding from 19.2 to 14.5 incidents per 10,000 properties.
How will they do it?	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	This will add **£2** to the average annual bill (excluding inflation) by 2030.

STIM_8A_WessexWater_NonHouseholds

Sewage flooding of properties – external

What does this mean? An escape of sewage into gardens or access points to peoples' properties is inconvenient and unpleasant and can restrict access.

How are Wessex Water performing on this? Water companies are measured on the incidents of sewage flooding gardens or outbuildings. The measure used is the number of properties affected, per 10,000. Wessex Water currently have 19.2 incidents of external sewer flooding per 10,000 properties. **Wessex Water did not meet their target for this metric last year.**

What is the plan for this?

Benefit by 2030	Reduce external sewer flooding from 19.2 to 14.5 incidents per 10,000 properties.
How will they do it?	• Raise awareness of what can cause blockages • Identify pipes that need to be cleaned or repaired • Reduce amount of rainwater entering sewers • Invest in new/larger sewers.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£5** to the annual bill by 2030 (excluding inflation).

STIM_8B_WessexWater_HH+NHH

How do water companies perform on the incidents of sewage flooding gardens or outbuildings?

The measure used is the number of properties affected by sewage flooding gardens or outbuildings, per 10,000.

Companies with the *lowest* numbers perform best for this service.

*Wessex Water perform **7th out of 11** companies overall on this measure:*

	No. properties affected per 1,000
Thames Water	9.4
Severn Trent Water	10.8
Anglian Water	14.6
United Utilities	18.1
South West Water	18.1
Hafren Dyfrdwy	19.1
Wessex Water	***19.2***
Yorkshire Water	19.5
Southern Water	19.5
Dwr Cymru	26.3
Northumbrian Water	26.6

Better performance

Worse performance

Only the companies that provide sewerage services are included in this comparison

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STIM_9A_WessexWater_Households

Pollution of rivers and bathing waters

What does this mean? Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

How are Wessex Water performing on this? Water companies are measured on the number of incidents of pollution of rivers and streams. The measure used is number of incidents per 10,000 km of sewer. Wessex Water currently have 20.6 pollution incidents per 10,000 km of sewer.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce pollution incidents from 20.6 to 15.7 per 10,000 km of sewer.
How will they do it?	• Installing more monitors to predict when incidents might occur • Using artificial intelligence to improve their response times • Cleaning sewers more often to stop problems before they occur.
Cost on bill	This will add **£5** to the average annual bill (excluding inflation) by 2030.

STIM_9A_WessexWater_NonHouseholds

Pollution of rivers and bathing waters

What does this mean? Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

How are Wessex Water performing on this? Water companies are measured on the number of incidents of pollution of rivers and streams. The measure used is number of incidents per 10,000 km of sewer. Wessex Water currently have 20.6 pollution incidents per 10,000 km of sewer.
Wessex Water met their target for this metric last year.

What is the plan for this?

Benefit by 2030	Reduce pollution incidents from 20.6 to 15.7 per 10,000 km of sewer.
How will they do it?	• Installing more monitors to predict when incidents might occur • Using artificial intelligence to improve their response times • Cleaning sewers more often to stop problems before they occur.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£12** to the annual bill by 2030 (excluding inflation).

STIM_9B_WessexWater_HH+NHH

How do water companies perform on the number of incidents of pollution of rivers and streams?

The measure used is the number of incidents per 10,000 km of sewer.
Companies with the *lowest* numbers perform best for this service.

*Wessex Water perform **2nd out of 11** companies overall on this measure:*

	No. incidents per 10,000 km of sewer
United Utilities Water	17.7
Wessex Water	***20.6***
Severn Trent Water	21.8
Dwr Cymru	22.9
Northumbrian Water	23.0
Thames Water	24.9
Yorkshire Water	27.4
Anglian Water	33.8
Hafren Dyfrdwy	39.8
South West Water	86.6
Southern Water	93.6

Better performance

Worse performance

Only the companies that provide sewerage services are included in this comparison

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STIM_10_WessexWater_Households

Removing everyone from water poverty

What does this mean? Water poverty is when a household spends more than 5% of its disposable income on the water bill.

What is the current situation? Wessex Water have already given financial support to 55,000 households in water poverty. This is known as a 'social tariff' as the support is paid for through other customers' bills. There are likely to be many more households in the region who need help in the future.

What is the plan for this?

Benefit by 2030	Remove everyone from water poverty by 2030, so all customers will be able to afford their bill.
How will they do it?	• Giving financial support to more customers in water poverty - increasing assistance to help around 100,000 households in total • Continuing to work with partners such as Citizens Advice • Making it easier to get support, through automatic bill reductions • Funding community projects.
Cost on bill	This will add **£24** to the average annual bill (excluding inflation) by 2030 for all those customers not on a social tariff.

STIM_10_WessexWater_NonHouseholds

Removing everyone from water poverty

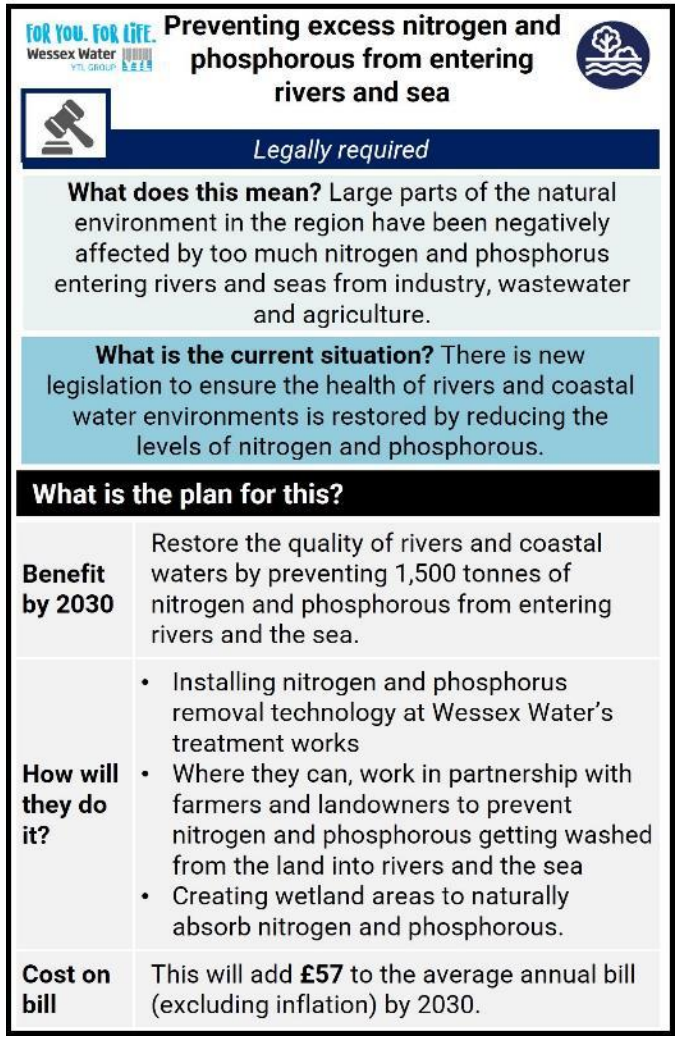
What does this mean? Water poverty is when a household spends more than 5% of its disposable income on the water bill.

What is the current situation? Wessex Water have already given financial support to 55,000 households in water poverty. This is known as a 'social tariff' as the support is paid for through other customers' bills. There are likely to be many more households in the region who need help in the future.

What is the plan for this?

Benefit by 2030	Remove everyone from water poverty by 2030, so all customers will be able to afford their bill.
How will they do it?	• Giving financial support to more customers in water poverty - increasing assistance to help around 100,000 households in total • Continuing to work with partners such as Citizens Advice • Making it easier to get support, through automatic bill reductions • Funding community projects.
Cost on bill	This will not add anything to your annual bill above what you pay today.

STIM_11_WessexWater_Households



Preventing excess nitrogen and phosphorous from entering rivers and sea

Legally required

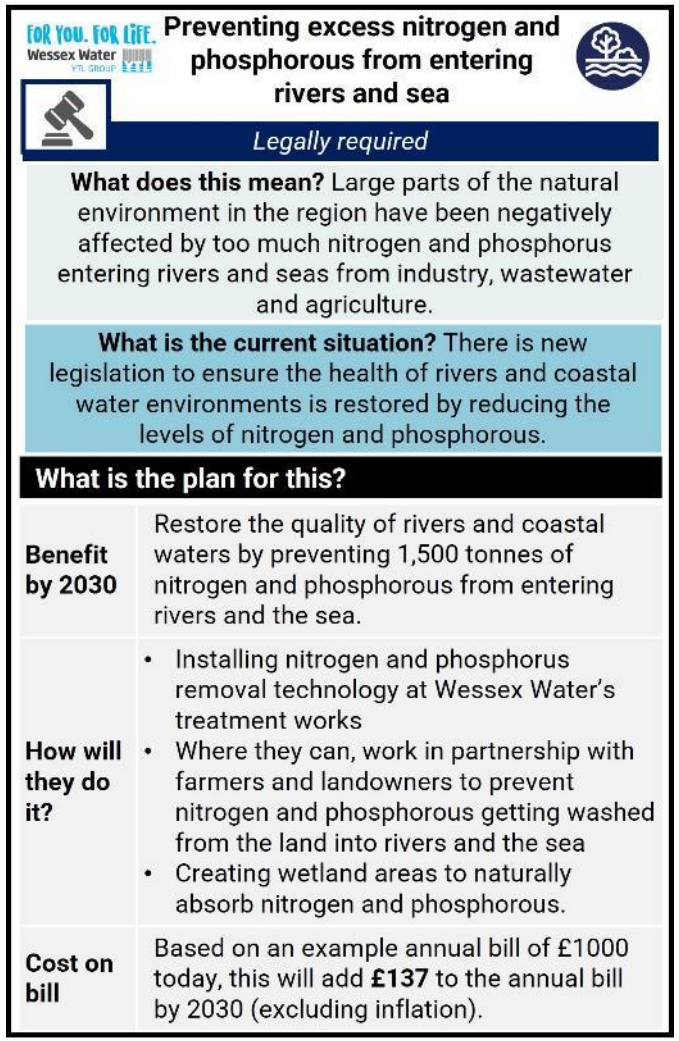
What does this mean? Large parts of the natural environment in the region have been negatively affected by too much nitrogen and phosphorus entering rivers and seas from industry, wastewater and agriculture.

What is the current situation? There is new legislation to ensure the health of rivers and coastal water environments is restored by reducing the levels of nitrogen and phosphorous.

What is the plan for this?

Benefit by 2030	Restore the quality of rivers and coastal waters by preventing 1,500 tonnes of nitrogen and phosphorous from entering rivers and the sea.
How will they do it?	• Installing nitrogen and phosphorus removal technology at Wessex Water's treatment works • Where they can, work in partnership with farmers and landowners to prevent nitrogen and phosphorous getting washed from the land into rivers and the sea • Creating wetland areas to naturally absorb nitrogen and phosphorous.
Cost on bill	This will add **£57** to the average annual bill (excluding inflation) by 2030.

STIM_11_WessexWater_NonHouseholds



Preventing excess nitrogen and phosphorous from entering rivers and sea

Legally required

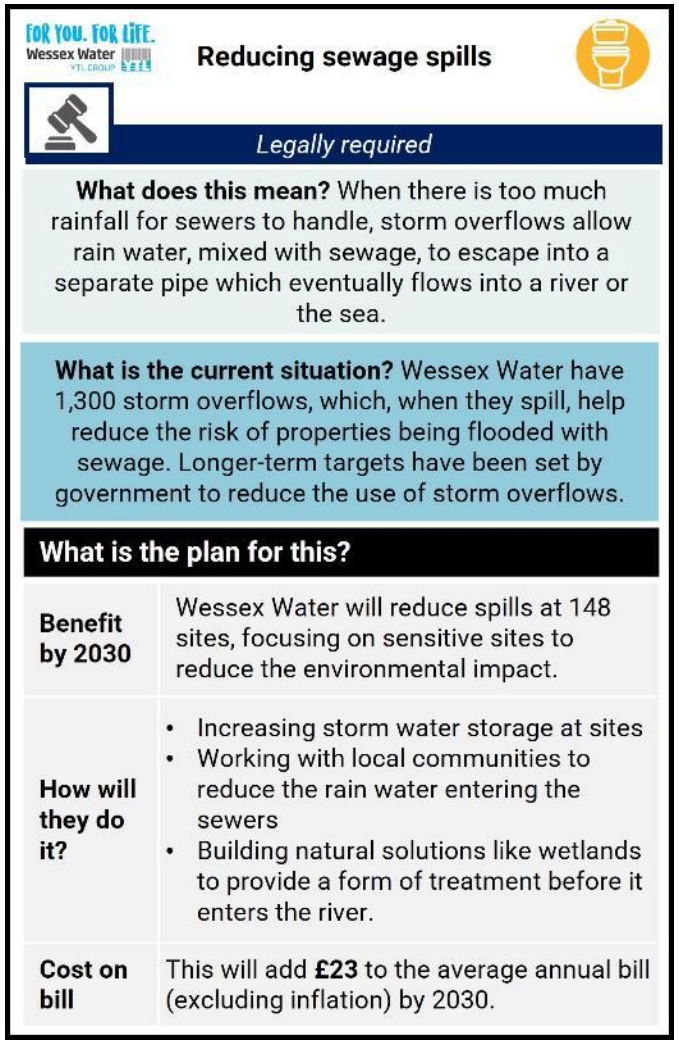
What does this mean? Large parts of the natural environment in the region have been negatively affected by too much nitrogen and phosphorus entering rivers and seas from industry, wastewater and agriculture.

What is the current situation? There is new legislation to ensure the health of rivers and coastal water environments is restored by reducing the levels of nitrogen and phosphorous.

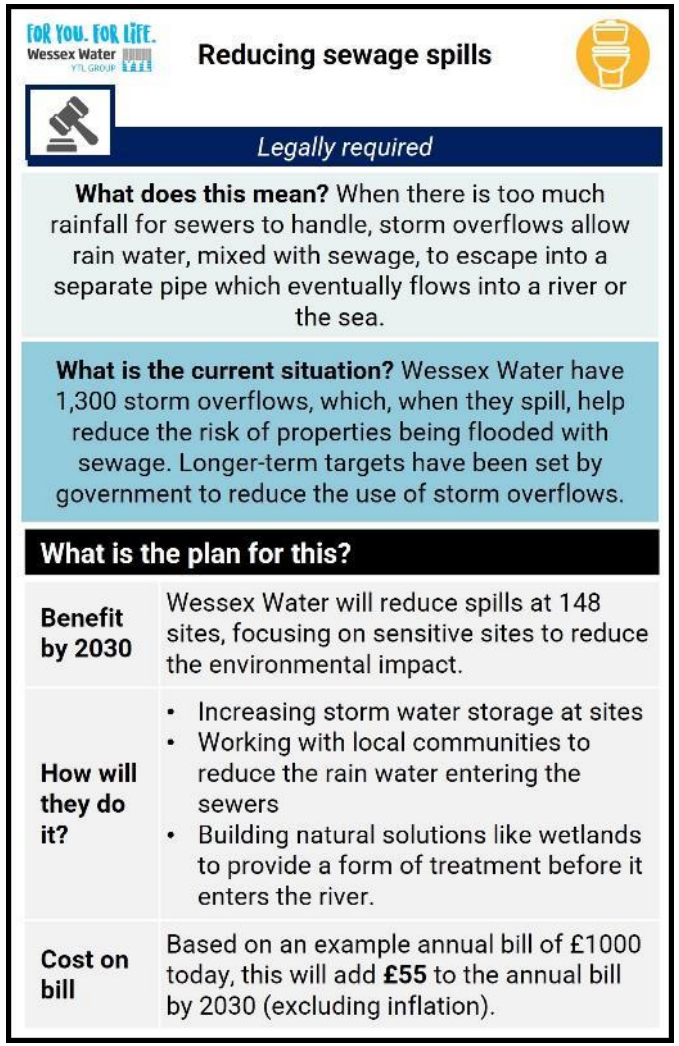
What is the plan for this?

Benefit by 2030	Restore the quality of rivers and coastal waters by preventing 1,500 tonnes of nitrogen and phosphorous from entering rivers and the sea.
How will they do it?	• Installing nitrogen and phosphorus removal technology at Wessex Water's treatment works • Where they can, work in partnership with farmers and landowners to prevent nitrogen and phosphorous getting washed from the land into rivers and the sea • Creating wetland areas to naturally absorb nitrogen and phosphorous.
Cost on bill	Based on an example annual bill of £1000 today, this will add **£137** to the annual bill by 2030 (excluding inflation).

STIM_12_WessexWater_Households



STIM_12_WessexWater_NonHouseholds



STIM_13_WessexWater_Households

These are **key elements** of the business plan only and do not make up the full set of activities or costs.	
By 2030…	**£/yr**
Continue to meet the current target for duration properties are without water	**£0**
Reduce leakage from 103 to 90 litres per property per day	**£6**
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	**£2**
Install smart water meters in 75% of properties	**£13**
Replace 12,000 customer lead pipes	**£2**
Become operationally net zero	**£6**
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	**£2**
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	**£2**
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	**£5**
Remove everyone from water poverty	**£24**
Prevent excess nitrogen & phosphorous entering rivers and the sea ***(legally required)***	**£57**
Reduce sewage spills at 148 sites, focusing on sensitive sites ***(legally required)***	**£23**
£/yr means the **added amount** (excluding inflation) on to the **average** current annual bill by 2030.	

STIM_13_WessexWater_NonHouseholds

These are **key elements** of the business plan only and do not make up the full set of activities or costs.	
By 2030…	**£/yr**
Continue to meet the current target for duration properties are without water	**£0**
Reduce leakage from 103 to 90 litres per property per day	**£13**
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	**£4**
Install smart water meters in 75% of properties	**£29**
Replace 12,000 customer lead pipes	**£5**
Become operationally net zero	**£10**
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	**£5**
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	**£5**
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	**£12**
Remove everyone from water poverty	**£0**
Prevent excess nitrogen & phosphorous entering rivers and the sea ***(legally required)***	**£137**
Reduce sewage spills at 148 sites, focusing on sensitive sites ***(legally required)***	**£55**
£/yr means the **added amount** (excluding inflation) on to an example current annual bill of £1,000 by 2030.	

STIM_14_WessexWater_Households

Wessex Water's plan for water supply services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030…	£/yr
Continue to meet the current target for duration properties are without water	£0
Reduce leakage from 103 to 90 litres per property per day	£6
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	£2
Install smart water meters in 75% of properties	£13
Replace 12,000 customer lead pipes	£2
Become operationally net zero	£6

£/yr means the **added amount** on to the **average** current annual bill (excluding inflation) by 2030

Note: None of these elements are legally required

STIM_14_WessexWater_NonHouseholds

Wessex Water's plan for water supply services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030…	£/yr
Continue to meet the current target for duration properties are without water	£0
Reduce leakage from 103 to 90 litres per property per day	£13
Reduce contacts about appearance, taste and smell of tap water from 1.17 to 1 per 1,000 population	£4
Install smart water meters in 75% of properties	£29
Replace 12,000 customer lead pipes	£5
Become operationally net zero	£10

£/yr means the **added amount** (excluding inflation) on to an example current annual bill of £1,000 by 2030.

Note: None of these elements are legally required

STIM_15_WessexWater_Households

Wessex Water's plan for sewerage services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030…	£/yr
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	£2
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	£2
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	£5
Remove everyone from water poverty	£24
Prevent excess nitrogen and phosphorous entering rivers & sea ***(Legally required)***	£57
Reduce sewage spills at 148 sites, focusing on sensitive sites ***(Legally required)***	£23

£/yr means the **added amount** on to the **average** current annual bill (excluding inflation) by 2030

STIM_15_WessexWater_NonHouseholds

Wessex Water's plan for sewerage services 2025-30

These are **key elements** of Wessex Water's business plan only, and do not make up the full set of activities or costs.

By 2030…	£/yr
Reduce indoor sewer floods from 1.42 to 1.17 per 10,000 properties	£5
Reduce outdoor sewer floods from 19.2 to 14.5 per 10,000 properties	£5
Reduce pollution incidents from 20.6 to 15.7 per 10,000km of sewer	£12
Remove everyone from water poverty	£0
Prevent excess nitrogen and phosphorous entering rivers & sea ***(Legally required)***	£137
Reduce sewage spills at 148 sites, focusing on sensitive sites ***(Legally required)***	£55

£/yr means the **added amount** (excluding inflation) on to an example current annual bill of £1,000 by 2030.

Appendix 3 – Technical and assurance

Addressing Ofwat's research principles – quantitative

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This forms part of the PR24 research requirement, and we followed the guidance throughout. Respondents were recruited via both email and letter. Both contained a link to the survey; provisions were also made to ensure that those who preferred to complete the survey on paper could easily apply to do so.
Fit for purpose	• We followed Ofwat guidance throughout to ensure both the research sample and methodology were fit for purpose. We challenged some elements of the guidance (around visual presentations of performance, for instance) where we felt improvements could be made. • The survey was run and managed by QRS, an independent market research agency. Individual responses are confidential and not identifiable to Wessex Water. The invitations were sent to a randomly drawn selection of customers from Wessex Water's overall customer database with minimal exclusions. The response rate was good, resulting in a robust base size of over 2,300 respondents, enabling robust analysis of the key subgroups of interest. While we recognise that the sample was self-selecting, with no quotas imposed, good subsamples of all demographic groups were achieved, and weighting was applied to the data to compensate for the demographic skew in the unweighted total (see Method section)
Neutrally designed	Blue Marble followed Ofwat's prescribed questionnaire design as per Appendix F of the Ofwat guidance with only minor amendments as agreed with the CCG. The quantitative survey used balanced answer lists, randomised answer lists and gave options to say 'don't know' as prescribed by Ofwat's guidance .
Inclusive	The report reflects a wide range of perspectives by including the views of household, non-household customers and specifically households with vulnerabilities and those who are financially struggling. The survey invitation was sent to a random sample of 10,800 household customers, of which c. 7% elected to respond. Robust subsamples of a wide range of customer types and segments were achieved, including younger and older age groups, all social grades and customers with vulnerabilities.
Continual	Wessex Water to advise
Shared in full	Wessex Water to advise
Ethical	Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.
Independently assured	Mott MacDonald audit (Wessex Water to add detail)

https://www.ofwat.gov.uk/wp-content/uploads/2022/02/PR24-customer-engagement-policy.pdf

BLUE MARBLE

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