Wessex Water
PR24 Triangulation Report
September 2023

Contacts

RYAN SHELLARD
Managing Director, Energy and Utilities
ryan.shellard@sia-partners.com

SOL RENCORET
Manager, Energy and Utilities
sol.rencoret @sia-partners.com

JAKE SEAWARD
Senior Consultant, Energy and Utilities
jake.seaward @sia-partners.com

Contents

Purpose of this document

For PR24, Wessex Water aims to develop a plan that is a genuine response to customer, community and stakeholder needs, expectations and priorities, i.e. a plan that delivers what customers and stakeholders want, at a price customers are willing to pay.

The business has set the objective of not only delivering a high quality engagement programme, but to also ensure that the evidence gathered is appropriately used, and that this is clearly documented in the PR24 business plan.

To achieve this, the Wessex Water has taken steps to develop a best practice approach to triangulation & line of sight and put in place the right governance processes and reporting structures.

Sia Partners was commissioned by Wessex Water to support with this requirement, particularly across two activities:

- **Triangulation and line of sight:** Develop a tailored approach to triangulate different evidence sources and demonstrate line of sight from customer priorities.
- **Synthesis and triangulation reporting:** Develop triangulation report that combines insights (PR24 research, strategic planning research, BAU data and external sources) and clearly documents a triangulated view of customer priorities for AMP8, as well as triangulated views on Wessex Water's enhancement investments areas and synthesis of insight relevant to their Long Term Delivery Strategy, where appropriate.

This report represents the final synthesis and triangulation report produced in September 2023, that includes key research insights gathered by Wessex Water since 2020. It is accompanied by an Excel database with categorised feedback by outcome area, as well as a robustness assessment and weighting scores for key engagement sources. A full list of the engagement sources is included in the Appendix.

Triangulation approach

What good looks like

CCW have outlined the criteria below for what good triangulation should look like for water companies in PR24[1]. These core principles act as a minimum benchmark for companies, though do not prescribe specific methods.

- **Engagement and triangulation should be an ongoing process.**
  Designed to show how customer opinion has evolved over time and how it impacts decisions. A designed approach will consist of specific phases for triangulation with prescribed outcomes and research questions at each stage.
- **Triangulation should make use of a wide range of inputs and these should not be solely engagement insight.**
  The quality and breadth of data used to drive triangulation helps to determine the robustness and transparency of the process.
- **Triangulation should be informed by a transparent and consistent weighting framework.**
  A transparent and consistent process to the weighting of disparate insight streams provides a robust process and enables transparency.
- **Balanced decisions should be at the core of triangulation.**
  Where information is gathered to identify new research areas or where feedback agrees, triangulation plays a limited role. Triangulation process starts by identifying the conflicting points within the body of evidence where balances between values and opinions need to be made and transparently showing the resulting decisions.
- **Validation of findings should make use of a wide range of datasets.**
  Validation findings are made more robust and transparent through comparison with a range of quantitative and qualitative data. Comparison with findings from other sectors further lends robustness to outcomes.
- **Companies should seek independent assurance of their process and outcomes.**
  This should cover assurance of the whole triangulation process. It should also assure and review the outcomes generated.

Approach overview

As part of the first workstream of this project, we developed a triangulation and synthesis approach for Wessex Water. Triangulation in the water sector is the means of using multiple independent measures to test a hypothesis or develop a conclusion, with the purpose of increasing the credibility and validity of results by avoiding bias. The broad overarching principles of effective triangulation include:

- strategic planning;
- research expertise and understanding;
- proportionality to investment decisions; and
- transparency.

Triangulation needs to be an iterative and ongoing process that occurs throughout the stages of business plan development. The evidence of triangulation needs to be presented in a manner that clearly demonstrates the Line of Sight between customer and stakeholder evidence and final plan and commitment levels.

[1] Triangulation: A review of its use at PR19 and good practice - CCW

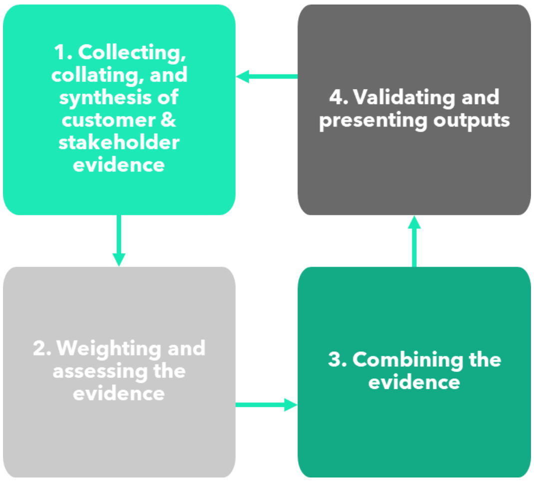

Figure 1: Triangulation process steps

For PR24 business plans, Ofwat expects companies to develop a robust approach to triangulating insights from different sources and to demonstrate a clear Line of Sight linking engagement to proposals (and document any trade-offs made where decisions have gone against customer preferences).

The triangulation process includes the following steps:

1. **Collecting, collating and synthesis of customer and stakeholder evidence:** Feedback is consolidated in a master feedback repository and summarised in a report covering all topics and engagement sources that have been identified to have a meaningful impact on the business plan. This provides a centralised process for collecting, collating and reviewing insights available to all, which also stores relevant metadata to facilitate data interrogation.
2. **Weighting and assessing evidence:** Each source of insight is scored to assess its robustness. Scores should be clearly visible to functional teams that will be using customer insights and making decisions based on them (for more information see Scoring methodology section).
3. **Combining the evidence – linking proposals to insight:** Functional teams review feedback and engagement alongside wider constraints to inform decisions. The analysis of each proposed output to establish the extent to which evidence supports proposals typically leads to one of three outcomes:
    a. Findings align to support proposal
    b. Findings generate new insights that lead to further refinement of a proposal or additional research
    c. Findings contradict the proposed approach – functional leads should document decision rationale
4. **Validating and presenting outputs:** Findings are presented for internal and external challenge, followed by independent review. If possible research findings and synthesis reports are made publicly available to promote transparency and build trust.

This triangulation report is the second iteration of steps 1 and 2 of this process. Our approach has been aligned to CCW's recommendations for best practice, with the aim of this report being to synthesise insight from a wide range of sources and provide a triangulated view of key insights per outcome, utilising the scoring and weighting framework outlined below. The outputs of this report will feed into the business plan, where Wessex Water will look to link the triangulated insights to specific proposals across different documents and appendices in the PR24 plan to demonstrate 'Line of Sight' from the views and priorities of customers and stakeholders.

Scoring methodology

As part of the approach, we developed a methodology for scoring sources and outcomes. Each source is individually assessed and scored in three main areas: Robustness; Breadth and depth; and Coverage.

Each source is scored using criteria under each of the above areas as per the tables below. This allows to assign an overall score for each piece of evidence and therefore for each outcome against these criteria.

Criteria for engagement robustness score (25%)

Score	Methodologically sound	Rigorously gathered	Credibly interpreted
1	Limited or no methodology, unplanned with no aim or objective	Limited discussion of data collection techniques, who collected the data, or the procedure for recording differing opinions	Lack of credible interpretation with potential for bias. Limited or no discussion of feedback points in conclusion
2	Some aims of engagement, but limited discussion of sampling, knowledge levels and stakeholder backgrounds	Some discussion of data collection and methods. Limited depth of feedback and range of opinions	Some link and discussion of the engagement details in the event report, including some differing views
3	Clear aims, sound sampling methodology, and consideration of barriers to inclusion	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback	Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed

Table 1: Engagement robustness score criteria

Criteria for engagement breadth & depth (50%)

Score	Volume of insight*	Sources covering topic*	Volume of customers / stakeholders*	Contributory score**
1	There is a low volume of insight on this topic	Topic is covered in a low number of events	The number of customers / stakeholders engaged is significantly low based on chosen methods of engagement	Vague, high-level feedback with only a tangential relevance to the topic in question.
2	There is a moderate volume of insight on this topic	Topic is covered in several events but not always directly	Insufficient number of participants for the chosen engagement methods	Feedback not necessarily fully aligned to the topic and only provides a limited insight and thus moderately useful.
3	There is a high volume of insight on this topic	Topic is well covered across several events	Sufficient number of participants for the chosen engagement methods	Specific, clear and relevant information with clear link to the topic discussed. High value added.

*scores given are relative to other outcomes/sub-topics

Table 2: Engagement breadth & depth score criteria

Criteria for coverage score (25%)		
Score	**Segment coverage**	**Regional coverage**
1	Single or narrow range of customer groups have been engaged with and have provided their views on this topic	No breakdown provided of the number of customers or stakeholders engaged across each of Wessex Water's regions to demonstrate a representative sample
2	Most of the relevant customer groups have been engaged with and have provided their views on this topic	Breakdown provided of number of customers or stakeholders from Wessex Water's region, but a representative sample has not been achieved
3	All relevant customer groups have been engaged with and have provided their views on this topic	Clear breakdown of the number and views of customers or stakeholders engaged across each of Wessex Water's region, with a representative sample being achieved

Table 3: Coverage score criteria

Overall scores are calculated using a weighted average (25% robustness, 50% breadth and depth, 25% coverage), and are then averaged to obtain scores for sub-topics and outcomes. For more detail on scoring, an Excel database has been developed alongside this report containing scores for sources reviewed so far.

The **contributory score is based on the assessment of focus and relevance to each topic as part of each engagement source. Topics which are mentioned by customers at a high level as part of an event will receive a lower score than a topic which is the main focus of that same event. This is used to inform the most robust pieces of evidence, and thus the key insights for each topic.

Prioritisation of Wessex Water's PR24 outcomes

We have created a triangulated view of the priorities of customers which have been tested across several sources and mapped these to Wessex Water's 8 PR24 Outcomes:

- Strategic Direction & Social Purpose
- Have Your Say Future Plans
- Customer trackers (20-22, 22-23, Q1 23-24)
- PR24 Consultation research
- Ofwat + CCW Collaborative Research on customer preferences

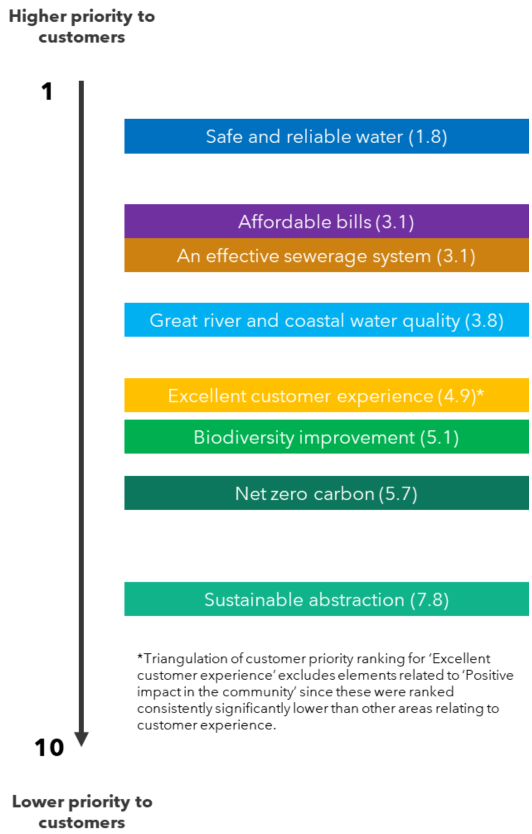

Figure 2: Customer priority scores for PR24 outcomes

Customers tend to apply a higher importance on issues which are most relatable to them, and the most obvious aspects of Wessex Water's core service. Customers expect a continuous supply of clean, safe water and a sewerage system that is effectively maintained so that it functions with minimal disruption. Also, many customers are acutely aware of any additional pressures on their household's finances and place a high priority on ensuring their water bills remain affordable.

Excellent river and coastal water quality is often associated with the functioning of the sewage system, and particularly in light of recent media coverage, this is likely why it is ranked higher than other environmental improvements. Outcomes which are ranked relatively lower in the list of priorities are still important to customers, however, they are often less directly relatable to their experience of the core water and wastewater service and are therefore often valued less.

Key findings from acceptability and affordability testing

For PR24, Ofwat require companies to undertake specific research with customers on how acceptable (i.e. whether investments go far enough in delivering improvements across different areas) and affordable (i.e. whether customers feel they can afford to pay the associated bill increases associated with those investments) they view the plan. Research guidance and requirements for companies was developed in December 2022[2] by Ofwat and CCW to improve the consistency affordability and acceptability testing across the industry.

Wessex Water has delivered its research split across two phases; the first qualitative phase has comprised of a combination of deliberative discussions and in-depth interviews across the segments of the company's customer base. Following this, Wessex Water refined their proposed business plan, before undertaking a second, quantitative phase, comprising a survey of household and non-household customers.

The findings of both phases of acceptability and affordability testing undertaken by Wessex Water is summarised below.

Qualitative findings

Acceptability and affordability of the proposed business plan was mixed across customer groups:

	Household	Vulnerable – Health	Vulnerable – Economical	Non-household	Future	**Overall**
Acceptable	63%	66%	43%	48%	83%	**59%**
Affordable*	49%	50%	43%	56%	n/a	**47%**

The vast majority of customers trust Wessex Water to at least deliver some of the proposed plan. The key drivers of trust in Wessex Water are current satisfaction with the quality of service which they receive, however some are sceptical that bills will rise more than what has been proposed and that the company values shareholders over customers.

There was a marginally higher acceptance of the 'must-do' plan, which was also seen as more affordable amongst household customers. This was partly due to customers evaluating the bill impacts based on their personal bill, as well as some being more open to delaying certain elements of the plan, such as the roll-out of smart meters, reducing operational emissions to achieve net zero and eradicating water poverty. However, the reduction of the bill impact of the 'must-do' plan over the proposed plan wasn't sufficient to justify the loss of these investments. Therefore, overall, the majority (52/87) preferred the proposed plan over the 'must-do' plan.

Quantitative findings

Using the findings from the qualitative phase of acceptability and affordability testing, Wessex Water further refined the proposed business plan ahead of the second phase of quantitative testing with customers. Again, the extent to which customers viewed the proposed plan as affordable and acceptable varied across different groups:

[2] Guidance_for-water_companies_testing_customers_views_of_the_acceptability_and_affordability_of_PR24_business_plans.pdf (ofwat.gov.uk)

	Overall Total	Total HH	HH Vulnerable	HH struggling	NHH
Plan Acceptability	62%	58%	58%	48%	73%
Would be easy to afford future bill	23%	16%	14%	5%	41%
Easy to afford bill now	47%	45%	40%	17%	53%

The main reasons for customers finding the plan to be acceptable related to them supporting Wessex Water in what they are trying to achieve over the long term, that the plan focuses on the right services and that they trust Wessex Water to do what's right for customers.

The main reasons for customers finding the plan to be unacceptable related to company profits being too high, that company profits should pay for service improvements or that bill increases are too expensive.

***Customer views on affordability, both generally and specifically related to the PR24 business plan, are discussed in more detail within Outcome 1: Affordable bills**

Key segmented views and insight tensions

Following Sia Partners' review of Wessex Water's evidence base, we have identified the following tensions or conflicting feedback across sources. The key identified differences in views amongst customer/stakeholder segments and demographic groups:

Vulnerable and low-income customers

- Vulnerable customers and those with lower household incomes are less willing to pay for environmental improvements, particularly as they do not recognise direct benefits to them.
- Customers who are aware of the assistance and priority measures that Wessex Water provides, are much more likely to have positive sentiment towards Wessex Water. In that respect, future customers and vulnerable customers generally do not have as much information regarding these services and thus, on average carry less sentiment towards Wessex Water.
- There is a significant discrepancy between the willingness to pay of customers in different segments when it comes to paying for environmental improvements. Where customers who are not having difficulty paying their bills are willing to pay for environmental developments in excess of only improvement of nature/wildlife, vulnerable customers have stated that they would not be willing to pay for any environmental improvements.
- Initiatives through which Wessex Water support people through employment opportunities and bill discounts feel more relevant to low income ('struggling') customers.

Household customers and non-household customers

- Household customers typically preferred environmental improvements to be spread across all catchments, whereas non-household customers preferred concentrating larger improvements on a smaller number of catchments.
- Household respondents favoured achieving the 2050 50% reduction in leakage target on time versus the status quo (maintaining current levels of investment) whereas, non-households did not.
- Generally, NHH customers were not aware they had any choice in provider of customer services/billing.
- Non-household customers are more accepting of the need for smart-meters and are more positive about their potential benefits, compared with household customers.
- Non-household customers are significantly less likely to agree that they receive value for money for their water and wastewater service compared with other customer groups.
- Household respondents placed a high weight on outcomes that would improve the environment for the local communities; non-household respondents' strongest preference was for enhanced outcomes that benefited both biodiversity and local communities

Stakeholders

- While customers are happy that the issues relating to river and coastal water quality are being addressed, stakeholders who are on average more knowledgeable on the subject were angry with the lack of urgency displayed by Wessex Water.
- While leakage was not given great importance by customers, stakeholders have stated that they thought of leakage as a top concern.
- While customers were pleased that improvements were being made in a part of the business that they were interested in (keeping an effective sewerage system), stakeholders were very displeased by the extent of the improvements made and felt like the actions taken were not ambitious at all.
- Stakeholders suggested that Wessex Water's purpose is to protect and improve nature, wildlife and communities, and ultimately create an environment where nature can look after itself.

Future customers

- Future customers appear to express more awareness and concern around the future impacts of climate change and tend to prioritise reducing emissions over household customers more generally, who often view this issue as a secondary factor compared to other areas.
- Younger/future customers are often the most disconnected of all customer groups with the water and wastewater service and least aware of Wessex Water.
- Future customers expressed more of a concern around carbon emissions associated with work to increase sewage and treatment capacity; some made requests for carbon offsets related for example.
- For future customers, people & community-based initiatives e.g., promoting local projects, social mobility and the local economy appear to have more impact than purely environmental options. For example, initiatives through which Wessex Water support people through employment opportunities and bill discounts feel more relevant to future customers.
- In contrast to the adult population, future customers appear more concerned about loss of habitats and biodiversity – but a little less concerned about river pollution. However, microplastics and air pollution are both issues of high concern for future customers.
- Future customers see sewer flooding challenges as really important: they prioritise increasing capacity at treatment works and educating the public over sustainable drainage options. They are cost conscious on behalf of bill payers and want to see investment balanced with affordable bills.
- Future customers prioritise increased treatment capacity as a solution, in combination with increased education on good behaviours. However, their views changed and they suggested curbing investment instead when they were informed of the cost impacts.
- When evaluating preferences between the proposed and must-do plans, future customers are less keen to delay investment.
- Future customers are particularly pessimistic about their future economic security and financial prospects.
- Future customers place a high priority on Wessex Water leading the improvement of the natural environment of our region through work to adapt to and mitigate climate change, reduce pollution, conserve water, promote sustainable agriculture and eliminate single use plastic.

Outcome summaries and detailed insight

This section presents the results from the triangulation exercise. Outcome summaries will contain key triangulated insights, highlighting key insight sources, the robustness of the evidence and the level of divergence in the views collected.

Once all sources were reviewed and the scoring methodology was applied, we produced the following outputs per outcome:

Outcome summary: Presents the key insights for the Outcome, chosen as those with the highest overall score across the criteria presented in the approach section. We also provide an assessment of the robustness of evidence, divergence of views and regional differences based on the sources we reviewed. Justification for these assessments is provided in the triangulation comments. The highest scoring sources are included in the 'key sources of insight', showing the research most relevant to the Outcome, which represent a selection of the total number of sources reviewed. Finally, the relative ranking (obtained through the triangulation of sources that included a ranking of Outcomes) and total number of people engaged through internal research is also included, as well as a link to any long-term insights identified for each Outcome.

- **Format:**

Outcome 1		
Relative priority ranking: Xth / 8 *The relative priority ranking is a triangulation of all the sources where ranking was provided.* Total number of Wessex Water customers engaged Total number of sources reviewed		
Robustness of evidence	L/M/H	**Key sources of insight**
Divergence of views	L/M/H	*Key insight sources used* *The sources of insight that have been included in this section are critical pieces of information that contribute significantly to a particular outcome. These are selected based on the high scoring of the insight.*
Regional differences	L/M/H	
Long term insights		
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.		
Triangulation comments		
Any points we want to call out regarding triangulation assessment above, including tensions.		
Key Insight		**Examples of supporting Evidence**
Key insight topics *Summary of the highest scoring insights for this outcome.*		*Sources supporting key insight topics.* *Individual insights that support the key insight topics, including their source.*

- **Robustness of evidence:** Each engagement source reviewed has been assigned a robustness score, which assesses the quality of engagement based on a number of criteria (please see 'Source robustness scoring table' below). Sia Partners has developed and applied the 0-3 scoring system based on the HM Treasury's Magenta Book which sets out best practice guidance for evaluation and effective decision-making. Each source has been reviewed to assess the methodology of the engagement, the rigor of the data collection approach, as well as how transparently the views of customers and stakeholders have been presented and if there is any potential for bias.

  This allows us to assign an overall engagement score L/M/H for each piece of evidence and therefore each of the Outcomes against the same criteria. Discussed in more detail in the Scoring methodology.

- **Divergence of Views and Regional Differences:** We have also provided have provided an indication of the robustness of evidence associated to that outcome, as well as for divergence of views and regional differences as per table below.

Score	Robustness of evidence	Divergence of views	Regional Differences
Low	Sources present an absence of a structured methodology, clear objectives, inadequate data collection details, potential bias, and/or a lack of discussion on feedback points in the conclusion.	Little to no differences between views of customer segments	Little to no differences between views of customers in varying regions of the customer base
Med	Sources present some articulated engagement goals and discussion of data collection methods in the event report, it falls short in adequately addressing sampling, stakeholder backgrounds, knowledge levels, and/or the depth of feedback.	Some or sporadic difference between views of customer segments	Some or sporadic difference between views of customer segments
High	Sources present clear aims, a robust sampling methodology, consideration of inclusion barriers, comprehensive data collection procedures, diverse perspectives, and detailed feedback, resulting in an accurate and fair interpretation of engagement work.	Clear and significant differences between views of customer segments	Clear and significant differences between views of customers in varying regions of the customer base

Detailed insight: Here we provide a compilation of all the insight we gathered under the outcome based on the sources provided, categorised by topic and including the specific source reference.

Priority ranking of 2030 goals: Presents a summary of the insight from the Your Say Your Future research for that specific outcome, which specifically tested the business plan outcomes with customers. Note that this ranking may differ from the triangulated ranking from the outcome summary.

Outcome 1: Affordable bills

KEY INSIGHT

<table>
<tr><th colspan="3">Affordable bills – insight summary from Sia Partners' Triangulation Report, September 2023</th></tr>
<tr><td colspan="3">Relative priority ranking: 2nd
Total number of Wessex Water customers engaged: 22,367
Total number of sources reviewed: 21</td></tr>
<tr><td>Robustness of evidence</td><td>High</td><td rowspan="2">Key sources of insight
E001 Reviewing Strategic Direction and Social Purpose, Oct 2021
E002 Wessex Water Annual Image Tracker 21-22, May 2022
E004 2022 Young People's Panel, Nov 22
E018 Wessex Water Annual Image Tracker 22-23, May 23
E019 Social tariff research: Wessex Water Panel, May 23
E020 Social tariff research: Wessex, Bristol and Bournemouth Water, May 23
E022 Water Affordability Scheme Funding – Opinion research, Mar-22
E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23
E034 Vulnerability Summit 2023, Jul 23
E035 Wessex Water Tracker Q1_2023 Report, Jul 23
E036 CCW Research Report Water Matters 2022 Summary of Research Findings for Wessex Water, Jan 22
E042 Ofwat Cost of living Wave 3 report, May 23
E048 Water Matters 2022, May 23
E061 Making ends meet insights from clients StepChange advice clients, Oct 22
E062 Tracking the impact of the high cost of living on UK households Jun 23
E063 Living on Empty: a policy report from Citizens Advice Jul 23</td></tr>
<tr><td>Divergence of views</td><td>Medium</td></tr>
<tr><td>Regional differences</td><td>Low</td><td>Stakeholder insight
Alongside the engagement with vulnerable customers through specific research, Wessex Water works with key stakeholders who represent customers with different vulnerability needs to understand how to better design services that support their specific client group within the Priority Services register, as well as their financial support schemes. Sources such as the minutes from the Stakeholder insights Stakeholder insights were reviewed alongside customer research. Please refer to the dedicated section.</td></tr>
</table>

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
With a high number of customers representative of Wessex Water's customer base engaged across a range of high-quality engagement sources, the robustness assessment of evidence underpinning this outcome area is strong. In terms of the divergence of views, there have been no significant tensions identified, however there are some examples of divergence in view. For example, business customers are significantly less likely to feel they receive value for money and younger customers are more likely to trust their water company to provide value for money. No specific regional differences have been identified and therefore the assessment has been found to be low.

Key insight	Examples of supporting evidence
The perception of the value for money received by customers as part of their service from Wessex Water is a key driver of satisfaction. Whilst water bills are generally felt to be lower and less of a struggle to pay than other bills, customers are losing trust in their water companies to provide value for money.	• Sentiment is, as we might expect, strongly related to value for money amongst bill payers. [E002] • So far Wessex have remained 'insulated' from any significant negative perceptions resulting from rising prices elsewhere [E002] • In the latest period, during which annual bills were issued, perceptions of Wessex Water's value for money declined. [E035] • 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. [E023]

	• Four in ten bill payers (40%) reported trusting their water company to provide good value for money, with just under three in ten (28%) reporting that they distrust their water company to do this. [E042]
An increasing number of Wessex Water customers are facing financial difficulties as a result of the cost-of-living crisis.	• Bill anxiety may be starting to rise in the first part of 2022 [E002] • Future customers are showing an increased pessimism related to the cost of living and a poor economic outlook. [E004] • Worry about affording the water bill became progressively more widespread through the first 3 Quarters of 2022 amidst the cost-of-living crisis and high inflation. [E018] • There has been a rise over the year in the proportion of bill payers who report currently struggling with their water bill in 2023– 23%, up from 15% in March 2022. [E042] • The number of customers agreeing that their charges were affordable remained at 76%. However, the number who feel that their charges are unaffordable increased (12% in 2022 vs 10% in 2021). [E048] • In 2022, 53% said their household finances had worsened over the last year, which was an increase from 2021 (34%). Only 36% felt their finances were unchanged, which was fewer than last year (58%). [E048] • 3.7 million more people are behind on household bills in June 2023, compared to the previous year. [E062] • The proportion of customers who agree their bill is affordable is directionally lower than in previous waves, with signs that the minority who cannot afford their bill is growing again - perhaps in response to recent announcement of higher bills. [E035] • It also identified that 46% of all household customers expected to find it difficult to pay the water and sewerage bills proposed for 2025-30, and only 16% reported that they would find their bill easy to afford. [E068] • 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 [E068] • 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 [E068]
People have highlighted the wider negative impacts of struggling with their household finances and paying bills.	• Living with a negative budget can cause anxiety, stress and health problems….which made it difficult to cope with their financial situation and access help and support. Poorly designed support sometimes discouraged those who reached out for help. This pattern led to extended experiences of financial difficulty and contributed to avoidable harms. [E061] • One in two (50%) said money worries were negatively impacting on their health, and the proportion who said they had gone without heating, electricity or water in the last three months was 1.7 times higher than the population as a whole (31% compared to 18% of UK adults). [E062] • Polling shows that, in the last 6 months, nearly 7 million people have had to go without heating, hot water and electricity. This includes 2.2 million disabled people and 1.25 million children. [E063] • 40% said that their financial situation is making their physical health worse and 45% said that their financial situation is making their mental health worse. [E034]
There may be variations in the extent to which demographic groups are struggling financially.	• Women were significantly more likely to report struggling to pay bills (68%) than men (46%). [E042] • Almost eight in ten (78%) of those aged 18-35 struggled, compared to 36% of those aged 55 or over. [E042] • Ethnic minority bill payers were also more likely to struggle, with 74% of Black respondents reporting this and 63% of Asian respondents. [E042]
There is support amongst customers for the provision of financial support for low-income	• Customers and stakeholders expect policies and practices from companies like Wessex Water that support the most vulnerable in the

households, and many are willing to contribute towards a social tariff to help those struggling to pay their bills. However, some are concerned about having to shoulder the burden of extra costs to support this.	communities they serve and ones that acknowledge the growing wealth gap. [E001] • Around half of customers agree to the principle of paying a contribution towards supporting customers who are struggling to pay their bills. [E020] • Amongst the WW panel customers almost two-thirds are willing to contribute at all, and just under half (45%) are willing to contribute £1. The average (mean) WtC is £1.20 per month, the median WtC amount is £0.60, meaning a majority (50.1%) are willing to contribute up to that amount. [E019] • Three quarters agree that low-income households that struggle to afford water bills should be able to get a reduced bill. [E022] • Customers most commonly supported delaying investment to reach and support 100k customers in water poverty by 2040 rather than 2035 or 2030 due to the slower associated bill increases. [E023]
Not everyone is aware of the support available to them if they find themselves struggling to pay their bills, but react positively once informed.	• Customers who are in receipt of benefits are significantly more likely to be aware (at any level) than those who are not (76% cf. 62%) [E019] • Almost three in five (58%) are aware of support for customers who are struggling to pay [E020] • Customers being aware of support appears to boost value for money perceptions. [E002] • The proportion of bill payers who were aware of water companies providing financial support has continued to hover around three in ten. 29% reported awareness of this, compared to 28% in wave two and 31% in wave one. [E042] • The majority are not aware if their water company offers help of this kind or not (76%). The 35-54 age group are most likely to be aware. [E022] • A third of people are aware of water companies offering financial support for those struggling to pay bills. This rises to four in ten (39%) for those struggling to pay all or most of the time. About a third (34%) of people struggling to pay bills all of the time report receiving financial help from water companies over the last year. Overall, 4% of bill payers report receiving this type of help. [E035] • 37% are aware of other schemes offered which provide lower charges to help customers who struggle to afford their bills. [E036]

Detailed insights

Affordable Bills / Value for money

Insight sources: [E001] [E002] [E013] [E014] [E015] [E017] [E018] [E052] [E036] [E068]

Value for money is one of the most important drivers of customer satisfaction. The majority of Wessex Water customers are currently satisfied with the value for money they receive. However, many are concerned about their own ability (and the ability of others) to afford future bill increases, particularly those who already struggle to pay.

Customer perceptions on the importance of water companies providing value for money

- Customers being aware of support appears to boost value for money perceptions. [E002]
- Satisfaction is driven primarily by Wessex Water seen as reliable and having acceptable charges. [E002]
- All recognise that value is a priority for HH and NHH customers so it’s important that this is referenced in the Social Purpose. [E001]
- Both sentiment and satisfaction are, as we might expect, strongly related to value for money amongst bill payers. [E002]

- Interest in smart meters is related to economising and also environmental engagement. [E002]
- Four in ten bill payers (40%) reported trusting their water company to provide good value for money, with just under three in ten (28%) reporting that they distrust their water company to do this. [E042]
- A similar proportion of bill payers 'strongly trust' their water company to provide value for money (12%) as 'strongly distrust' their company to do so (11%). [E042]
- Younger people (18-34s) were somewhat more likely than older people (55+) to trust companies to provide good value for money (44% compared to 39%). [E042]
- Bill payers were asked what the two most important factors would be if they could pick which water and sewerage company they used. The responses are very consistent with previous waves of the research. Three in ten selected 'providing good value for money to customers' (31%). [E042]

Customer satisfaction with value for money

- Out of 1,514 customers/ stakeholders / colleagues, the average score given to the value of money provided for Wessex Water was 78%. [E001]
- Satisfaction with value for money this year is 70%. [E002]
- Value for money ratings of Wessex Water have remained consistent over the past year (69% in 2022/23 compared with 70% in 2021/22 for net top 2). [E013]
- The proportion of customers disagreeing their water and sewerage charges are affordable had been trending upwards approaching winter, but there is some positive news that this has not continued in the most recent period. Nevertheless, those who actively agree their bill is affordable across 2022-3 is slightly lower than 2021-2 – more 'on the borderline'. [E013]
- Perception of Wessex Water - DWMP - [E015]
    - Value for money - 3.8/5
- Perception of Wessex Water – SSD - [E015]
    - Value for money - 3.9/5
- Satisfaction with value for money this year is 69%. Despite the dramatic decline in outlook on household finances, the rating of VFM is extremely consistent with last year, and similar across all three supply areas. [E018]
- Business customers are significantly less likely to agree they receive value for money for their water and sewerage services than in 2020/21 and 2018. [E052]
- Satisfaction with value for money:
    - On a sample of 198 customers, 75% were satisfied with value for money of water services
    - On a sample of 179 customers, 79% were satisfied with value for money of sewerage services [E036]

Current bill levels and future increases

- Wessex Water also need to be proactive in providing efficiency measure to support affordable bills. [E001]
- The proportion of customers disagreeing their water and sewerage charges are affordable had been trending upwards approaching winter, but there is some positive news that this has not continued in the most recent period. Nevertheless, those who actively agree their bill is affordable across 2022-3 is slightly lower than 2021-2 – more are 'on the borderline'. [E018]
- Worry about affording the water bill became progressively more widespread through the first 3 Quarters of 2022 amidst the cost-of-living crisis and high inflation. Yet this anxiety is showing signs of abating through winter – some people may not be as badly affected as they were expecting in light of government support and their own coping strategies. [E018]
- Projected price increases shocked many – but this was tempered by the realisation that inflation is a key driver. [E014]

- Just over half believed they could afford the increases, but uncertainty during a period of rapid increases to the cost of living was reflected in the fact that a quarter neither agreed or disagreed that they could afford it - or said that they did not know if they could. [E014]
- Many respondents stressed that whilst they themselves could afford higher bills, they were concerned about others' capability to absorb the increases. [E014]
- Almost half thought the price increases reasonable as investment is needed to maintain an essential service. [E014]
- However, a third did not agree that the increases are reasonable – in particular, stakeholders and those with greater knowledge about the water industry were negative about price increases for customers, suggesting that company profits should fund the works rather than being paid to shareholders. [E014]
- Some saw the plans as dishonest and lacking in transparency as they did not include profit projections. [E014]
- For the minority who are less satisfied there's a mix of reasons – price, the need for better communication. [E002]
- Despite increased concern about affordability, and some shock at the scale of future bill increases proposed, overall, the majority of customers (73%) were satisfied with the overall business plan although only around half of customers indicated they felt the bill increases would be affordable to them. Many respondents were concerned about others' financial capacity to absorb the increases and were pleased to see a focus on affordability in the business plan and the measures set out for the 'affordable bills' outcome'. [E017]
- During this customer consultation, the impact on customer bills of the investments that underpin activities to deliver against all eight outcome areas was presented. It was shown that bills would increase by, on average, £280 a year (£23 a month) by 2030. It was recognised that this is a significant increase and that more customers may struggle to pay increased bills and so the additional affordability help that is part of the plan was also presented to customers. This includes [E017]:
  - Increasing the number of households on our affordability schemes to at least 100,000 by 2030
  - Continuing to work with a wide range of partners across our region, such as Citizens Advice and local charities, to raise awareness of the support we can offer and reach customers who need us most.
  - Continuing to fund our debt advice partners so they can increase the number of clients they can advise about their bills and debt.
  - Making it as easy and quick as possible to apply for the support we offer and use data to automatically apply bill reductions to customers where we can without the need to complete an application.
  - Helping customers, particularly those with water meters, to save water and energy.
  - Continuing to fund local community projects across our region through the Wessex Water Foundation aimed at improving access to services and building financial capability.
- When shown the bill impacts to 2030 of the proposed plan, some expressed concern for vulnerable and low income households in terms of affordability. There was also some surprise that the cost of proposals made up a relatively small proportion of their future bill, however, seeing the bill implications causes some to rethink their views on additional investments. [E023]

Quantitative Acceptability and Affordability Testing / Helping customers experiencing financial difficulty

Insight source: [E068]

- 59% of all household customers thought Wessex Water proposals were acceptable while 28% found the plan unacceptable. This level of acceptability is lower than seen in previous price reviews owing to the wider industry trust context combined with the cost-of-living crisis. Of those that found it unacceptable, the most commonly cited reasons related to company profits being too high, that company profits should pay for service improvements or that bill increases are too expensive. Of those that found the plan acceptable, the most commonly cited reasons were that they support what we're trying to achieve over the long term, that the plan focusses on the right services and that they trust us to do what's right for customers.

- When we combine household and non-household customers the % finding Wessex Water's plans unacceptable is 26%, and the % finding the plans acceptable is 63%.
- Struggled to pay bills in the last year:
  - HH&NHH: 32%
  - HH: 29%
  - NHH: 40%
- Finding it quite or very difficult to manage financially
  - HH&NHH: 11%
  - HH: 10%
  - NHH: 12%
- Expect financial situation to get worse:
  - HH&NHH: 35%
  - HH: 41%
  - NHH: 20%
- Despite the financial squeeze, only a minority (11%) 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.
- The affordability testing of the plan found that nearly 27% of all household customers have struggled to pay at least one of their household bills in the last 12 months.
- 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
- 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
- Affordability of water & sewerage bills up to 2029/30
  Easy to afford:
  - Total: 23%
  - HH: 16%
  - NHH: 41%

  Difficult to afford:
  - Total: 42%
  - HH: 46%
  - NHH: 32%
- It also identified that 46% of all household customers expected to find it difficult to pay the water and sewerage bills proposed for 2025-30, and only 16% reported that they would find their bill easy to afford.
- Customer views on the phasing of bill increases were mixed with the majority indicating they didn't know enough to give a view (37%). Of those that did express an opinion on bill phasing 45% preferred an increase starting sooner to spread increases across different generations of bill-payers, and 17% preferred to delay bill increases to put more increases onto younger and future bill-payers.
- Acceptability of Wessex Water's business plans is 62% overall; slightly lower at 58% for households specifically:
  Acceptable:
  - Total: 62%
  - HH: 58%

  - NHH: 73%
- Unacceptable:
  - Total: 27%
  - HH: 29%
  - NHH: 21%

Affordable Bills / Helping customers experiencing financial difficulty.

Insight sources: [E001] [E002] [E003] [E004] [E007] [E013] [E014] [E017] [E018] [E019] [E020] [E021] [E022] [E035] [E039] [E042] [E048] [E062]

The COVID-19 pandemic and the subsequent, ongoing cost-of-living crisis are key driving factors behind an increasing number of customers facing financial difficulties. The majority of customers support Wessex Water in providing financial assistance to those who are struggling to pay their water bill, and are willing to contribute towards this. However, there is also an expectation that the Government should also be playing a role. Many customers are also not aware of the support which is available to them, or how to access it.

Awareness and support for financial support

- Customers and stakeholders expect policies and practices from companies like Wessex Water that support the most vulnerable in the communities they serve and ones that acknowledge the growing wealth gap. [E001]
- So far Wessex have remained 'insulated' from any significant negative perceptions resulting from rising prices elsewhere. However, some early signs that water bill affordability anxieties are growing and people are conscious of the need to protect the (financially) vulnerable. [E002]
- According to customers, this year 'Supporting those who struggle to pay' is ranked slightly higher amongst priorities. [E018]
- Almost three in five (58%) are aware of support for customers who are struggling to pay. [E020]
- Wessex Water customers (45% agree) are less likely to agree with the principle of paying a contribution towards supporting customers who are struggling to pay their bill than Bristol Water customers (54% agree), while Bournemouth Water customers (52% agree) sit somewhere in the middle. [E020]
- A third of people are aware of water companies offering financial support for those struggling to pay bills. This rises to four in ten (39%) for those struggling to pay all or most of the time. About a third (34%) of people struggling to pay bills all of the time report receiving financial help from water companies over the last year. Overall, 4% of bill payers report receiving this type of help. [E021]
- Three quarters agree that low-income households that struggle to afford water bills should be able to get a reduced bill. Just 7% disagree. [E022]
- The majority would prefer the financial assistance they contribute to go towards helping people wherever they live over helping only those in the same water company area. [E022]
- Those who prefer a scheme which helps people wherever they live are more likely to see this as important (80%) than those who prefer a water company level scheme (64%). [E022]
- Wessex Water panel customers are more likely to consider using customer support for the social tariff unacceptable than Wessex Water customers from the main survey. [E019]
  - Customers who are in receipt of benefits are significantly more likely to be aware (at any level) than those who are not (76% cf. 62%)
- Almost half (44%) find the proposed changes to the social tariff acceptable, while a third find it unacceptable. [E020]
- The proportion of bill payers who were aware of water companies providing financial support has continued to hover around three in ten. 29% reported awareness of this, compared to 28% in wave two and 31% in wave one. [E042]

- The percentage of bill payers who agreed that they know who to ask for help if they are struggling with household bills and it is affecting their mental health remains consistent at 47% (wave two: 46%). [E042]
- Average awareness of the financial support offered by WaterSure/WaterSure Wales has decreased from 13% in 2021 to 12% in 2022. [E048]
- Customers most commonly supported delaying investment to reach and support 100k customers in water poverty by 2040 rather than 2035 or 2030 due to the slower associated bill increases. [E023]

Impacts of COVID-19 and the ongoing cost-of-living crisis on household finances

- There are an increased number of customers in vulnerable situations. And more severe vulnerable situations. Leading to a need to support the elderly, large families, low-income households, and those with mental health issues. [E001]
- Biggest concern is the cost-of-living crisis: all appreciate they will be affected by this in the near future. Specifically worry they will be unable to pay bills in the future. [E004]
- There's a sense that future customers will be burdened with the costs of Covid-19 through rising inflation, increased taxation and property costs. It's important that future customers are adequately represented in future willingness to pay/investment studies. [E001]
- Bill anxiety may be starting to rise in the first part of 2022. [E002]
- My World Cost Conscious segment grew the most post-Covid –indicating that some Responsible Citizens may have become less confident about bills over this period, transferring to this segment. [E002]
- We also see increasing pessimism about their long-term financial prospects, reflecting a more uncertain economic outlook generally. [E003]
- Future customers are showing an increased pessimism related to the cost of living and a poor economic outlook. Specifically, they appear more conscious of the pressure on bills and feel ill-prepared for what this will mean for them. [E004]
- In the face of the ongoing cost-of-living crisis, very widespread pessimism about household financial outlook continues – nearly 6 in 10 Wessex Water customers still believe their household will be worse off in 12 months' time. [E013]
- Yet there are signs that the anticipated winter cost-of-living crisis may not be as bad as some were expecting: Fewer customers are worried about water bill affordability now than in summer and autumn 2022. There is also some encouragement with indications of a small drop in customers reporting their bill is unaffordable. [E013]
- Wessex Water customers are more likely to be confident in being able to afford their water bills over the next 12 months (73%) than either Bristol Water or Bournemouth Water customers (both 63%). Overall, customers are least confident in being able to afford their energy bills (54%). [E020]
- The general increase in the cost of living is the key factor for lack of confidence in being able to afford water bills over the next 12 months. [E020]
- All felt unprepared to manage their finances as budgeting not taught at school. [E004]
- The top theme spontaneously given by members of the panel for making effort to save water is saving money. After this, 'scarce resources', 'environmental concerns' and 'reducing waste' are all similarly widely mentioned. Of the few who said they made 'not much or no effort' the dominant reason was that they don't use much water anyway. [E007]
- Cost-of-living crisis is already impacting day-to-day behaviour… but not water saving behaviours. [E007]
    - People have a better understanding of the reason for price hikes around these costs as they're linked to immediate factors such as Brexit, the pandemic, and the war in Ukraine.
    - There is also better knowledge of what households can do to alleviate price shocks in these areas.
    - Water saving does not naturally come to mind as it's not associated with an inflating expense, and most aren't used to cutting down on water to save money.

- Many people are struggling to pay bills. More than a third of household bill payers (34%) struggle to pay bills fairly frequently. 4% of customers struggle all of the time and 8% struggle most of the time. [E021]
- Wider events in 2022-3 have led to unprecedented negativity about household finances in the Wessex Water region. [E018]
- This year has seen three unusually large shifts in attitudes [E018]:
    - A move to unprecedented pessimism about household finances
    - More widespread anxiety about affording water bills (although this may have peaked)
    - A step-change in awareness of, and negativity towards, sewage releases and storm overflows
- The cost-of-living crisis that has been developing over the last year or so has led to increased concerns for many customers about the affordability of current water and sewerage bills. Despite this, and some shock at the scale of future bill increases proposed, overall, the majority of customers (73%) were satisfied with the overall business plan although only around half of customers indicated they felt the bill increases would be affordable to them. Many respondents were concerned about others' financial capacity to absorb the increases and were pleased to see a focus on affordability in the business plan and the measures set out for the 'affordable bills' outcome'. [E017]
- The cost-of-living crisis continues to be a key concern for many customers with widespread pessimism about the outlook for household finances. Around six in every 10 customers think that they will be worse off in the next 12 months. Amidst the cost-of-living crisis and high inflation, customers' worries about being able to afford their water bill became progressively more widespread through the first three quarters of 2022. This anxiety has shown signs of reducing through the winter of 2022-23 some people may not be as badly affected as they were expecting perhaps, although at the end of 2022-23 it remains that around a quarter of customers indicated concerns about bill affordability. [E017]
- Whilst most believed that they could afford the price increase, conversation was overshadowed by a much bigger debate around whether customers should have to pay for improvements. [E014]
- Customers from the Wessex Water panel are more likely to be confident in being able to afford household bills over the next 12 months, particularly energy and council tax. [E019]
- Anxiety has shown signs of reducing through the winter of 2022-23 some people may not be as badly affected as they were expecting perhaps, although at the end of 2022-23 it remains that around a quarter of customers indicated concerns about bill affordability. [E017]
- Worry about affording the water bill had been tailing off slightly through Winter. However, in the latest Quarter, more customers are feeling worried again, as annual water bills arrive. The proportion of customers who agree their bill is affordable is directionally lower than in previous waves, with signs that the minority who cannot afford their bill is growing again - perhaps in response to recent announcement of higher bills. [E035]
- The most common type of priority debt, owed by one in two new clients in Wales in 2022, was water arrears: Proportion of new clients in Wales in 2022 who owed the following types of debt: Water Arrears: 49% [E039]
- Only one in four report that they never struggle with bills. More than half of customers struggle fairly frequently or more often with household bills [E042]
- There has been a rise over the year in the proportion of bill payers who report currently struggling with their water bill – 23%, up from 15% in March 2022. [E042]
- More than half of water bill payers (56%) reported they have struggled to pay one or more household bills fairly frequently over the past year ('all the time', 'most of the time', 'sometimes'). This is an increase from the 51% of bill payers who reported this in October 2022. [E042]
- Women were significantly more likely to report struggling to pay bills (68%) than men (46%). [E042]
- Almost eight in ten (78%) of those aged 18-35 struggled, compared to 36% of those aged 55 or over. [E042]

- Ethnic minority bill payers were also more likely to struggle, with 74% of Black respondents reporting this and 63% of Asian respondents. [E042]
- Bill payers living in council or social housing were significantly more likely to report having struggled to pay household bills sometimes or more often (77%), as were tenants in private housing (69%). This compares to 55% of homeowners with a mortgage and 33% of homeowners without a mortgage. [E042]
- Bill payers were asked which bills they were currently struggling to pay. Almost one in four (23%) reported struggling with their water bill. This compares to 20% in wave two (Oct 2022) and 15% when this question was asked in wave one (March 2022). [E042]
- There has been a fall in the percentage of bill payers who expect their situation to get worse over the next year. In wave two, two thirds (66%) of bill payers reported that they expect their situation to get worse, with 27% expecting it to get 'a lot worse' [E042]
- Three in four (75%) of those who struggled sometimes or more often to pay household bills over the past year expect to struggle to pay a utility bill over the next year. This rises to 88% of those who reported currently struggling to pay their water bill. [E042]
- 3.7 million more people are behind on household bills, compared to March 2022 [E062]
- One in two (50%) said money worries were negatively impacting on their health, and the proportion who said they had gone without heating, electricity or water in the last three months was 1.7 times higher than the population as a whole (31% compared to 18% of UK adults). [E062]
- In 2022, 53% said their household finances had worsened over the last year, which was an increase from 2021 (34%). Only 36% felt their finances were unchanged, which was fewer than last year (58%). [E048]

Willingness to contribute towards financial support

- Almost two-thirds of customers are willing to contribute at all (£0.25 per month), and just under half (45%) are willing to contribute £1 towards the new social tariff proposed. [E019]
  - Mean willingness to contribute was £1.2 per month (for Panel)
  - Mean willingness to contribute was £1.8 per month (for main survey customers)
- For social tariff Wessex Water [E020]:
  - 75% willing to contribute at all.
  - 62% willing to contribute at least £0.50.
  - 52% willing to contribute at least £1.00.
  - 32% willing to contribute at least £2.00.
- Across the sample for Wessex Water, the average (mean) WtC is £1.80 per month, with a 95% confidence interval of values between £1.68 and £1.94 (meaning any difference in the tariff amount between those two values is unlikely to result in any significant change in WtC). [E020]
  - The median WtC amount is £1.05, meaning a majority (50.1%) are willing to contribute up to that amount.

Priority ranking of 2030 goals – Your Say Your Future [E014]

Affordable bills have been ranked **4th** for 2030 goals.

- Affordability is highly relatable given recent price increases to many essential products and services, and the extensive media coverage of the cost-of-living crisis and its impact.
- Many comments demonstrated the social conscience felt by many, with customers, staff and stakeholders all expressing a desire to protect the most financially vulnerable in society, ensuring access to a product which is essential to life.

+ Some pleased that there is a specific focus on ensuring affordability whilst investing in other essential areas.
+ Support for low-income households positively received, particularly given the current economic climate.
+ Staff recognise importance of goals to maintaining reputation as a ‘customer service’ business.

– Very negative reaction from many given the perceived issues with private ownership of water companies – targets seem disingenuous.
– Many could not see past this broader issue in order to assess the specific goals.
– Question over whether measures are sufficient to offset bill increases.

Outcome 2: Excellent customer experience

Key Insights

<table>
<tr><th colspan="3">Excellent customer experience – insight summary from Sia Partners' Triangulation Report, September 2023</th></tr>
<tr><td colspan="3">Relative priority ranking: 5th
Total number of Wessex Water customers engage: 94,005
Total number of sources reviewed: 40</td></tr>
<tr><td>Robustness of evidence</td><td>High</td><td rowspan="2">Key sources of insight
E001 Reviewing Strategic Direction and Social Purpose, October 21
E002 Wessex Water Annual Image Tracker 21-22, May 22
E004 2022 Young People's Panel, Nov-22
E005 Wessex Water Social Purpose, Apr 21
E013 2022-23 Water Tracker Q4, Apr 23
E018 Wessex Water Annual Image Tracker 22-23, May 23
E021 Customer spotlight People's views and experiences of water, Apr 22
E022 Water Affordability Scheme Funding – Opinion research Mar 22
E024 Continuous insight- Customer Feedback graphs Jun 23
E041 MMH Time to act Feb, 22
E043 Ofwat Customer Licence Condition research, May 23
E048 Water Matters 2022, May 23
E049 Ofwat CCW Research on customer preferences, Apr 22
E050 Ofwat CCW Business customer insight survey 2022 , Oct 22
E053 Online Panel Survey Oct 21: Have your say newsletter survey 25 future plans No25, Nov 21
E054 Online Panel Survey Apr 21: Have your say newsletter survey 25 future plans No 24 , Apr 21</td></tr>
<tr><td>Divergence of views</td><td>Low</td></tr>
<tr><td>Regional differences</td><td>Low</td><td>Stakeholder insight
Alongside the engagement with vulnerable customers through specific research, Wessex Water works with key stakeholders who represent customers with different vulnerability needs to understand how to better design services that support their specific client group within the Priority Services register, as well as their financial support schemes. Sources such as the minutes from the Stakeholder Vulnerability Advisory Panel (VAP) were reviewed alongside customer research. Please refer to the dedicated section.</td></tr>
<tr><th colspan="3">Triangulation comments</th></tr>
<tr><td colspan="3">There are high number of sources and a high number of customers engaged on this outcome, and there is a good breadth and depth of engagement on specific topics relating to most areas. A current gap relates to engagement with vulnerable customers on their specific needs and priorities, as well as the provisions and services they want to see from Wessex Water, however we recognise that significant engagement is carried out with key stakeholders to better understand the needs of vulnerable customers and even co-create services, which is why the robustness of evidence is high. There are no significant divergences in views across customer groups and only minor regional differences, in that Bristol and Bournemouth Water customers report slightly lower levels of customer satisfaction compared with Wessex Water customers.</td></tr>
</table>

Key insight	Examples of supporting evidence
The vast majority of customers are satisfied with the service they receive when interacting with Wessex Water.	• Customers (all) gave an average score of 81% for Wessex Water's customer experience and scored the importance of providing this 8.8/10 (HH, Future, Vulnerable) [E001] • Satisfaction is reasonably consistent across demographic groups [E002] • Customers (all) expect leading customer service across touchpoints (digital, telephone), brand expertise and influence, continual innovation. [E001] • 89% of customers were at least satisfied with the overall service provided by Wessex Water. [E053] • There has been no significant change in overall satisfaction with customer services of water companies, although the number dropped from 78% in 2021 to 77% in 2022. This relates to frequency and content of bills, meter reading and payments. [E048]
Examples of the key drivers of satisfaction with customer service relate	• The time taken to resolve problems affects customer satisfaction. [E021]

to good, proactive communication and speed of response.	• Top customer complaint reasons for April 2022 include poor communication. [E024] • Business customers (UK-wide) commonly cite the cause of the satisfaction to be related to billing and customer service. These are two of the most important aspects of the water and wastewater service to business customers. [E050] • People report being more tolerant of service interruptions where warning is given. People want to know how they will be affected, how long for, and the water company response time. Strong communication and advance warning help mitigate service interruptions. [E049]
There are some areas which are negatively impacting perceptions of Wessex Water, however, the majority of people don't know enough about the business to inform perceptions.	• Satisfaction with Wessex Water (HH) has reduced slightly over the course of 2022-3. This coincides with the noticeable increase in awareness of releases from storm overflows and a very significant negative shift in attitudes to the operation of storm overflows. [E013] • Suspicion over ownership by a foreign company, with the belief that foreign owners and investors are not interested in local issues. [E014] • Wessex Water is not seen as being untrustworthy but the brand is invisible. [E001] • 58% of WW customers (HH, Future, Vulnerable) feel like they know a little or nothing at all about the company. [E002] • There are signs that customers (HH, Future, Vulnerable) are becoming less engaged with Wessex Water, with fewer feeling they know enough to comment on the brand's values, and more ambivalence about it (rather than active negativity…so far). [E018]
There is a desire for Wessex Water to further demonstrate that it is a responsible company which gives back to the communities it serves	• 82% of customers (all) scored 7/10 or above for the match between what Wessex Water stands for (including creating value for the people they serve) and their actions. [E001] • Customers (all) are looking for companies like Wessex Water to be responsible and look after colleagues. [E001] • Colleagues indicate they want an ambitious social purpose and want to see the company do more e.g. Increase schools' education activities and include elements that relate to the local economy e.g. apprenticeships; local supply chains. [E005] • Many feel funding should provide support for people in the same water company area to increase the sense of community [E022] • 39% of customers think that Wessex Water do lot or a fair amount to support people and communities in the region and a further 28% think that Wessex Water do a little. [E054]
Customers in vulnerable circumstances, such as those with certain physical or mental health conditions have specific needs relating to their water service and dealing with their water company.	• Customers in vulnerable circumstances including those with physical and mental health conditions, carers of terminally ill family members, parents of severely disabled children and single, elderly people suffering recent bereavement, had additional needs from their water companies. [E043] • Just one in nine people with mental health problems (11%) have ever told a water company about their mental health problems. [E041] • Tools that automate or offer support with complex aspects of money management: Water providers could provide tools that help customers monitor their consumption and forecast costs. [E041]
It is an expectation that Wessex Water makes provisions and provides support for customers in vulnerable situations, however, there is room for improvement in terms of awareness of available support.	• Customers (all) and stakeholders expect policies and practices from companies like Wessex Water that support the most vulnerable in the communities they serve and ones that acknowledge the growing wealth gap. [E001] • There is an increasing number of customers in vulnerable situations, and more severe vulnerable situations, leading to a need to support the elderly, large families, low-income households and those with mental health issues. [E001]

	• Low engagement is also a cause for concern. It may mean that customers in need of financial or priority services support are not aware that support is available for them. [E021] • Awareness of the extra help offered to people in vulnerable circumstances through water companies' Priority Services Registers has fallen, from 49% in 2021 to 47% in 2022. [E048]

Stakeholder insights

Alongside the engagement with vulnerable customers through specific research, Wessex Water works with key stakeholders who represent customers with different vulnerability needs to understand how to better design services that support their specific client group within the Priority Services register, as well as their financial support schemes. The Stakeholder Vulnerability Advisory Panel (VAP) was set up in 2013 to support, advise and challenge Wessex Water's Vulnerability Strategy and is made up of experts such as consumer bodies, government departments and CCW.

As part of Wessex Water's commitment to provide an inclusive service, the business has engaged and received endorsement from 53 organisations (local and national) who have reviewed the services proposed in their Vulnerability Strategy, and in some cases have even helped co-create the services alongside Wessex Water.

Below are examples of the insight gathered through the VAP from key stakeholder agencies regarding their customers during 2022 and 2023:

Stepchange

After a period of supressed demand for debt advice during the pandemic, Stepchange are experiencing an extremely busy period, with a 20% increase in contacts year-on-year. 1 in 3 clients have a deficit budget, and the average debt of customers is £11,000, with energy debts being significantly higher than water debts.

Citizen's Advice

Citizen's Advice are seeing a new customer profile in the past couple of years, with a much younger demographic that are digital and working. They also point out that the majority of customers are falling behind on 'must haves' and not 'nice to haves'. More recently they are also seeing increasing use of food banks and charities for their clients.

Age UK

Age UK highlights an increase in people losing their homes, as well as an increase in people turning to 'loan sharks'. They are seeing an increase in older people seeking help as they are struggling to pay their energy bills. 42% of people contact Age UK to increase benefits/income.

Money Advice Trust

Money Advice Trust is seeing a growing number of deficit budgets, with 24% of people having an income that is too low to cover the essentials. They highlight that 16% of contacts cite mental health as the reason why they are reaching out. They have also identified that the size of debts is growing – those with a debt of £50k or more have gone up by 15%.

Detailed stakeholder insight

Insight sources: [E030] [E031] [E032] [E033] [E034] [E038]

- Vulnerability and affordability panel included member updates regarding Stepchange: [E030]
  - Stepchange are seeing a reduced demand for debt advice, attributing this to a number of things including forbearance, furlough, peoples expenses have been lower.
  - Anticipating that in 6-12 months time a surge of people needing debt advice.
  - Credit cards are the most common debt with and average of £2000 of each card.
  - Average water arrears is around £800.
  - 60% of customers seeking debt advice with Stepchange are women and biggest demographic is single with no children.
- Vulnerability and affordability panel included member updates regarding Citizens Advice: [E030]
  - Citizen advice are seeing a similar picture to Stepchange. A drop in debt customers but a new customer profile. A much younger demographic that are digital and working.
  - Traditional client group has disappeared and this is a concern to where they are.
  - Employment queries have had huge spikes after each government announcements.
  - The 4 biggest debt categories are: council tax, rent, water and fuel. Majority of customers are falling behind on 'must haves' and not 'nice to haves'.
- Vulnerability and affordability panel included member updates regarding Covid-19: [E031]
  - Households are using significantly more water than normal as many people are back at home and weather the weather was good which meant that no staff were furloughed any

or any government funding taken. People who couldn't do their normal jobs were either redeployed or took on vulnerability work.
  - Sites are running as normal with social distance measures, no impacts to water and sewerage supplies.
  - Work that required going into people's homes had to stop and construction sites stopped temporarily, but these are now back up running again with social distancing measures in place.
- StepChange are extremely busy at present, 1 in 3 clients have a deficit budget. Contact 20% up year on year. Little or no change in debt levels- water debt is significantly low compared though to energy. [E032]
  - At Age UK the challenge is still trying to find more income for clients.
  - Work has been done looking at price increases to private renters, which are outpricing people out of the market. Spike in people losing their homes. Also seen an increase in people turning to loan sharks.
  - CA are seeing increasing use of food banks and charities for their clients.
- Updates regarding Stepchange's current position: [E033]
  - Volumes were still suppressed last year (2021) due to the pandemic
  - Volumes to the website just short of 6 million
  - 170K clients completed debt advice
  - Average amount of debt £11k across 6 different debts
  - £400 million paid on behalf of clients
  - Reasons for debt: In 2020 number of clients citing the cost of living was 4%, beginning of 2022 it was 13% and has now risen to 16% in May
  - Another reason for debt was lack of control over finances and having to use credit. Struggling to meet daily commitments
  - Types of debt - 67% have credit card debt, 50% have a personal loan
  - Types of arrears - council tax remains the most common 38% of clients, fairly constant but rising slightly each year. Water 2nd most commonly found and has remained fairly constant:
  - Amount of debt for those rising
  - Arrears for gas/electricity will rise in the winter months
  - Larger proportion of clients are in full-time employment
  - Vulnerability - affecting their ability to pay has increased since 2021:
  - 50% contacting with 1st-time debt had a vulnerability, this could be due to extra training with staff to spot the signs
  - Definitely seeing an increase - 39% cases citing mental health
  - Cost of living impact - 1 in 5 say external pressures could cause them to go into debt. 1 in 3 say they could struggle with essentials, 42% struggling to pay regular bills, and 50% using savings
- Updates included Money Advice Trust - IR presented an update on MAT's current position. Similar points to StepChange [E033]
  - Growing number of deficit budgets
  - 24% of people's income is too low to cover the cost of essentials
  - Mental health and wellbeing - 16% cite this as a factor and that is why they are reaching out
  - Size of debts is growing - £50k or more owed, this has gone up by 15%
  - Still seeing the washout of COVID, especially for businesses:
  - 50% of small business owners are going without essentials
  - 1 in 5 small business owners are using credit cards to pay for household essentials.
  - Situations are growing more complex
- Update on Disability Right's current position: [E033]
  - PIP has been removed from the eligibility for the warm home discount

  - Campaigning for benefits increases to be in line with inflation and to increase the uptake in people claiming pension credit
  - Disability Poverty Campaign Group – brings all the organisations that work with disabled people in one place to work together, Food Foundation, Trussell Trust and Joseph Roundtree Foundation. They are campaigning for things like increase of benefits and fairer charging for social care
  - Disabled persons capacity project:
  - Working at grassroots to help organisations with funding
  - Working with housing associations to increase benefits work
  - Starting to see fewer people in rent arrears but more with energy arrears
- Citizens Advice - CB presented an update on Central Dorset Citizen Advice's current position. [E033]
  - Citizen Advice is looking at people with insecure budgets and challenging lots of deductions on UC
  - They are missing the self-employed group. They aren't asking for help
  - Seeing lots of people who can't claim the £150 energy rebate due to it being online
  - Mixed-age couples caught on UC and worse off than those on PC
- Disability Price Tag 2023: The extra cost of disability [E034]
  - On average, disabled households need an additional £975 a month to have the same standard of living as non-disabled households. If this figure is updated to account for inflation over the current period 2022/2023, these extra costs rise to £1,122 per month.On average, the extra cost of disability is equivalent to 63% of household income after housing costs.
- Choice and independence: [E034]
  - Over half (57%) felt that, when buying things, their choice is severely limited by their financial situation.
  - 27% said they do not have enough money to buy occasional treats for themselves or their family.
  - One in three (31%) felt like they have no control over their financial situation.One year ago, 18% reported being in serious difficulties.
- Impact extra costs: [E034]
  - Three-quarters of disabled people (75%) agreed that they have 'particularly high costs' due to being disabled
  - And 95% of disabled people mentioned incurring some level of additional cost in at least one area of spending as a result of being disabled.
  - Extra energy bills were most commonly mentioned (78%), followed by extra transport costs (66%).
  - 40% said that their financial situation is making their physical health worse
  - 45% said that their financial situation is making their mental health worse.
- From our research the people disproportionately hit by the current cost of living crisis are, indeed, the same ones who were disproportionately affected during the pandemic. [E038]

DETAILED INSIGHTS

Great customer experience / High customer satisfaction

Insight sources: [E001] [E002] [E003] [E004] [E008] [E012] [E013] [E015] [E018] [E021] [E024] [E025] [E026] [E027] [E028] [E029] [E035] [E043] [[E045] [E047] [E048] [E050] [E052] [E053] [E054] [E064] [E065] [E066] [E067] [E069]

Customer satisfaction, unsurprisingly, is still extremely important for customers and the vast majority of Wessex Water customers are satisfied with the service they receive. Resolution of queries and speed of response following contact with customer services appear to be key drivers of both satisfaction and dissatisfaction. Customers, including developers and retailers, also commonly stress the importance of good communication from their water company.

Areas of customer experience where there is potential to improve on

- Customers expect leading customer service across touchpoints (digital, telephone), brand expertise and influence, continual innovation. [E001]
- Customer and stakeholder expectations in the use of technology are significantly higher than the current state of play in the water sector and this gap has been identified as a significant challenge for Wessex Water. [E001]
    - Context: Innovation in general - specifically smart meters
- Retailers want a focus on embracing technology to deliver efficient flexible customer service, deliver more recycling solutions for businesses to reduce bills, develop co-branded communications to engage NHH customers AND improving data/access to data. [E001]
- Future customers were unanimous in suggesting an app to access the smart water meter data. [E003]
- Most customers presented ideas for a dedicated water meter platform containing live water updates. [E003]
- Accessibility was very important for our future customers. Ideas included [E003]:
    - Audio and large font options for visually impaired
    - Touch screen
    - Text-to-speech software (TTS)
    - Opt-in paper options for some services
    - All features must be inclusive of different customer groups
- Mixed views on thoroughness of initial checks – not always a proper investigation of cause, suggestion that probably the customer's problem rather than WW; lack of communication from WW to engineer. [E012]
    - Context - Experiences customers have had with WW handling of incidents regarding water-related problems (general not a specific fault/problem)
- For attribute E, the level of customer service was considered to be very high and therefore no improvement was needed. [E008]
- The time taken to resolve problems affects customer satisfaction. [E024]
- Top customer Contact incident types since Apr 2022 include: A backing up, Ops Meter Options, Leak Network and Private Issue. [E024]
- Top Complaint Incident Types include C Waste, N Info/ Advice, Works query and NHH Faulty Meter [E024]
- Top Complaint Reasons since Apr 2022 include: service, workmanship, schemes/works in area and external flooding. [E024]
- Top complaint causes (Since Apr 2022) include: Poor Communication, Repeat Problem, General inconvenience and Poor Standard. [E024]
- People report being more tolerant of service interruptions where warning is given. People want to know how they will be affected, how long for, and the water company response time. Strong communication and advance warning help mitigate service interruptions. [E049]
- The most frequently given responses on the CSS survey in terms of areas for improvement were 'Customer service/relations should be improved – communication/notifications/ease of contact' (33%) and 'Should be more responsive – resolve issues quickly' (20%). This is somewhat similar to the results of the 2020-21 surveys where 'be more responsive – resolve issues quickly, accurately etc' and 'better communications – provision of information etc' were the most frequent response themes. [E069]

- The main areas for improvement on CES were also comparable to last year's results: 'Lower bills/reduce price – discounts etc' and, similar to CCS, 'Customer service/relations should be improved – communication/notifications/ease of contact' (24% and 14% respectively). [E069]

Quantitative customer ratings of Wessex Water's services

- Out of 1,514 customers/stakeholders/colleagues, the average score given to the overall service provided by Wessex Water was 81%. [E001]
- Out of 1000 customers, the average score given to the importance of giving great customer service is given the third most importance with a score of 8.8/10. [E002]
- Across 2021-22 nearly 7 in 10 consumers agree that Wessex Water provide exceptional service. [E002]
- Amongst the interviewed customers 68% have agreed that WW provide exceptional service and 62% agree that they are easy to contact. [E002]
- Nevertheless NPS is unchanged, with more detractors than promoters, and a net score of -47, despite more students not knowing anything about Wessex Water (35%). [E004]
- Wessex Water excels in making payments straightforward with nearly 9 in 10 customers rating this highly; and reliability (a crucial factor behind satisfaction) has consistently been rated very strongly. [E002]
- Perception of Wessex Water - DWMP Overall satisfaction - 7.9/10 [E015]
- Perception of Wessex Water - SSD Overall customer satisfaction - 8.1/10 [E015]
- During this period water industry news related to sewage was very prominent, with the public apology from Water UK in May. Annual water bills also arrived with customers during this Quarter. Satisfaction with Wessex Water remains consistent with previous Quarters with no sign of being adversely affected. There is a directional uplift in overall customer satisfaction since the last Quarter; satisfaction does not appear to have been affected by negative media coverage of the water industry. [E035]
- Satisfaction with the overall service provided by Wessex Water. The majority of customers rated the overall service received at least an 8 out of 10 (72%), 89% were satisfied to some extent (6 or higher), and 2% were dissatisfied (4 or lower). [E053]
- We asked how much customers trust Wessex Water, The majority gave a trust rating of at least 8 out of 10 (64%). 19% of customers gave a trust rating of 6 or below though, so it suggests there's more we need to do in this area. [E053]
- When customers were asked which organisations they admired for making a positive contribution to society and/or the environment, Wessex Water came top of all those mentioned. [E054]
- Image Tracker perception survey (including non-bill payers) shows 74% of customers are satisfied with Wessex Water in 2022/23 [E064]
- 3rd WaSc for C-MeX, 1st WaSC on the contactor element (CSS) and 5th WaSC on the non-contactor element (CES) [E064]
- Average score of 4.6 from 7,863 Trustpilot reviews [E064]
- Wessex Water in the top 3 utilities to feature in the January UKCSI results [E064]
- CSAT Group: Neutral: 1.75% / Satisfied: 9.62% / Extremely: 82.51% [E065]
- PSR needs met 93.6% [E065]
- Avg. CSAT 8.90; Resolution 90.8% [E067]
- Customers who are on Priority Services and/or an affordability scheme are more satisfied regarding billing issues than customers as a whole e.g., 8.58 (PSR) and 8.76 (Social Policy) vs. the average of 8.56. [E064]
- Just over 7 in 10 (71%) people would recommend their water provider to a family member or friend. This is in line with the proportion who would recommend their electricity provider (71%) and gas provider (72%). A higher proportion would recommend their broadband provider (76%). 17% would not recommend their water provider. This rises to 26% of people who struggle to pay bills all or most of the time. [E021]

- People are more likely to report satisfaction with water services than with wastewater and drainage services. Two-thirds (65%) of people are satisfied with water services – giving a score of between 8-10 out of ten. The equivalent figure for wastewater and drainage services is 56%. Conversely, very few report being dissatisfied with these services (a score of 1-3 out of ten). [E021]
- Bill payers are more satisfied with water services than non-bill payers (67% compared to 61%).. [E021]
- There has been no significant change in overall satisfaction with customer services, although the number dropped from 78% in 2021 to 77% in 2022. This relates to frequency and content of bills, meter reading and payments. [E048]
- However, more people – 86% in 2022 compared to 84% in 2021 – were satisfied with their overall experience of water and/or sewerage services. [E048]
- More people – 51% in 2022 compared to 50% in 2021 – said that the communication from their water company was good. (Not a significant change.) [E048]
- All customers were asked how satisfied or dissatisfied they are with their current clean water and wastewater retailer(s). Just over three quarters (77%) were satisfied with their current retailer, with a tenth (10%) saying they were dissatisfied. [E050]
- When those who were dissatisfied with their current clean water and wastewater retailer were asked to explain the reasons why, customers were most likely to mention billing issues, such as not receiving bills, or being charged incorrectly (mentioned by 77% of dissatisfied customers – equivalent to around 8% of customers across the whole sample); followed by issues with customer service (65%) and with price (21%). [E050]
- The most frequent reason given for satisfaction was not experiencing any/many problems (31%), although this has seen a significant decrease since in 2021. On the other hand, the percentage of those that were satisfied who mentioned good customer service has nearly doubled since 2021 increasing from 12% to 25%, however, this increase is non-significant. [E050]
- The quality of customer service was among the most important aspects to just under a quarter of customers (23%), while the quality of billing services was mentioned by over a tenth (15%), and water efficiency by less than a tenth (7%). [E050]
- Overall satisfaction has declined for both water and sewerage services over 2022 – from 91% to 88% and from 88% to 82% respectively [E052]
- Customers in Wales are significantly more likely than those in England to be satisfied with their water (92% cf 87%), sewerage (88% cf 81%) [E052]
- For sewerage services, the difference is even more marked, with net satisfaction falling from 75% in 2020/21 and 72% in 2018 to 65% in 2022 [E052]
- For water providers, net agreement that their provider cares about the service they give to customers has fallen significantly compared to both 2020/21 (52%) and 2018 (53%) [E052]
- 71% of customers would be likely to contact their water company if they had a problem with their bill. This has increased since last year (69%) but is not a significant change. In addition, the number of people who said they actually contacted their company increased by 3% to 21% in 2022. There was a fall – from 78% in 2021 to 76% in 2022 – in the number of customers who were satisfied with the contact they had with their company. (Not a significant change.) [E048]
- Wessex Water saw their overall C-MeX score decrease slightly in 2022 from the previous year 84.82 down from 86.09), however, improved their ranking from 2nd to 1st place. [E069]
- For CSS, the most striking reason for customer satisfaction scores being good, was whether the participant felt the query had been fully resolved; satisfaction was an average of 86.82 amongst those who said their query had been fully resolved, compared to 52.14 who felt it wasn't. [E069]
- Non-digital contacts were significantly more likely to be satisfied with their recent experience compared to the digital contacts: 79.34 compared to 74.51. This is observed despite the facts that billing queries are (a) more likely to be digital than non-digital, and (b) more likely to be resolved than other types of query. [E069]

- For CES, women were significantly more satisfied with their water company than men. The oldest participant group and the youngest participant group (aged 65+ and 18-29 respectively) were more satisfied than the middle groups (30-44 and 45-64). There was also a significant difference in satisfaction when comparing survey methods, with Face-to-face customers being more satisfied than CATI customers. [E069]

General outlook towards customer experience and satisfaction

- In light of this, core KPIs for Wessex Water have stayed reasonably resilient. [E018]
    - Satisfaction has faded slightly but no dramatic change to date – emphasising how quality and reliability of the service that customers directly experience remain key.
- Satisfaction is reasonably consistent across demographic groups, those with and without a meter, and those with and without vulnerability indicators. [E002]
- Customers feel there is a quick initial response from engineers and pleasant customer service staff (when able to get through). [E012]
- Overall satisfaction has declined slightly over the course of 2022/23. Top reasons consumers give for being satisfied continue to focus on reliability and efficiency of sorting out issues. Since the summer 'sewage discharge into rivers' is slightly more prominently mentioned by those who are less satisfied. [E013]
- In terms of WW performance, Satisfaction fades slightly whilst awareness of sewer overflows increases, and financial anxiety becomes widespread. [E018]
- Overall satisfaction has declined slightly over the course of 2022/23. Satisfaction is higher in the Wessex supply area than in Bristol and Bournemouth areas. [E018]
- Satisfaction remains reasonably consistent across demographic groups, those with and without a meter, and those with and without vulnerabilities. 'Responsible Citizens', and 'My World Cost Conscious' are most satisfied, while 'Stretched and Struggling' lag. Awareness of support correlates with higher satisfaction – a reputational benefit in promoting this. [E018]
- A range of water company activities are seen as important. For each of the activities included in the research, a majority of people believe them to be very important for companies over the next 10-20 years. [E021]
- Evidence suggests that customers are not WTP to switch from the status quo to an improvement in service. [E008]
- A range of water company activities are seen as important. For each of the activities included in the research, a majority of people believe them to be very important for companies over the next 10-20 years. [E021]
- Participants generally rate their water companies well in terms of water quality and provision [E043]
- Participants spend very little time thinking about their water and wastewater services [E043]
- When problems arise, participants want their water company to fix them quickly and efficiently [E043]
- Companies missing appointments is a known and frustrating issue, meaning a standard which addresses this feels very relevant. Customers feel that if they have taken time off work to be present for an appointment, then water companies also have to hold up their end of the bargain and turn up when they say they will. [E045]
    - Making appointments is somewhat less important for NHH customers, as if appointments are in business hours, this is 'built into' their working day anyway, lessening inconvenience.
    - Keeping appointments: current payment feels very low, especially if NHH customers would have to pursue it in work time. The time spent on the admin would 'cost' the company more than this amount.
    - HH Customers feel that not getting notice of supply interruption could have significant consequences. Some felt they would need to travel to stay with family or stay in hotels, resulting in expenses they felt they would not be able to cover given the promised notice.

- For NHH customers, the payment is not enough to make up for an unexpected lost day of trading; however, businesses do not necessarily feel like it should. Instead, there is a feeling that the amount should be high enough to ensure that water companies adhere to this standard. Currently, it is felt to be too low to do this effectively.

Developer satisfaction

- Wessex Water saw their overall D-MeX score decrease in 2022 from the previous year (-0.85 down to 80.18) and fell from 2nd to 4th place. [E069]
- When developers were asked what their water company was doing well, the main responses were that there was good communication/provision of information was clear (27%) and it was responsive/quick (24%). Also important were good customer service/relations – polite, helpful etc (18%); no problems – happy with service (18%); and timescales – suitable/accurate/prompt attendance (12%). [E069]
- When developers were asked what their water company could improve on, the main area concerned better communication/provision of information which was mentioned by a fifth of respondents. The following were both mentioned by 11%: Better understanding of client requirements/better working relationship; and should be more responsive – frequency/speed etc. [E069]
- Participants were most satisfied with the accuracy and completeness of documentation provided with an average score of 77.32, followed by meeting agreed deadlines (73.61) and understanding their needs (73.67). [E069]
- The lowest satisfaction rating was for offering value for money (62.27). [E069]
- Customers of Portsmouth Water and Wessex Water developer services are most satisfied with respect to ease of contact with mean satisfaction ratings of 81.89 and 81.82 respectively. Their satisfaction ratings are significantly higher than the industry total along with all the other water companies. [E069]
- Wessex Water ranked 3rd (significantly higher than the industry average) for the quality of information available on their website. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with understanding developers' needs. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with timeliness of response to queries and requests. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with keeping customers informed on progress, where required. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with offering value for money. [E069]
- Wessex Water ranked 2nd (significantly higher than the industry average) for satisfaction with completing work within a reasonable timescale. [E069]
- Wessex Water ranked 2nd (significantly higher than the industry average) for satisfaction with meeting agreed deadlines. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with efficiency in handling this stage of the work. [E069]
- Wessex Water ranked 3rd (significantly higher than the industry average) for satisfaction with accuracy and completeness of any documentation provided. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with any advice and guidance given to help progress the work. [E069]
- Wessex Water ranked 4th (significantly higher than the industry average) for satisfaction with how transaction was handled. [E069]
- The four most important things developers look for in terms of how the service is delivered are [E069]:

    - Cost – value for money
    - Communication – including internal
    - Responsiveness
    - Ease of contact – direct contact/single POC, preferred channels etc.
- Developers were asked if there was one thing that they would suggest that the Developer Services team at their water company could do, that would have most impact on how easy they find them to deal with. The four most common suggestions were [E069]:
    - Provide single/dedicated point of contact – e.g. Account Manager etc (8%)
    - Improve/develop website/online services (7%)
    - Provide direct contact (via phone etc) with key personnel – local rep/engineer/designer
    - (7%).
    - Improve communication – updates etc (7%)

Retailer satisfaction

<u>R-MeX December 2020</u>

- High retail customer satisfaction given the generally quick and concise responses received [E027]
- High retail customer satisfaction with how the wholesaler responded and communicated with the customers during incidents and unplanned events, reasons include: clear information provided and email updates from Wessex are received for any unplanned works in the area. [E027]
- High retail customer satisfaction with the data maintenance and improvement given that the portal is easy to use with accurate feedback No negative feedback received [E027]
- Systems and notifications of the wholesaler positively meets customers' needs providing everything that is required and quick to update [E027]
- The level of engagement and support provided by the wholesaler gave high customer satisfaction with positive account management discussions but it is preferable at a higher frequency
- Many scores were mid-range (with each area scoring between five and seven), Bristol Water, Portsmouth Water and Wessex Water have strong results. [E027]
- Also to note the generally strong performance by Water only Companies (WoCs) with four of those appearing at the top of the league table (Bristol Water, Portsmouth Water, Affinity Water and South East Water). However, these wholesalers received less than half the reviews that could have been given. [E027]
- Wessex Water was the highest scoring wholesaler that provides both water and sewerage services (WaSC.). [E027]
- The area which received the highest scores from retailers overall was ‘level of engagement and support’ with both Bristol Water and Portsmouth Water (both WoCs) receiving the highest scores on the table in this section. The comments showed that most retailers felt supported by their wholesalers, however, suggested they needed more regular meetings, increased automation with systems and consist points of contact. [E027]

<u>R-MeX August 2021</u>

- High retail customer satisfaction with the speed and quality of the wholesaler's response to customer's service requests [E025]
- Good retail customer satisfaction with the wholesaler's response and communication with customers during incidents and unplanned events. [E025]
- Good retail customer satisfaction with the wholesaler's data maintenance and improvement as requests for data and amendments are dealt with accurately and in a timely manner. [E025]
- Relatively high retail customer satisfaction with the systems and notifications given that the portal is deemed to be acceptable and raises issues such as slow inputs. [E025]

- Engagement and Support resulted in high retail customer satisfaction with ad-hoc support for customer complaints. [E025]
- The clarity and effectiveness of the wholesaler's financial policies received high customer satisfaction as no issues appeared to be present with a consistent level of service. [E025]
- The overall retail service (Services including: speed and quality of responses to service requests, level of communication, quality of data maintenance and improvement, effectiveness of systems and notifications, level of engagement and support, effectiveness of financial policies) scores decreased slightly with the market average moving from 7.4 to 7.3. Of all wholesalers surveyed, only three improved their score in this area. Continued to see strong performance from Water only Companies (WoCs) with two of those appearing in the top three places. In the last survey, however, WoCs sat only in the top half of the table, in comparison to this survey where they are more widely distributed and also appear in the lower half of the table. [E025]
- There has been a score decrease in most of the measured areas across companies, however, there have seen increases for most wholesalers in the 'Quality of data maintenance and improvement' section. The biggest decreases are seen in the 'Effectiveness of systems and notifications' and 'Level of engagement and support', closely followed by the 'level of communication' and 'speed and quality of responses to service requests' areas. [E025]
- Thames Water is the only wholesaler to see increases across all measured areas. Thames Water also have the biggest increase of any of the scores, with an increase of almost two for 'Quality of data maintenance and improvement' followed by increases of more than one for 'Overall Service' and 'Speed and quality of responses to service requests'. [E025]
- The biggest decreases seen in the results are Northumbrian Water and Bristol Water for 'Effectiveness of systems and notifications', and Portsmouth Water and Bristol Water for 'Level of engagement and support'. Whilst these decreases could come from a decrease in service, they could also be due to a higher number of reviews received or differences in the person responding. [E025]

<u>R-MeX February 2022</u>

- Retail customer satisfaction regarding the effectiveness of the level of communication and of financial policies had a positive variation. Main reasons include that detailed notifications are regularly provided via email and also the fact that no significant event or unplanned activity in the 6 month period. Also, no significant issues were present policy-wise and all other elements were accurate and timely. [E028]
- Speed and quality of responses to service requests resulted with no variation, where service requests have been raised these have been handled in a timely manner. [E028]
- The quality of data maintenance and improvement, the effectiveness of systems and notifications and the level of engagement and support all resulted with a negative variation in customer satisfaction. [E028]
- Affinity Water, United Utilities Water, Portsmouth Water and Anglian Water for scoring 8.0 or above in one or more category, and United Utilities for the largest improvement, with their rating for 'Effectiveness of systems and notifications' increasing by 1.18. [E028]
- Strong performance from Water only Companies (WoCs), it is positive to see Water and Sewerage Companies (WaSCs) also improving, with WaSCs holding the three top spots on the league table [E028]
- The biggest increase across companies is seen in 'Effectiveness of financial policies' and 'Level of communication during incidents' with both increasing by 0.3. The largest individual increases in these areas were from South West Water with an increase of 1.11 for 'Effectiveness of financial policies' and Sutton and East Surrey Water with an increase of 1.00 for 'Level of communication during incidents'. [E028]

- There were no categories across companies that decreased in rating, the smallest increase was seen in 'Effectiveness of systems and notifications' which increased by 0.14. However, this category did see two of the largest individual increases in the table with United Utilities increasing their rating by 0.18 and Northumbrian Water by 1.11 [E028]

R-MeX August 2022

- Level and engagement of support saw a positive variation whereby level of engagement is adequate and proportionate to the volume of transactions, with support always available when required. [E026]
- Level of effectiveness of systems and notifications positively increased whereby the wholesaler's portal meets requirements. [E026]
- Quality of data maintenance and improvement as well as Financial policies saw no variation in retail customer's satisfaction regarding the effectiveness [E026]
- Affinity Water continues to hold the top spot on the league tables and has continued to make improvements to its scores in four of the reviewed service areas [E026]
- Of the 15 reviewed wholesalers, only four made improvements to their rating in all the reviewed service areas. These were South West Water, Wessex Water, Northumbrian Water, and South East Water. [E026]
- South East Water made the two largest increases in the table in 'Speed and Quality of responses to service requests' and 'Level of engagement and support' increasing by 1.39 and 1.21 respectively. [E026]
- Across the market, all average ratings are now above seven which shows wholesalers have focused on improving the services and support they provide retailers. Last year, all wholesalers scored above five across the table. This year, it can be seen that all wholesalers have now scored above six across the table except for one score. However, this has increased by 0.25 to now sit above 5.5. [E026]
- The service area which shows the most improvement is 'Level of communication during incidents' which on average increased by 0.57. All but two wholesalers showed improvement in this area with Severn Trent increasing by the highest amount, followed by Southern Water. Both increased by more than 1.0 with Severn Trent improving by 1.20 and Southern Water by 1.11 [E026]

R-MeX February 2023

- Wessex Water saw a decrease in scores from August 2022 across all criteria from the previous survey, with the biggest decrease seen in the 'Level of engagement and support' and saw it drop one place in the overall rankings [E029]
- Affinity Water who remain at the top of the league tables for the fourth consecutive survey, and who continue to make improvements to its scores in four of the service areas. [E029]
- Of the 15 wholesalers, eight made improvements to their rating in all service areas compared to four in the previous survey. These eight wholesalers are United Utilities Water, South West Water, Northumbrian Water, Southern Water, Sutton and East Surrey Water, South Staffordshire Water, Thames Water and Severn Trent Water. [E029]
- Most scores have increased by small increments, with no increases higher than one point. The largest increase was for United Utilities Water who saw an increase of 0.92 for 'Effectiveness of systems and notifications'. This service area consequently saw the second biggest increase of 0.90 for Southern Water and increased by the most (0.31) for the whole market [E029]

Great customer experience / Brand perceptions and engagement

Insight sources: [E001] [E002] [E003] [E004] [E005] [E013] [E014] [E015] [E018] [E037] [E046] [E048] [E049] [E059] [E068]

Many customers have little connection with or awareness of Wessex Water, particularly lower-income households and future customers. Perceptions of and trust in Wessex Water and the water industry as a whole are heavily impacted by negative media coverage, particularly relating to sewage overflows and companies' finances.

Ways of engagement where customers would like improvement on

- Wessex Water need to overcome a lack of brand visibility and generally low communication engagement. [E001]
- External communications [E005]:
    - Environmental stewardship is an area of universal interest and not well understood – Wessex Water has the credibility to promote more widely.
    - Industry more generally needs to counter/reassure consumers about river pollution.
    - However, caution needed as customers anticipate social purpose activities will knock on to bills.
    - Consider targeted communications of areas that add authenticity to corporate values (the 'opportunity gaps' which have the potential for customers to re-evaluate Wessex Water)
- 'Brand validation' which is based on reputation in the community, is the component of the Trust Index that has fallen the most over the last two years, particularly since the beginning of 2022. [E018]
- As a brand Wessex Water is beginning to face greater challenges. Signs that customers are becoming less engaged with Wessex Water, with fewer feeling they know enough to comment on the brand's values, and more ambivalence about it (rather than active negativity…so far) [E018]
- More emphasis needed on the importance of meaningful communication with customers as a backdrop to PR24. [E001]
- What is important is that customers feel they know Wessex. Being open and transparent is also a factor: Active and honest engagement should improve brand equity. [E002]
- There are improvements to be made on communications: 'helping customers save water' and 'helping prevent sewer blockages. [E002]
- Meanwhile 'Ethics' and 'Brand Validation' have the most headroom to improve. [E002]
- More tailored and targeted communications can develop and manage customer relationships - and reach those who find themselves needing assistance. [E002]
- Across the board there is a large opportunity to grow knowledge about Wessex Water and what they do. There is a notable
- variation in knowledge between different segments – under one third of 'Young Disconnected' and 'Stretched and Struggling' feel that they know about Wessex Water. This is the first hurdle to building a relationship with them. [E002]
- Young people are entirely removed from the world of water and waste services: the YPP experience is revelatory for them! Once they understand the impacts of climate change on a water company, they are more engaged. The pitch presentations convey future customers' desire for more accessible, friendlier, consumer-centric and ethical communications This was reinforced by their preference for the 'pop art' social media example.
- They see the YPP initiative conveying a future-thinking company (as do their schools). [E003]
- 'Environment' continues to be the most widespread area that consumers spontaneously mention Wessex could improve on – followed by 'Infrastructure'. Water saving has fallen back down the ranking, as the summer heatwave fades from memory and is replaced by wet and cold weather. [E013]

- The TV advertisement has not widely cut through to consumers in the Wessex Water region, although the creative execution shows good potential for conveying 'new news' about the company, with nearly 2 in 3 feeling better informed about Wessex Water after viewing it within the research. [E018]
- Wessex Water's brand is still primarily expressed through seeing the company 'out and about' – through employees, vans or signage - followed by receiving the magazine. All of these remain tangible (non-digital) activity. A slight increase this year in recall of seeing the company in the news, while recall of the recent Wessex Water TV and radio advertising is relatively low. [E018]
- The key focus needs to be improving the sense that people know Wessex better. Also be more visible doing positive work and grow evidence of openness and transparency. [E002]
- The top 3 topics that customers would like to hear from WW are [E002]:
    - Alerts about water services
    - How WW are protecting the environment
    - Practical saving and repairing advice.
- Many have negative perceptions of utility companies due to bad previous experiences. Most have had experience of having to get in touch with utility companies and other large companies for some reason or other (often when something goes wrong). [E037]
- Almost half of respondents agree that water companies put the interests of their shareholders/owners first whereas only around a quarter (23%) think water companies act in the interest of customers [E046]
- People are somewhat less likely to see their own water provider as profit first [E046]
- Engagement on issues beyond billing encourages a more positive reputation for water companies [E046]
- The research found participants relate more to activities and descriptions that focus on customer impact, rather than water company processes or infrastructure [E049]
- There is low understanding of water and sewerage services, with most people only engaging when there is an issue. Participants did not know (and did not want to know) how the system works. Instead, they wanted to know the impact of services [E049]
- Services which do or might impact people directly are seen as most important. Similarly, service aspects with immediate impact or consequences are a higher priority than those with consequences in a more distant future. For example, the appearance and taste of water is seen to be more important than biodiversity. [E049]
- Profits and bonuses are not actually that top of mind but contribute to disempowering and frustrating consumers within the context of all other issues. There feels like there is a lack of transparency and openness over how water companies as private businesses operate [E059]
- Whilst people can get frustrated about topical issues they are issues which are given little consideration or time in their daily lives. If people are presented with open and simple information from their water company about what the challenges are and what can realistically be achieved with a greater push on collective responsibility then this may begin to challenge negative perceptions which filter through from press coverage. [E059]

Trust and perceptions of Wessex water

- There is a belief that historical underinvestment has created current issues, with customers now paying for improvements, not shareholders. [E014]
- There is suspicion over ownership by a foreign company, with the belief that foreign owners and investors are not interested in local issues. [E014]
- Negativity towards the privatised water industry is a key issue across the respondent base, with anger over the perception that stakeholder pay-outs have been prioritized over investment in water services and infrastructure, leading to issues which must now be fixed at the cost of customers. It is particularly pronounced in this research given the high attendance of those

supportive of renationalisation at face-to-face events, and because the conversation around privatized industries has been much higher on the political agenda since Corbyn's election pledges in 2017. [E014]
- Future customers are aware of Wessex Water but do not know it well enough to rate it highly. [E003]
- Words most frequently used by customers in the survey comments: Polite, good, team, helpful, excellent and problem [E064]
- The overall trust index score (using the average scores of the 6 trust components) has gradually declined over the last four Quarters, now standing at its lowest point to date. Ofwat's Research across the sector uses a different way of measuring elements of trust, but also shows significant downward trends within 2022. [E018]
- A majority of the public trust their water company to ensure water quality (65%) , provide a reliable service (61%) and inform on problems (54%) [E046]
- There is little difference in perception when it comes to the water sector as a whole and own water company typically expect respondents to have a more positive view of their water company than of the sector as a whole. This is due to having more exposure to the brand, more of a relationship and the local connection to their area of the country. However here we see no significant differences between the views of the sector and their own water company. [E046]
- Almost (29%) three in ten agree water companies understand customers' needs [E046]
- 64% of people agreed that their water company cares about the services that they provide – which is higher than 63% in 2021, but not a significant change. [E048]
- In 2022, trust in water companies fell to 7.21 – down from 7.33 in 2021 – to reach its lowest score since monitoring began [E048]

Customers' perspective on brand engagement

- Wessex Water is not seen as being untrustworthy, but the brand is invisible [E001]:
    - Positives of being invisible = sense that the company is efficient/doing the job it's supposed to do, there's no bad PR and there's no need to contact
    - Negatives of being invisible = lack of awareness of the positive projects the company is involved with, no brand connection, no ownership of water, lack of transparency, Wessex Water trying to stay under the radar
- Sentiment is notably driven by knowledge of Wessex Water. This enforces how engagement is key to building a positive feeling about the brand, through increasing knowledge and familiarity. In addition, corporate transparency is an underlying driver influencing positivity (which is not present for the key drivers of satisfaction). [E002]
- Stretched and struggling' and 'Young Disconnected' segments are those where most attention is needed to try and build satisfaction. [E002]
- Sentiment towards Wessex Water is much stronger for those aware of assistance and priority measures. There is also a noticeable difference between certain segments (attention needed for 'Stretched & Struggling and 'Young Disconnected' segments). [E002]
- Responsible Citizens are likely to have a high view of Wessex Water's performance in nearly all areas. This is in contrast to the Stretched and Struggling group who rate Wessex Water's performance notably lower in most areas. [E002]
- Even though there's interest in receiving alerts about water services, many people remain reticent about sharing their personal data with companies – although signs of a gradual shift to be more amenable to this to get better services. [E002]
- Familiarity with Wessex Water is slightly lower this year, more reminiscent of 2020 levels. [E004]
- Satisfaction with Wessex Water has reduced slightly over the course of 2022-3. This coincides with the noticeable increase in awareness of releases from storm overflows and a very significant negative shift in attitudes to the operation of storm overflows. [E013]

- Over recent Quarters consumers have been slightly less likely to endorse some of Wessex Water's more reputationally based attributes. Notably there is a diminished sense of the company being 'well regarded in your community'. This be a sign of reputational impact from negative publicity of the industry as a whole over sewage releases [E013]
- The Trust Index is based on the average scores of 6 components which can influence consumer trust. The overall score has changed only slightly from Quarter to Quarter, although now stands at its lowest point to date. Several components are also at their lowest point so far, notably 'brand validation' which is based on reputation in the community. [E013]
- Engagement with the water industry is low and perceptions are heavily impacted by negative press headlines. When asked in general terms, people are more neutral about their water company than when they are asked to think of a specific issue. Whilst most people's perceptions of the water industry has not changed in the past 3-6 months this is reflective of their ambivalence rather than their positivity. [E059]

Best practices of brand engagement

- Through continuing with the positive work in education, university partnerships with potential for stronger promotion, and ongoing transparency through bills/apps the strong promotion of Wessex Water's best in class status in the water market should continue. [E001]
- Word of mouth is the most prominent source of information distribution for WW. [E002]
- Wessex Water's presence is primarily expressed through seeing the company 'out and about' – through employees, vans, or signage, followed by receiving the magazine, and receiving letters. Notably all of these remain tangible (non-digital) activity. [E002]
- David Attenborough is a well-known authority everyone trusts. [E004]
    - Able to create an emotional connection, trustworthy, experienced.
    - Attention grabbing and thought-provoking.
- The students feel it's important to explain the impact and consequences of human behaviour for people to be encouraged to change – this is what David Attenborough did so clearly. [E004]
- Recall touchpoints - Employees/van/signage and the magazine continue to be the key touch points recalled. Other specific channels of communication from Wessex Water are less salient. [E013]
- While caution is needed because of very small base sizes, there are encouraging signs for recognition of the radio advertisement amongst Heart FM listeners, 1 in 4 of whom recall it after hearing. It also shows potential for effective rational communication, with 6 in 10 agreeing they felt more informed after being played the ad in the research. [E013]
- Direct communication to / from Wessex Water, recall of community activity, and seeing news coverage can be important factors in increasing how much people feel they know about the company. [E018]
- Notably the email community newsletter appears to enhance positive sentiment, but limited evidence of other touchpoints having positive impact in 2022-3. [E018]

Quantitative customer rating of Wessex Water's brand engagement

- Out of 1,514 customers/ stakeholders / colleagues, the average score given to level of trust people have for Wessex Water was 78%. [E001]
- 58% of WW customers feel like they know a little or nothing at all about the company. [E002]
- Amongst the interviewed customers only 52% agree that WW is a responsible and ethical company and only 45% agree that WW is an innovative and technologically advanced company. [E002]
- In our survey, future customers' familiarity was again at 2019 levels, with nearly 1 in 2 being familiar with WW. [E003]
- Only 1 in 3 could think of any organisation admired for positive contribution to society / environment. [E005]

- Only 35% of customers were able to spontaneously present a display of awareness against WW. [E005]
    - Highest awareness with 42% was responsible citizens.
    - Lowest with 23% was Stretched & Struggling
- In terms of sentiment towards Wessex Water slightly fewer are 'very positive' across this year than in 2021-2, but it is encouraging that very few are actively negative. [E013]
- Amongst panellists the sentiment is broadly positive about Wessex Water's social purpose principles – over 7 in 10 feeling they represent a genuine effort to contribute. [E013]
- Perception of Wessex Water - DWMP Trust Wessex Water - 7.6/10 – [E015]
- Perception of Wessex Water - SSD Trust Wessex Water -7.8/10 – [E015]
- Across 2022-23 over 6 in 10 consumers agree that Wessex Water provide exceptional service – a strong endorsement, but this has diminished since last year along with a number of other aspects of image. Much of the decline is due to more who 'don't know', rather than growing disagreement – suggesting less interaction and engagement with the brand. [E018]

Great customer experience / Positive impact in the community

Insight sources: [E001] [E005] [E022] [E040] [E041] [E043] [E054]

With the prominence of CSR and the cost-of-living difficulties, customers value the impact companies have on the community and the people in it. Customers are now seeking genuine efforts where employees volunteer and work hand in hand with the community to truly have a positive impact. Employees themselves are happy with the work being done in this area, however, would be intrinsically motivated if more was done.

The role Wessex Water is expected to play in helping the community

- Customers are looking for companies like Wessex Water to be responsible and look after colleagues. [E001]
- For future customers, qualitatively – with more consideration – people & community-based initiatives e.g., promoting local projects, social mobility and the local economy appear to have more impact than purely environmental options. [E005]
- Future customers view the following acts as a demonstration that company is not just interested in making money, going beyond expectations [E005]:
    - Offering grants to support community and environmental initiatives.
    - Providing staff volunteers for local projects e.g., providing hot meals to vulnerable people during Covid
    - Covid Relief Fund for organisations dealing with the pandemic.
- Core 'expected' commitments - in particular improving the environment and investing in infrastructure - gain the most positive response. The principles that are beyond what people expect are not always the ones that make them feel more positive but may have more potential to encourage re-evaluation of Wessex Water - and get noticed. [E005]
- More than half of the customers stated that they view the following as demonstrating genuine effort. (Best to worst) [E005]
    - Work with farmers to support biodiversity and water quality.
    - Engage with school children and young people about water use.
    - Campaign against manufacturers labelling wipes as 'flushable'.
    - Campaign to reduce water consumption by encouraging sustainable housing.
    - Provide incentives to install water-saving equipment.
    - Provide apprentice schemes.
    - Support the local economy by choosing to use local suppliers.
    - Support vulnerable people and those with medical needs.
    - Provide discounts / rewards for low-water users.

    - Support low-income customers.
- Spontaneously, colleagues indicate they want an ambitious social purpose. [E005]
    - Want to see the company do more (particularly in areas where it sees room for improvement) e.g.
    - To influence and promote water efficiency/good flushing behaviours.
    - Increase schools' education activities.
    - Accelerate adoption of green behaviours as a business
    - Include elements that relate to the local economy e.g., apprenticeships; local supply chains.
- External Audience insights [E005]
    - Environmental aspects of social purpose have immediate appeal, fitting with Wessex Water's core business – though this is less clear cut for Future customers.
    - When considered, Future customers think Wessex Water supporting people through employment opportunities and bill discounts more relevant – and lower income 'Struggling' customers agree with them.
    - Current and Future customers align more closely on initiatives that are beyond what they expect – which therefore convey an authenticity about Wessex Water's motives. The effort and commitment to supporting local economies, running 'poo' buses, and using local suppliers; or the financial commitment of offering grants and incentives is more impactful.
- Many feel funding should provide support for people in the same water company area to increase the sense of community. [E022]

Customer perceptions of Wessex Water's performance in helping the community

- 82% of customers scored 7/10 or above for the match between what Wessex Water stands for (improving public health and enhancing the environment, creating value for the people they serve) and their actions. [E001]
- Amongst panellists the sentiment is broadly positive about the Wessex Water's social purpose principles – over 7 in 10 feeling they represent a genuine effort to contribute. Yet support is not without reservations; nearly half are concerned these activities will cause bill increases, and over 4 in 10 see a motivation being to improve image. Meanwhile 3 in 10 doubt Wessex can fulfil all of them. [E005]
- Customer impressions are that the company does more to support the environment than it does to support either people and communities in the region, or the local and regional economy. Even amongst this engaged group of customers, over 1 in 4 have no impression of Wessex Water doing anything these areas – clear scope to communicate. [E005]
- Both Current customers on the Wessex Water panel and Future customers across the region are initially more impressed with the idea of a water company supporting the environment than supporting communities or the local economy. This reflects both stated priorities and what they think Wessex Water currently focuses on. [E005]
- Colleagues know Wessex Water already does good work in communities e.g., via staff volunteering, Covid response, refill points and grants [E005]:
    - However, many colleagues are quite sketchy about the details.
    - Perceive that very few staff do/are able to take up the volunteering scheme – on account of workload
    - Most believe these initiatives are spread very thinly - and customers don't generally see this side of the company (which is seen as a shame)
- Most colleagues are positive about the concept of Wessex Water having a social purpose. [E005]
    - Colleagues (who participated) are passionate about what they do and see it as a chance to communicate the importance of their work and Wessex Water
    - Believe monopoly context means companies such as Wessex Water need to demonstrate they are 'doing more'.

- Customers on the panel are well informed about Wessex Water. As well as environmental elements, they prioritise areas that were less expected e.g., bringing economic and community benefits. [E005]
- Colleagues can be more critical than customers: they know too much! Much of what is in the social purpose statement is already happening – but perceived to be under-appreciated by customers. Colleagues want to see Wessex develop a stronger profile: and they don't want social purpose promises to detract from day job (or create more work/stress). There is a glaring gap: employee satisfaction/wellbeing. [E005]
- 39% of customers think that Wessex Water do either a lot or a fair amount to support people and communities in the region and a further 28% think that Wessex Water do a little. [E054]
- 39% of customers think that Wessex Water do a lot or a fair amount to support the local and regional economy, and 28% think that we do a little. [E054]
- Customers asked how hearing that Wessex Water is committing to each of these principles affects how customers feel about them as a company. Principles include: Promoting culture and diversity outside our organisation, Involving local communities in deciding what we do, Involving local communities in deciding what we do. Encouragingly, hearing about Wessex Water principles makes many of you think more positively. This was particularly true of improving the region's natural environment (82% a lot or a little more positive), investing now in ageing pipework and treatment works (78%), growing skills in the community (76%), supporting the region's economy (75%). [E054]

Great customer experience / Supporting vulnerable customers.

Insight sources: [E001] [E020] [E022] [E034] [E040] [E041] [E043] [E048]

Customers expect Wessex Water to have the necessary provisions and services in place to support and protect vulnerable customers. The causes and impacts of vulnerability vary greatly and therefore support needs to be tailored to their specific needs. In addition, the availability of this support should be better promoted to those who might be eligible as awareness is generally low.

Customer expectations for supporting vulnerable customers

- Customers and stakeholders expect policies and practices from companies like Wessex Water that support the most vulnerable in the communities they serve and ones that acknowledge the growing wealth gap. [E001]
- Customers are worried about increased number of customers in vulnerable situations and more severe vulnerable situations as well as the need to support the elderly, large families, low-income households and those with mental health issues. [E001]
- Customers want to see Wessex Water outcomes and purpose reflect the need to protect and support the most vulnerable members of the communities it serves. [E001]

Specific needs of vulnerable customers and awareness of support

- People on home dialysis pay more for their water and electricity because the dialysis machine is very energy and water intensive [E040]
- Home dialysis uses as much as 7502 litres of water per week. That is the equivalent of taking 80 showers every 7 days [E040]
- Just one in nine people with mental health problems (11%) have ever told a water company about their mental health problems [E041]
- Tools that automate or offer support with complex aspects of money management: Water providers could provide tools that help customers monitor their consumption and forecast costs [E041]

- Over two-thirds (68%) are aware of priority services at a total level. [E020]
- Low engagement is also a cause for concern. It may mean that customers in need of financial or priority services support are not aware that support is available for them. [E022]
- The majority are not aware if their water company offers help of this kind or not (76%). The 35-54 age group are most likely to be aware. [E022]
- Awareness of the extra help offered to people in vulnerable circumstances through water companies' Priority Services Registers has fallen, from 49% in 2021 to 47% in 2022. (Not a significant change.) [E048]
- Customers in vulnerable circumstances including those with physical and mental health conditions, carers of terminally ill family members, parents of severely disabled children and single, elderly people suffering recent bereavement, have additional needs from their water companies. [E043]
- There are four key drivers of vulnerability [E034]:
  - Health e.g. physical disability, severe/long-term illness, addiction, mental health
  - Life event e.g. bereavement, redundancy, retirement, births, victim of crime/domestic abuse
  - Resilience e.g. low/erratic income, debt, no savings, lack of coping skills
  - Capability e.g. financial skills/knowledge, poor literacy/numerical skills, language, learning impairments
- Vulnerability is a spectrum; At one end are customers facing short-term or minor issues. At the other end, are those with complex and overlapping needs. [E034]
- It is estimated that there are 27.7 million adults in the UK with Vulnerable Characteristics. [E034]
- One in seven adults in the UK has literacy skills that are expected of a child aged 11 or above. [E034]
- The FCA found the number of adults with low financial resilience had grown throughout 2020, increasing from 10.7m to 14.2m. [E034]
- Covid has caused an increase of 15% in vulnerability cases in the UK. [E034]
- Vulnerability can't always be avoided, so it is important that companies provide an excellent service rooted in empathy, treating customers fairly, and doing the right thing. [E034]
- Only 22% of the UK population have heard of the Priority Services Register. [E034]
- 0.5% of population are in debt owing to gambling. [E034]
- The level of care needed for customers who have characteristics of vulnerability may be different from that for others and firms should take particular care to ensure they are treated fairly. [E034]
- We [the FCA] expect firms to focus on the customer outcomes that may result from their actions, considering what a firm knows, or could reasonably be expected to have known, at the relevant time. [E034]
- Firms must ensure the channels of support they do offer meet the needs of their customers, including customers dealing with non-standard issues, and customers with characteristics of vulnerability. [E034]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Great customer experience has been given the **lowest** importance in terms of the urgency of 2030 goals. [E014]

- o Customer experience was not a top priority for attendees – water is a low engagement category and unless a customer has needed to get in touch with their water company, customer service tends not to be top of mind.

- o Acceptable customer service is seen as a hygiene factor by many, especially stakeholders.
- \+ Customers are pleased to see Wessex Water's position at the top of the leader board for customer service.

- \+ Comments from staff demonstrated commitment to providing good customer service, suggesting they will be supportive of this Outcome Area

- – Some hostility towards the way that performance is presented in graphs comparing customer service across companies - if all companies are performing badly this is not an accurate reflection of good customer service.
- – Great customer experience should be a given – having a target implies that this is not currently the case.

Outcome 3: Safe and reliable water

Key Insights

Safe and reliable water – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 1st Total number of Wessex Water customers engaged: 12,840 Total number of sources reviewed: 12		
Robustness of evidence	High	**Key sources of insight** E001 Reviewing Strategic Direction and Social Purpose, Oct 21 E002 Wessex Water Annual Image Tracker 21-22, May 22 E008 Estimating Customers' Willingness to Pay for Changes in Service at PR24, Sep 22 E009 West Country Water Resources customer research (Qual), May 22 E010 West Country Water Resources customer research (Quant), Jun 22 E011 West Country Water Resources customer research (Summary report), Jun 22 E018 Wessex Water Annual Image Tracker 22-23, May 23 E021 Customer spotlight People's views and experiences of water, Apr 22 E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E042 Ofwat Cost of living Wave 3 report, May 23 E045 CCW Customer views on guaranteed standards scheme, Jul- 23
Divergence of views	Low	
Regional differences	Low	

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
A broad range of high-quality sources, including both internal and wider industry research, has contributed towards the strong evidence base for this Outcome. The analysis has not uncovered any insight tensions or any significant divergence of views across customer groups or across regions, and therefore these scores have been found to be low.

Key insight	Examples of supporting evidence
Customers place a high priority on ensuring the high quality and safety of drinking water is maintained, and therefore is a lower priority for improvement.	• All recognise that clean water is an enabler to Public Health and that Wessex Water has a role in this [E001] • '…the core purpose (strategic direction and social purpose) must include continual provision of clean, good tasting water…' [E001] • People score providing clean, safe drinking water as the top priority. 87% of people give this a score of between 8-10 out of 10. For two thirds (64%), it scored 10 out of 10 for importance. It's the core of what companies do. The message from customers is to get the basics right first. [E021] • Over four fifths (87%) of customers want companies to focus on providing clean, safe drinking water. [E021] • When asked what the two most important factors would be if they could pick which water and sewerage company they used, 'Good quality drinking water' was chosen by around six in ten bill payers (58%) [E042] • Supply resilience was ranked highest priority on average for household customers. [E009] • Customers agree that water quality is a low priority area for improvement as current performance is fine. They accept the relatively low bill impact. [E023]
Similarly, customer satisfaction with the reliability of their water supply is high and therefore the expectation is that this is maintained,	• Reliability (an important driver for satisfaction) remains widely endorsed, although declines slightly. [E018] • Along with the pre-requisite needs to feel satisfied with the value offered by Wessex Water, reliability of services is critical for satisfaction. [E002] • Out of 1,000 customers, the average score given to the importance of a reliable water supply is the highest with 9.3/10 [E002]

rather than being a priority for improvement.	• The main service expectation customers have of water companies is to consistently provide water. [E045] • Customers expect appropriate fresh water provision in event of not having running water, and fixing supply issues quickly. [E045] • Customers agree that water quality is a low priority area for improvement. [E023]
Affordability is a key consideration for customers when considering investment in options to improve supply resilience	• When probed specifically regarding potential costs, some recognised that their support for supply resilience or environmental protection may decrease if costs were considered too high, or if it impacted affordability for lower income households. [E009] • Participants agreed that affordability should be taken into account when developing regional plans, even though they recognised the need for investment. The key reason was their view that water is a necessity not a luxury. [E009] • Some did not see a need for improvement, often because they had never experienced a supply interruption. Others were unwilling to pay more for what they viewed as marginal improvements; they expected marginal improvements to be covered by reinvestment of profits. [E008]
Customers expressed a preference for reducing the risks of severe drought and water use restrictions	• Severe water use restrictions like rota cuts were perceived as difficult to cope with and generally unacceptable. [E011] • The majority of respondents had some awareness of the impact that severe water restrictions could have on daily activities. The greatest concern was limiting the availability of water to 2-4 hours per day. [E010] • Participants strongly support investment in regional water resources being progressed in order to reduce the risk of water restrictions, even if there was an associated risk of incorrect assets being built and wasted investment. [E009]

DETAILED INSIGHTS

Safe and reliable water / Safe, quality drinking water

Insight sources: [E001] [E021] [E023] [E042] [E047] [E048] [E053]

The vast majority of customers are satisfied with the safety and quality of their water supply. Customers place a high importance on maintaining this and the focus should be on ensuring no deterioration in service.

The value customers associate with safe and quality drinking water

- All recognise that clean water/effective sewage is an enabler to Public Health and that Wessex Water has a role in this. [E001]
- Customers and retailers felt the claim of 'improving public health' is too broad, unbelievable, and out of Wessex Water remit. Some felt that there was key information missing – the core purpose must include continual provision of clean, good tasting water and safe removal of wastewater, and customers stated that 'Public health' feels limiting and this should be more inclusive and reference physical/mental health/wellbeing. [E001]
- People score providing clean, safe drinking water as the top priority. 87% of people give this a score of between 8-10 out of 10. For two thirds (64%), it scored 10 out of 10 for importance. It's the core of what companies do. The message from customers is to get the basics right first. [E021]
- Many customers are keen to do more to save water and recognise the role individuals can play in this. They also want companies to remain focused on the core of what they do – providing clean, safe drinking water, and preventing sewage from entering homes and rivers. [E021]
- Over four fifths (87%) of customers want companies to focus on providing clean, safe drinking water and a similar proportion (84% and 82%) want them to focus on preventing sewage entering both consumers' homes and bodies of water. [E021]

- Asked bill payers what the two most important factors would be if they could pick which water and sewerage company they used. The responses are very consistent with previous waves of the research. 'Good quality drinking water' has been consistently chosen by around six in ten bill payers (58%) [E042]
- 92% of customers in England and Wales are satisfied with their water supply, which has been a flat trend over the last 12 years. [E047]
- The top priority for a third of customers (33%) for Wessex Water to focus on over the next 25 years was safe quality drinking water. [E053]
- Customers' views on colour and appearance of tap water, hardness/softness and water pressure, has improved since 2021. [E048]
- Customers agree that water quality is a low priority area for improvement as current performance is fine. They accept the relatively low bill impact. [E023]

Safe and reliable water / Continuous water supply

Insight sources: [E001] [E002] [E003] [E008] [E009] [E010] [E011] [E013] [E018] [E023] [E042] [E048]

Customers are generally satisfied with the current reliability of their water supply, however, an increasing number are concerned about its future security in light of external pressures such as population growth and climate change. Therefore, as with the safety and quality of drinking water, customers want Wessex Water to focus on ensuring there is no deterioration in service.

Customers' perspective on challenges, improvements and restrictions relating to continuous water supply

- For continuous water supply, supply and demand challenges were highlighted due to [E001]
  - Population growth
  - Changing rainfall patterns
- In developing the Strategic Direction Statement, Wessex Water needs to demonstrate they recognise the challenges faced by business customers and ensure a continuous supply of clean water and wastewater services are delivered to avoid any disruption, leaving customers to focus on running their businesses. [E001]
- The majority of respondents had some awareness of the impact that severe water restrictions could have on daily activities. The greatest concern was limiting the availability of water to 2-4 hours per day. [E010]
- Drought resilience - Customers were aware of the future water supply challenges in the South West, although had limited understanding about the impacts of extreme drought. Severe water use restrictions like rota cuts were perceived as difficult to cope with and generally unacceptable. [E011]
- Customers typically accepted the imposition of less severe restrictions - hosepipe bans and nonessential use bans - provided the situation required it. [E009]
- Local droughts generally of lowest concern: most had never encountered droughts. [E003]
- Only 63% of people in 2022 were confident that their water supply would be available in the longer term without restriction, down from 71% in 2021. [E048]

The importance of continuous water supply and its effect on customer satisfaction and values

- Out of 1000 customers, the average score given to the importance of a reliable water supply is the highest with 9.3/10. [E002]
- Supply resilience was ranked highest priority on average for household customers, with little difference between the next two factors – improving the environment and reducing the demand for water. Benefitting and affordable for society was the lowest average priority. The fourth was reducing the demand for water. [E009]

- Across the latest year overall, 'ensuring a reliable water supply' continues to top the list of priorities, with 'preventing sewage entering rivers and the environment' an enduring priority in second place. [E013]
- Satisfaction is driven primarily by Wessex Water seen as reliable and having acceptable charges. [E002]
- Satisfaction continues to be mostly about being reliable and problem-free. [E002]
- Reliability and dependability is the element that stands out as strongest for Wessex Water – a need to maintain this. [E002]
- Driver analysis reinforces the critical importance of Wessex Water's strong reliability and dependability over the last year [E002]
- Along with the pre-requisite needs to feel satisfied with the value offered by Wessex Water, reliability of services is critical for satisfaction. Beyond these are a combination of more emotive drivers ('care about the environment' and 'well regarded in the community') plus more rational drivers 'range of methods through which you can contact them' and 'providing clear and easy to understand information' [E002]
- Most performance ratings remain consistent over time with only directional changes through the year. 'Reliability' – a key driver of satisfaction – continues to be strong and near the top of the list. [E013]
- According to customers, this year, the biggest priority has remained ensuring a reliable water supply, closely followed by preventing sewage entering the environment – appears to be a permanent fixture in consumer priorities. [E018]
- Reliability (an important driver for satisfaction) remains widely endorsed, although declines slightly. [E018]
- Bill payers were asked what the two most important factors would be if they could pick which water and sewerage company they used. The responses are very consistent with previous waves of the research. Approximately four in ten chose 'providing a reliable service' (38%) [E042]
- Satisfaction with the reliability of water supply has decreased since 2021, but retains the highest rating of all aspects of this service. [E048]

Willingness to pay and investment approach

- For attribute A (reducing lengthy water supply interruption) customers gave a variety of responses. Some did not see a need for improvement, often because they had never experienced a supply interruption. Others were unwilling to pay more for what they viewed as marginal improvements; they expected marginal improvements to be covered by reinvestment of profits. [E008]
- Participants strongly support investment in regional water resources being progressed in order to reduce the risk of water restrictions, even if there was an associated risk of incorrect assets being built and wasted investment. [E009]
- Participants agreed that affordability should be taken into account when developing regional plans, even though they recognised the need for investment. The key reason was their view that water is a necessity not a luxury. [E009]
- Customers supported investment now that would benefit future generations. They typically expected the cost to be spread out over the period to limit the bill impact, and some customers flagged their support was conditional on the size of the bill impact. [E009]
- Customers agree that water quality is a low priority area for improvement. [E023]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Safe and reliable water has been found to be the **most** desired 2030 outcome

- o Customers frequently expressed the sentiment that providing safe and reliable water was the cornerstone of services that should be provided by a water company.
- o Water shortages were not high on customers' radars, so discussions often engaged more with water being safe (to drink, swim in etc.) rather than the risk of supply interruptions.

+ Customers were pleased initiatives to ensure safe and reliable water – even if they did not understand the relevance of the goals.
+ Stakeholders felt that Wessex Water's performance on supply interruptions was impressive.

– Customers found it difficult to conceptualise supply interruption stats.
– Lacked detail around strategies to secure water supply in the long term.
– Minimal discussion around water shortages amongst customers suggests more education may be needed to raise awareness.

Outcome 4: An effective sewerage system

Key Insights

An effective sewerage system – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 3rd Total number of Wessex Water customers engaged: 14,994 Total number of sources reviewed: 24		
Robustness of evidence	High	**Key sources of insight** E001 Reviewing Strategic Direction and Social Purpose, Oct 21 E002 Wessex Water Annual Image Tracker, May 22 E003 2021 Young People's Panel. Dec 21 E004 2022 Young People's Panel, Nov 22 E011 West Country Water Resources customer research (Summary report), Jun 22 E012 Drainage and Wastewater Management Plan (Qual research), Sep 21 E013 2022-3 Water Tracker Q4 E014 Your Say Your Future, Apr 23 E015 Drainage and Wastewater Management Plan (Quant research), Nov-21 E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E035 Wessex Water Tracker Q1_2023 Report, Jul 23 E036 CCW Research Report Water Matters 2022 Summary of Research Findings for Wessex Water, Jan 22 E044 CCW Ofwat Customer experiences of sewer flooding, May 22 E045 CCW Customer views on guaranteed standards scheme, Jul 23 E046 Ofwat Trust and perceptions: People's views on the water sector, Feb 23 E048 Water Matters 2022 May 23 E057 River Water Quality Report, Jul 22 E058 Awareness and perceptions of river water quality, Apr 22 E060 Water Awareness Survey, May 22
Divergence of views	Low	
Regional differences	Low	

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
There is a strong evidence base supporting the insight on this topic, drawing on a range of insight sources. Sewer flooding, both internal and external, and storm overflows are key issues which customers and stakeholders agree should be addressed. There is little divergence in views around the need for investment in solutions which address issues relating to the wastewater system. Cost is a common concern amongst customers, however, future customers are also particularly concerned about the environmental impact of some solutions e.g. increasing treatment capacity. No significant regional differences have been identified.

Key insight	Examples of supporting evidence
Customers perceive the effective functioning of the sewage system as a core aspect of Wessex Water's wastewater service. However, the majority of customers are satisfied with the reliability of the sewerage system.	• All recognise that an effective sewage system is an enabler to Public Health and that Wessex Water has a role in this [E001] • The core purpose (strategic direction and social purpose) must include safe removal of wastewater [E001] • Overall satisfaction with sewerage services was 79% in 2022. [E035] • Around three quarters of customers are satisfied with company actions to reduce smells from sewerage treatment works and with maintenance of sewerage pipes & treatment works. [E036]
Increasing sewage and treatment capacity is generally viewed as the favoured solution to improving the reliability and resilience of the wastewater system, despite concerns	• Increasing treatment capacity was seen to have a high certainty in reduction of incidents, reduced impact on rivers. Disruption and cost seen as acceptable for longer-term again [E012] • Future customers prioritised increasing treatment capacity and favour its perceived reliability [E004]

around disruption and environmental impact.	
Customers are generally aware of the impact of their behaviours relating to drainage and wastewater, however, there is still value in education and engagement to improve current drainage behaviours.	• 91% of people said they were aware that what is disposed of down toilets or rinsed down the sink has an effect on the environment. [E060] • 15% of respondents said they had flushed items other than human waste and toilet paper down the loo and 14% said they did not know how else to dispose of fats, oils and greases other than down the sink. [E060] • Customers felt there was a high certainty of reducing blockages at low cost through education using 'real-life' examples [E011] • Future customers favour the reliability of educating people on 'good' flushing behaviours [E004] • Education is expected to have a longer-term impact on influencing social norms – if unlikely to change behaviour in the short term [E004]
Customers recognise the sometimes severe impacts that sewer flooding can have, particularly when it occurs in peoples' homes.	• Customers preferred flooding away from their houses, rainwater sewer flooding to foul/combined sewer flooding and less frequent flooding [E015] • The impact of sewer flooding was worst when inside the home. Next worst was when flooding was outside the customers' home but within the property boundary [E015] • The research found that any type of sewer flooding has a significant negative impact on customers regardless of severity. Even incidents that may seem 'low severity' can cause a lot of inconvenience and stress, while 'high severity' events can lead to significant emotional trauma. [E044]
Customers expect to see action from their water company to both reduce incidence of sewer flooding and improve the service and response for customers when it does occur.	• There has been a decrease in customer satisfaction with Wessex Water's efforts to minimise sewer flooding (64% in 2021 vs 61% in 2022). [E048] • Participants, unsurprisingly, reported that they wanted the cause of the sewer flooding to be fixed permanently. This was a key priority. But across the research, fewer than a quarter of participants felt that their wastewater company had given them a satisfactory resolution. [E044] • While for many participants, fixing and preventing sewer flooding from taking place is key, there was also concern about the financial costs of these incidents to individual customers - most participants said they did not receive compensation from companies. [E044] • Wastewater companies need to do more to improve the service for customers when sewer flooding takes place. Companies can begin this process immediately – by reviewing their processes for support for customers. [E044] • Despite recognising how rare events are and how relatively few customers are affected, customers support the proposed target to reduce internal and external sewer flooding. Some are, however, concerned about the associated bill impact. [E023]
Customers are increasingly aware of and concerned about the impacts of untreated sewage being discharged into rivers.	• Customers expect their water company to cause minimal negative environmental damage, including not dumping waste into rivers and seas as this is perceived to be directly related to water supply/quality and Fines etc. Customers hear about this in the news, which strengthens expectations that this will be a standard water companies have to meet. [E045] • Nearly 6 in 10 people placed 'untreated sewage from water companies' in their top 3 things which they perceived to have the most negative impact on the water quality of rivers in England and Wales. More than a quarter ranked it top. [E057] • 35% of people in England and Wales now see untreated sewage as the biggest cause of river pollution. [E058]

	• Environment-related issues are increasingly salient for customers. In the latest Quarter, as headlines focus on sewage spills, spontaneous mentions of 'no/less sewage in rivers / sea' has risen to 2 in 10 – a very substantial minority now have this top of mind as the issue Wessex Water should address. [E035]
Storm overflows are front of mind for an increasing number of customers who want action to be taken. In some cases, is having a negative impact on perceptions of Wessex Water and the water sector.	• Once informed about CSOs, future customers view this as an urgent issue that requires action [E003] • Across the latest year overall, 'ensuring a reliable water supply' continues to top the list of priorities, with 'preventing sewage entering rivers and the environment' an enduring priority in second place. [E013] • For "reducing wastewater pollution incidents", customers are willing to pay for incremental improvements. [E008] • There has been a sizeable and sustained shift in the opinion of storm overflows…there is now a very clear balance of opinion towards finding storm overflows unacceptable. [E013] • Almost two fifths don't trust that their water company will prevent sewage from entering rivers. [E046] • 57% are satisfied with company's cleaning of waste water before releasing it back into the environment. [E036] • There were high levels of acceptance and support for the legally required investment in reducing storm overflows due to awareness of the need for action and concern for current water quality. Some feel this should be financed through company profits, rather than bill increases. However, enhanced investment is not affordable for many customers. [E023]

Detailed Insights

An effective sewerage system / Keep the sewage system working effectively

Insight sources: [E001] [E002] [E003] [E008] [E012] [E013] [E015] [E017] [E021] [E023] [E035] [E036] [E048]

For customers, keeping sewers working effectively is the most valued part of wastewater management. Customers do not fully understand how difficult the process is and are surprised when they learn more about the process. For almost every customer, keeping the system working effectively is very important, however, there are some differing views on which way is best to do so. Financial and environmental implications may play a big part on making this decision. However, educating customers on how to help water companies keep the sewerage system working effectively through best practices seems to be widely seen as a good course of action.

The importance of managing wastewater and its effect on customer satisfaction and values

- All recognise that clean water/effective sewage is an enabler to Public Health and that Wessex Water has a role in this. [E001]
- Most performance ratings remain consistent over time with only directional changes through the year. 'Reliability' – a key driver of satisfaction – continues to be strong and near the top of the list. However, 'helping prevent sewer blockages' has fallen to the lowest point to date. This could be perceived as relating to sewage entering the environment. [E013]
- Out of 1000 customers, the average score given to the importance of preventing sewage leaks is the second highest score with 9.0/10. [E002]
- Customers and retailers felt the claim of 'improving public health' is too broad, unbelievable and out of Wessex Water remit. Some felt that there was key information missing – the core purpose must include continual provision of clean, good tasting water AND safe removal of wastewater.

And customers stated that 'Public health' feels limiting and this should be more inclusive and reference physical/mental health/well-being. [E001]

- A segmentation analysis of the results from the choice exercises showed that values were quite similar across most customer segments i.e., region, age, gender and segmentation code, with few significant differences. [E015]
    - Differences in Mean WTP values across most customer segments i.e., region, age, gender and segmentation code were not statistically significant (at 5%)
    - Context - The results found across the whole population remained constant for different segments within the analysed customers relating their preferences on wastewater treatment methods.
- Specific customer feedback on the effective sewerage outcome included: [E017]
    - Customers were pleased to see actions to tackle an issue that they perceive to be important.
    - Nature-based solutions were positively received.
    - Some customers had local concerns related to sewage flooding and blockages and were keen for this to be addressed quickly.
    - Several customers showed a willingness to engage, asking for advice around blockage prevention. Some customers wanted to see more mention of education campaigns to help prevent blockages.
    - There were some views that the plan was not ambitious enough – from customers this was seemingly linked to media coverage of storm overflows – many customers are unaware of their purpose in protecting homes and think it is possible to eliminate them entirely.
    - Some stakeholders as well as customers indicated they felt plans lacked innovation, could be more ambitious or faster in delivery.
- In developing the Strategic Direction Statement, Wessex Water need to demonstrate they recognise the challenges faced by business customers and ensure a continuous supply of clean water and wastewater services are delivered to avoid any disruption, leaving customers to focus on running their businesses. [E001]
- Trust in Wessex Water to deliver a reliable water supply is almost universal, but trust in them to handle sewage/wastewater responsibly, while still reasonable, is much lower. [E035]
- 74% Satisfied with company actions to reduce smells from sewerage treatment works [E036]
- 75% Satisfied with maintenance of sewerage pipes & treatment works [E036]
- Overall satisfaction with sewerage services increased to 79% in 2022. (Not a significant change.) [E048]

Customer views on relative effectiveness of different wastewater management methods

- Future customers conclude that the drainage system needs overhauling e.g., water storage on a large scale; pipe separation. Customers are aware this is long-term and expensive though think it must be done. [E003]
- Future customers most energised by the need to communicate about sewer blockages. [E003]
- Leaflet - Panellists found the leaflet informative in letting them know what shouldn't be flushed down the toilet. [E003]
- Increasing sewer capacity is supported despite cost (environmental and financial). [E003]
- Some felt the priority to increase capacity was more important than concern for the environmental and financial cost, which they thought could be short-term. [E003]
- Future customers tended to prioritise other solutions above rainwater management.
- Increasing treatment capacity seen as the best long-term solution. [E003]
    - Permanent solution (whilst other options could be temporary e.g., education)
    - High impact in reducing flooding.
- Future customers prioritise increased treatment capacity as a solution. [E003]

- Future customers felt the need to spread their risk and invest in several options rather than focus on a few.
  - When money is no object, future customers favour the reliability of increasing treatment capacity and educating people on 'good' flushing behaviours.
- On hearing the cost impact, most suggest curbing investment in treatment capacity. [E003]
- Future customers see the sewer flooding challenges as really important: they prioritise increasing capacity at treatment works and educating the public over sustainable drainage options. They are cost conscious on behalf of bill payers and want to see investment balanced with affordable bills. [E003]
- In a sector that has low salience for a majority of customers Wessex Water needs to work with customers to help them understand the implication of their actions (i.e.: what you put down the drains ends up in rivers). [E001]
- Starting knowledge and understanding of drainage and wastewater is generally low among those with no experience of issues: Most admit to not having considered what happens to surface water and little thought to the sewage treatment process. [E012]
- When customers are asked how to invest to reduce or resolve wastewater, the highest percentage of customers wanted to increase investment now to 2030 rather than increase slowly between now and 2040 or 2050 for example. [E015]
- While 26% of customers found increasing treatment capacity as an unacceptable option for wastewater treatment, only 6% found Pre-treatment initiatives and permitting unacceptable. [E015]
  - The reasons for both are the high cost and the negative environmental impact.
- When it comes to surface water management 11% of customers found separation of surface water from foul water sewer unacceptable while 6% of customers found sustainable drainage systems and wetlands to treat excess combined flows unacceptable. [E015]
  - The reasons for unacceptability of separation were that it was felt like it was not green enough, that it had high cost and that it was not environmentally friendly.
  - The reasons for the unacceptability of sustainable drainage systems were the relatively low impact compared to the cost and the impact it has on the natural habitat.
- It is expected to have a longer-term impact on influencing social norms - if unlikely to change behaviour in the short term. [E012]
  - Context - When it comes to drainage and wastewater management plans, customers' opinion on the different methods of solutions have been investigated. In this study, customers have noted that educating other customers will have a stronger impact on keeping sewage systems effectively in the long term rather than in the immediate future.
- Control Measures. [E012]
  - Often selected as favoured option here
  - Containing water at source makes sense.
  - 'Improved water quality' has great appeal.
  - Some existing/older customers were familiar with 'soakaways'.
  - Involvement of construction companies, local authorities, highways, etc. spreads responsibility and cost.
  - BUT could be disruptive/expensive, especially if retrofitting.
- Intelligent Network Operation. [E012]
  - Sensible option of making the existing infrastructure work harder.
  - Feels dynamic, responsive, and less disruptive.
  - However, some concerns over how effective and how resilient this option would be.
  - Short-term fix rather than a longer-term solution.
- Attenuation. [E012]
  - Feels like a simple/lower cost solution.
  - Stored water could be reused where/when required.
  - Expected storage facilities linked to businesses, new developments, farms, spare land etc.

    - Minority concerns about potential long-term effectiveness: enough of them? Are they large enough?
    - Does not address issue of taking surface water through the sewage treatment process.
- Increase capacity of existing sewers. [E012]
    - Concept of 'doing more with the same' appeals
    - However, prompts concerns around longevity.
    - Would be costly, unless could be part of maintenance process.
    - Does not address issue of taking surface water through the sewage treatment process.
- Treatment of overflows. [E012]
    - A popular option in principle
    - Some reference to Somerset levels
    - Working with the environment - an organic process
    - Assumed to involve minimal disruption.
    - However, some questioned how much coverage would be possible and how scalable across the area.
    - Some concerns about the impact on the local ecosystem
    - Some water retailers suggest partnering with businesses with land to develop in partnership.
- Increase treatment capacity. [E012]
    - Makes sense to do more with the same and assumed not too much disruption.
    - However, customers wanted more information as to how much the capacity could be increased and whether a long-term solution.
- Treat/Pre-Treat in Network. [E012]
    - Makes sense to reduce the time/pressure on WRCs
    - Concerns, however, about introducing chemicals into the process: health and environmental.
    - Assumed high cost to monitor water quality throughout the network and potential for errors/spills.
- High Priority actions - Increase treatment capacity [E012]
    - High certainty of some reduction in incidents
    - Low impact on rivers
    - Cost and disruption acceptable for longer term gain
    - Requests for carbon offset (esp. younger)
- High priority actions - Customer Education [E012]
    - Fairly certain of reduction in incidents at low 'cost'
    - Examples of wet wipes etc. helps to ground in reality.
    - Context - In order to reduce the strain on the environment regarding the management of drainage and wastewater, educating customer on best practices and the importance of these practices on the environment has been found as a high priority action.
- Low priority actions - Sustainably preventing rainfall entering sewers [E012]
    - Much uncertainty with potential monetary and carbon cost reduces appeal here for those initially interested.
    - NOTE: 'sustainable' but with high carbon impact is confusing

An effective sewerage system / Reducing impacts and risk of sewer flooding

Insight sources: [E003] [E008] [E012] [E013] [E015] [E017] [E021] [E023] [E036] [E044] [E048]

Customers recognise the severe impacts sewer flooding can have, particularly experience this in their homes. Despite the relatively low frequency of incidents and the low number of people affected, protecting customers from sewer flooding is a high priority and the majority are willing to pay to address this issue.

Customers' willingness to pay for improvements in flooding

- For attribute C (reducing internal and external sewer flooding), Qa found that customers typically had considered the trade-off between the cost and the benefit and decided that they did not want to pay the price of the proposed improvement. [E008]
  - "It seemed to me like a lot of change in the increase to the bill for not a huge reduction in risk" "the amount of money for the improvement just doesn't seem worth it".
  - Context into potential advancements - Investing more in activities such as technology to respond to issues more quickly, and working with customers to prevent sewer blockages (e.g. education about what not to flush down the toilet), will reduce the number of incidents.
- Customers' willingness to pay for DWMP outcomes such as reduced flooding and reduced carbon emissions increased with an increase in the reduction rate. [E015]
- Customers' willingness to pay for river improvement increased with an increase in the improvement rate. [E015]
- Customers' willingness to pay decreased with an increase in the flooding, carbon emissions and local traffic congestion rates. [E015]
- There is evidence that significant proportions of customers are willing to pay increased bills to support investments that reduce the operation of storm overflows and improve river and coastal water quality. [E017]
- Customers who are unwilling to pay. [E012]
  - General economic uncertainty/pessimism
  - Number of current incidents feels low compared to no. of households.
  - Some asked for clearer definition of incident.
  - People are responsible for their own properties.
  - Unlikely to happen to me.
  - How can Wessex ensure no household incidents?
  - Sceptical about £17.50 – what about inflation and rest of bill(s)
- Customers who are willing to pay [E012]
  - Amount of increase doesn't feel too high.
  - Nobody should experience sewer flooding.
  - Need to make improvements for the future.
  - "The greater good" – I can afford to, others can't.
- Mean willingness to pay for reduced flooding is 19% of the annual wastewater bill per year. For an average household paying an annual wastewater bill of £223, this implies [E015]:
  - Mean WTP for Reduced flooding of £44 per year.
  - 95% of samples of the same kind from the same population would be expected to result in a mean WTP for Reduced flooding between £40 and £48.
- Despite recognising how rare events are and how relatively few customers are affected, customers support the proposed target to reduce internal and external sewer flooding. Some are, however, concerned about the associated bill impact. [E023]

Customer views on different flooding incidents

- Customers preferred flooding away from their houses, rainwater sewer flooding to foul/combined sewer flooding and less frequent flooding. [E015]
- The impact of sewer flooding was felt to be worst when inside the home. Next worst was when flooding was outside the customers' home but within the property boundary, with more than 10 square metres affected followed by when less than 10 square metres were affected. The next worst location was the customers' road, and the least impactful location was in the nearest field or park. [E015]
- Awareness of storm overflows is higher in the latest Quarter than at any previous period, in light of ongoing national media coverage. This coincides with continuous signs of a decline in underlying

impressions of local river and sea water quality – although the balance of opinion remains positive. [E013]

- Over four fifths (87%) of customers want companies to focus on providing clean, safe drinking water and a similar proportion (84% and 82%) want them to focus on preventing sewage entering both consumers' homes and bodies of water. [E021]
- 63% Satisfied with company actions to minimise sewer flooding [E036]
- There has been a decrease in customer satisfaction with Wessex Water's efforts to minimise sewer flooding (64% in 2021 vs 61% in 2022). [E048]
- Participants, unsurprisingly, reported that they wanted the cause of the sewer flooding to be fixed permanently. This was a key priority. But across the research, fewer than a quarter of participants felt that their wastewater company had given them a satisfactory resolution. [E044]
- While for many participants, fixing and preventing sewer flooding from taking place is key, there was also concern about the financial costs of these incidents to individual customers - most participants said they did not receive compensation from companies. [E044]
- Wastewater companies need to do more to improve the service for customers when sewer flooding takes place. Companies can begin this process immediately – by reviewing their processes for support for customers. [E044]
- The research found that any type of sewer flooding has a significant negative impact on customers regardless of severity. Even incidents that may seem 'low severity' can cause a lot of inconvenience and stress, while 'high severity' events can lead to significant emotional trauma. [E044]

An effective sewerage system / Reducing wastewater pollution incidents

Insight sources: [E002] [E003] [E004] [E008] [E013] [E015] [E017] [E018] [E023] [E035] [E036] [E045] [E046] [E057] [E058]

Media coverage of sewage overflows has increased both awareness and concern of customers, and there is an expectation that water companies do not cause environmental damage. Whilst some question associated bill increases, the vast majority recognise the need for action and therefore, reducing wastewater pollution incidents is a high customer priority for Wessex Water to address.

Customers' expectations regarding Wessex Water's role in reducing wastewater pollution

- Those aware of CSOs are interested in hearing from Wessex about what they are doing for the environment, and they welcome engagement on this. [E002]
- CSOs is a top of mind environmental issue. It has not fundamentally upset most customers' perceptions of Wessex but they want to see action and transparency. [E002]
- Future customers believe solutions for CSOs should be multi-faceted with short term measures such as building awareness and education but also longer-term infrastructure projects. [E003]
- Overall consensus that Wessex Water need to communicate more to customers about this issue – as future customers they hadn't heard about the problem before, they suspected most people wouldn't be aware. [E004]
- Environment-related issues are increasingly salient for customers. In the latest Quarter, as headlines focus on sewage spills, spontaneous mentions of 'no/less sewage in rivers / sea' has risen to 2 in 10 – a very substantial minority now have this top of mind as the issue Wessex Water should address. Signs that more customers also want to see better communication. [E035]
- Fewer service expectations around environmental issues, as these do not have an immediate impact. Environmental-related expectations are things that water companies 'should' be doing, rather than what customers think is currently happening. [E045]
- Customers expect their water company to cause minimal negative environmental damage, including not dumping waste into rivers and seas as this is perceived to be directly related to water

supply/quality and fines etc. Customers hear about this in the news, which strengthens expectations that this will be a standard water companies have to meet. [E045]

The view customers have on wastewater pollution and overflows

- Future customers were unaware of the problem of CSOs. [E004]
- Although some future customers recalled flooding in the news recently, no one knew about the use of combined sewer overflows and the impact it would have on flood water. [E004]
- Satisfaction with Wessex Water has reduced slightly over the course of 2022-3. This coincides with the noticeable increase in awareness of releases from storm overflows and a very significant negative shift in attitudes to the operation of storm overflows. [E013]
- Across the latest year overall, 'ensuring a reliable water supply' continues to top the list of priorities, with 'preventing sewage entering rivers and the environment' an enduring priority in second place. [E013]
- Awareness of storm overflows is higher in the latest Quarter than at any previous period, in light of ongoing national media coverage. This coincides with continuous signs of a decline in underlying impressions of local river and sea water quality – although the balance of opinion remains positive. [E013]
- There has been a sizeable and sustained shift in the opinion of storm overflows after reading the description of how they operate. In the latest Quarter fewer people have a neutral view, and there is now a very clear balance of opinion towards finding storm overflows unacceptable. [E013]
- Sewage in rivers and the sea has become increasingly top of mind in customers' agenda for what Wessex Water should improve on – mentions nearly doubling over the course of the last year. There is a range of tone in the comments we see, and the issue is compounded for some because of reports of water company profits and shareholder dividends. [E018]
- There is growing customer awareness of storm overflows matched with a growing customer view that their operation is unacceptable. Many customers and stakeholders feel that urgent action and investment is required. [E017]
- Awareness of storm overflows has risen over time, particularly since heightened media coverage in summer 2022. This coverage also looks to have been pivotal for tolerance of storm overflows: There was a shift in Oct-Dec '22 to more customers finding them unacceptable than acceptable (after seeing a description). [E018]
- While awareness of CSOs in general does not have an underlying impact on key Wessex Water performance indicators, it appears to have a detrimental impact on Wessex Water's brand imagery: fewer endorsements of being customer/community centric; ethical; and of being able to resolve problems quickly. [E018]
- This year has seen three unusually large shifts in attitudes: a step-change in awareness of, and negativity towards, sewage releases and storm overflows [E018]
- During 2023 there has been a shift towards fewer people finding the operation of storm overflows acceptable. [E017]
- Once informed about CSOs, future customers view as an urgent issue that requires action. [E003]
- 57% Satisfied with company cleaning of waste water before releasing it back into the environment [E036]
- Almost two fifths don't trust that their water company will prevent sewage from entering rivers. [E046]
- Respondents were asked to rank, from a range of options, what has the most negative impact on the water quality of rivers in England and Wales. More than a quarter (27%) ranked 'untreated sewage from water companies' top of the list of things that negatively impact water quality of rivers. 57% put this in their top three ranking. [E057]
- More people spontaneously cite pollution from sewage as a threat to the environment, up from 1% to 5%. This is a significant increase, though still a small proportion. [E058]

- 35% of people in England and Wales now see untreated sewage as the biggest cause of river pollution. [E058]

Customers' willingness to pay for improvements in wastewater pollution incidents

- For attributes that fall under priority area 2, i.e. environmental attributes, customers exhibit willingness to pay for incremental improvements in service. We see a positive incremental willingness to pay for most environmental attributes in both the simple and adjusted models. The exceptions are attributes G ("reducing wastewater pollution incidents") and I ("achieving net zero carbon emissions") in the adjusted model, where we do not find that customers are willing to pay for incremental improvements. [E008]
- For attribute G ("reducing wastewater pollution incidents"), customers are willing to pay for incremental improvements in the simple model only. [E008]
- Customers' willingness to pay for DWMP outcomes such as reduced flooding and reduced carbon emissions increased with an increase in the reduction rate. [E015]
- There were high levels of acceptance and support for the legally required investment in reducing storm overflows due to awareness of the need for action and concern for current water quality. Some feel this should be financed through company profits, rather than bill increases. However, enhanced investment is not affordable for many customers. [E023]

Priority ranking of 2030 goals – Your Say Your Future [E014]

An effective sewerage system has been ranked the **2nd** most important outcome for 2030:

- Customer concern about the ambition of Wessex targets for effective sewerage reflect media coverage of CSOs – many are unaware of their purpose and think it is possible to eliminate them entirely.
- Some customers had local concerns related to sewage flooding and blockages, and were keen for this to be addressed quickly, particularly as new housing developments continue.
- Several customers showed willingness to engage, asking for advice around blockage prevention and requesting gunk pots.

+ Customers were pleased to see actions to tackle an issue that they perceive to be important – but had limited specific feedback.
+ Nature-based solutions positively received.

– Many stakeholders and some customers expressed anger at the scale of the initiatives:
– Lacks innovation
– Not sufficiently ambitious
– Too slow
– Described in stakeholder sessions as "a slap in the face" given perception that privatised industry caused failure to invest to address issues meaning customers must pay more now.

Outcome 5: Biodiversity Improvement

Key Insights

Biodiversity – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 6th Total number of Wessex Water customers engaged: 13,641 Total number of sources reviewed: 12		
Robustness of evidence	High	**Key sources of insight** E002 Wessex Water Annual Image Tracker, May 22 E005 Wessex Water Social Purpose, Apr 21 E008 Estimating Customers' WtP for Changes in Services at PR24, Sep 22 E014 Your Say Your Future E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E054 Online Panel Survey Apr 21: Have your say newsletter survey 25 future plans, Apr 21 E058 Awareness and perceptions of river water quality, Apr 22
Divergence of views	High	
Regional differences	Low	

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
As the sources used for this outcome were both high in number and presented high individual robustness scores, the robustness of evidence score for biodiversity improvement has been found to be strong. As for the divergence of views, the biggest discrepancy relates to vulnerable customers, who are on average less willing to pay or not willing to pay at all for environmental developments, whereas non-vulnerable customers were willing to pay for advancements in excess of improving nature/wildlife. A tension was also identified between household and non-household customers where the former preferred environmental improvements to be spread across all catchments, whereas non-household customers preferred concentrating larger improvements on a smaller number of catchments. Lastly, future customers have been found to be more concerned about the loss of biodiversity compared to the rest of the population. As for the regional differences, only minor difference have been identified relating to a higher importance being placed on improving biodiversity by customers living in rural areas.

Key insight	**Examples of supporting evidence**
There is a desire amongst customers for Wessex Water to demonstrate improvements in its efforts to improve nature and wildlife.	• The principle of 'Improving the natural environment' is the number one for positive impact, but for most people is expected [E005] • Customers expressed a willingness to pay more for large improvements in supporting nature and wildlife. [E008] • 'Environment' is the most widespread area that consumers spontaneously mention Wessex could improve on. [E002] • Crucial to maintain Wessex reliability; the areas with greatest scope to improve are 'well regarded in the community' and 'care about environment'. [E002] • When customers were asked to choose the top five issues which they were most concerned about, 58% chose loss of biodiversity and natural resources. [E054] • The majority of customers want improvements to storm overflows to help ensure the river is a healthy habitat for wildlife. This was particularly high amongst older customers and those living in rural areas (70%) [E058]
Customers are interested to know how Wessex Water are doing this.	• 'How Wessex Water are protecting the environment' is one of the main topics that customers would like to know more about [E002]

	• Customers reveal a need for more certainty around sludge treatment to remove micro-pollutants in order to be able to make an informed decision on investment in this area. [E023]

DETAILED INSIGHTS

Biodiversity improvement / Improve nature / wildlife

Insight sources: [E001] [E002] [E003] [E004] [E005] [E008] [E009] [E010] [E011] [E018] [E054] [E058]

Environmental commitment is seen as urgent (especially by stakeholders but increasing in importance for customers) and central to Wessex Water's purpose, so there is agreement amongst different stakeholders. Biodiversity improvement is seen as an urgent action and has an effect on the perception customers have on WW. Customers want to see WW care more about the environment. Both HH and NHH mostly agree on the potential courses of action and the effect of plastics (microplastics) is becoming increasingly concerning. Quantitative analysis has shown that the average customer is willing to pay for improvements in biodiversity, however, customers in higher socio-economic groups are willing to pay even more for additional improvements aside from improving wildlife.

Views on Wessex Water's purpose on improving nature and wildlife

- Environmental commitment is on the whole seen as urgent (especially by stakeholders but increasing in importance for customers) and central to Wessex Water purpose, so there was agreement that this should be highlighted. [E001]
- Stakeholders suggested that Wessex Water's purpose is to protect and improve nature, wildlife and communities, and ultimately create an environment where nature can look after itself. [E001]
- 'Environment' is the most widespread area that consumers spontaneously mention Wessex could improve on. This is higher on the agenda than price or bills. [E002]
- Crucial to maintain Wessex reliability; the areas with greatest scope to improve are 'well regarded in the community' and 'care about environment'. [E002]
- The top 3 topics that customers would like to hear from WW are [E002] :
  - Alerts about water services
  - How WW are protecting the environment
  - Practical saving and repairing advice
- Looking forward it underpins the need to push further to demonstrate environmental care and build a positive reputation in the community. [E002]
- The principle of 'Improving the natural environment' is the number one for positive impact, but for most people is expected (and some believe that first Wessex need to get the basics right of not damaging the environment). 'Growing skills in the community' and 'involving local communities in what to do' combine both 'new news' (potential to be noticed) with a largely positive reaction. [E005]
- Environment' is the most widespread area that consumers spontaneously mention Wessex Water could improve on. This has increased significantly since last year, driven by mentions of sewage release; mentions have nearly doubled since last year and is now a top-of-mind concern for 1 in 10 consumers. [E018]

Reasons for which customers have concerns regarding biodiversity

- Microplastics and air pollution are the biggest concerns of future customers by some margin. [E003]

- River pollution from sewage is a significant concern with over a quarter of future customers and over a third of adults putting it in their top 3 concerns. [E003]
- In contrast to the adult population, future customers appear more concerned about loss of habitats and biodiversity – but a little less concerned about river pollution. This might be a stronger messaging idea for younger audiences. [E003]
- Some worry about effects on the environment of drought e.g. plant die off, fires, increased water usage and pressure of tourism on coasts and rivers. However, many see the occurrence of heatwaves as normalised – and enjoy the benefits of hot weather. [E004]
- Environmental concerns are more widespread than concerns over economic and social issues. [E004]
    - Climate change, single-use plastics and loss of biodiversity are the top 3 – followed by water pollution.

Prioritised courses of action regarding biodiversity

- Leading the improvement of the natural environment of our region through our work to adapt to and mitigate climate change, reduce pollution, conserve water, promote sustainable agriculture and eliminate single use plastic - is seen as a priority by future customers. [E005]
- Core 'expected' commitments - in particular improving the environment and investing in infrastructure - gain the most positive response. The principles that are beyond what people expect are not always the ones that make them feel more positive, but may have more potential to encourage re-evaluation of Wessex Water - and get noticed. [E005]
- Colleagues have rated the below points as important. [E005]
    - Delivering net environmental gain every year, improving the natural capital of our region through our work to reduce pollution, conserve water, promote sustainable agriculture and eliminate single use plastic.
    - Engaging directly with the communities we serve and other stakeholders, so our priorities reflect their priorities.
    - Ensuring everyone can benefit from and afford our services.
    - Growing skills and providing opportunities in a workforce that reflects the communities we serve through apprenticeships and education.
    - Supporting and driving economic growth across our region.
- Customers want improvements in some environmental attributes. [E008]
- Household customers typically preferred environmental improvements to be spread across all catchments, whereas non-household customers preferred concentrating larger improvements on a smaller number of catchments. [E009]
- There was a clear preference from both household and non-household respondents for going beyond the minimum requirements for the environmental ambition of the plan, to provide enhanced outcomes for biodiversity in the region and also benefit communities by improving local environmental quality. [E009]
- There was a strong preference for going beyond the minimum level of action to protect and improve the environment. Household respondents placed a high weight on outcomes that would improve the environment for the local communities; non-household respondents' strongest preference was for enhanced outcomes that benefited both biodiversity and local communities. [E010]
- Future customers are notably more concerned about biodiversity and less concerned about river pollution from sewage. [E003]
- Environmental ambition - Customers see water in the environment as a precious resource and there was a strong preference for the plan to go beyond the minimum requirements for environmental protection to provide even greater benefit for nature and wildlife. [E011]

- When customers were asked to choose the top five issues which they were most concerned about, 58% chose loss of biodiversity and natural resources [E054]
- Most people want improvements to storm overflows to help ensure the river is a healthy habitat for wildlife. People in rural areas (70%), as well as people over 55 (71%), are more interested in prioritising rivers as healthy habitats for wildlife. [E058]

Willingness to pay of customers

- The main exception is the willingness to pay customers have for environmental attributes. We find that customers do have some willingness to pay for improvements in attribute J "supporting nature and wildlife" in the "adjusted" model. In the "simple" model, our results show that customers would be willing to pay to switch to an improvement in service for all environmental attributes. [E008]
- We find evidence of variation in willingness to pay across customer sub-groups. We find that relatively "advantaged" customer groups (e.g. with higher levels of education, not on a social tariff, or who do not report struggling to pay their bills, among others) are willing to pay for improvements in environmental attributes other than attribute J "supporting nature and wildlife". On the other hand, relatively "disadvantaged" customer groups (those interviewed through the vulnerable customer survey and those who report struggling to pay their bill) are not willing to pay for improvements in any attribute. [E008]
- While household customers are on average willing to pay for improvements in environmental attributes, the finding that disadvantaged groups are less willing to pay for improvements represents a challenge when selecting the improvements that WW should offer as part of its business plan. WW provides services that are "public goods" from which all customers benefit, so it cannot provide improvements for some customers but not for others. One potential avenue to address this challenge would be to adjust the tariff structure so that the burden of paying for improvements in environmental attributes does not fall on more disadvantaged customers, though developing such adjustments to the tariff structure would require further research and engagement. [E008]
- Overall, considering both our quantitative analysis of the survey data and the follow-up qualitative research, our research suggests that, on average, both household and non-household customers are willing to pay for improvements to environmental attributes, in particular for attribute J "supporting nature and wildlife". It would therefore be consistent with customers' preferences for WW to include in its PR24 business plan additional investments to achieve the proposed higher service levels for those attributes, provided that customer WTP is above the cost per customer of the investment. Further targeted qualitative research may be useful to understand exactly how customers would like WW to allocate the additional investment to particular environmental initiatives, since the descriptions of the service level improvements in this survey were necessarily high-level. [E008]
- For attributes that fall under priority area 2, i.e. environmental attributes, customers exhibit willingness to pay for incremental improvements in service. We see a positive incremental willingness to pay for most environmental attributes in both the simple and adjusted models. The exceptions are attributes G ("reducing wastewater pollution incidents") and I ("achieving net zero carbon emissions") in the adjusted model, where we do not find that customers are willing to pay for incremental improvements. [E008]
- In our preferred specification which simultaneously adjusts for population weights on both demographic and billing variables, customers are willing to pay just over £20 extra per year for a large improvement in supporting nature and wildlife (specifically, to create an additional 100 football pitches worth of wetlands and woodlands). [E008]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Biodiversity has been given the **5th** rank for the most important goals for 2030.

- Biodiversity is a topic that many felt was personally important to them – although many lacked specific knowledge about possible improvements.
- Improving biodiversity was felt to benefit the local area e.g. by creating natural areas around reservoirs that people can enjoy.

+ Customers were reassured by the targets they were given that Wessex Water are 'doing their bit' in terms of protecting biodiversity.
+ Benefits to an area the size of 1,000 football pitches sounds impressive.

– Lack of detail around specific measures taken to improve biodiversity.
– Outcome area feels like an afterthought, with minimal content.
– Target is vague – what does 'improve' actually mean and how will this measured?

Outcome 6: Excellent river and coastal water quality

Key Insights

Excellent river and coastal water quality – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 4th Total number of Wessex Water customers engaged: 14,658 Total number of sources reviewed: 16		
Robustness of evidence	High	**Key sources of insight** E001 Reviewing Strategic Direction and Social Purpose, Oct 21 E002 Wessex Water Annual Image Tracker, May 22 E003 2021 Young People's Panel, Dec 21 E015 Drainage and Wastewater Management Plan Research: Quantitative findings, Nov 21 E018 Wessex Water Annual Image Tracker, May 23 E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E046 Ofwat Trust and perceptions: People's views on the water sector, Feb 23 E057 River Water Quality Report, Jul 22 E059 Bridging the gap: Awareness and Understanding of Water Issues, Nov 22
Divergence of views	Medium	
Regional differences	Low	

Triangulation comments
The majority of the sources included in the analysis of 'excellent river and coastal water quality' outcome are focused on domestic customers more generally. There are a broad range of sources which contribute evidence to support the insight on this topic. As for the divergence of views, household customers are concerned about the quality of river and coastal water and see this as more important to address, compared with non-household customers. Lastly, there were not any significant regional differences found.

Key insight	Examples of supporting evidence
Customers are increasingly aware, and therefore concerned, about the water quality of rivers and the sea.	• Only 46% of customers believe their river or sea quality is Good. [E002] • Rivers play a large part in the lives of future customers but most think river pollution is a problem and so they doubt the safety of local rivers [E003] • Three in ten respondents (29%) ranked water pollution of rivers and seas among the top three things having a negative impact on the environment [E057]
Customers attribute untreated sewage as the main cause of poor river water quality.	• People (57%) believe that untreated sewage from water companies has the most negative impact on rivers. [E046] • Three in ten respondents (29%) ranked water pollution of rivers and seas among the top three things having a negative impact on the environment. [E057] • Without prompting, most identify pollution and "dumping" of sewage into waterways, rivers and oceans (48%) as the reason for their views becoming negative. [E059] • Increasing treatment capacity was seen to have a high certainty in reduction of incidents, reduced impact on rivers. Disruption and cost seen as acceptable for longer-term again [E012]
Customers want to see efforts from Wessex Water to improve on river and coastal water and there are generally high levels of support for investment when customers are informed.	• Customers' willingness to pay for river improvement increased with an increase in the improvement rate. [E015] • When customers are asked how to invest to reduce or resolve wastewater issues, the highest percentage of customers wanted to increase investment now to 2030 rather than increase slowly between now and 2040 or 2050 for example. [E015] • There is evidence that significant proportions of customers are willing to pay increased bills to support investments that reduce the operation of storm overflows and improve river and coastal water quality. [E017]

	• Sewage in rivers and the sea has become increasingly top of mind in customers' agenda for what Wessex Water should improve on. [E018] • Respondents were presented with a choice between improving the quality of rivers or keeping bills low. Almost six in ten (59%) wanted their water company to prioritise improving the quality and cleanliness of rivers in England and Wales, even if this were to increase the price of their water bills. [E057] • There is lower acceptance for investment in nutrient removal, as customers are less aware of the causes and impacts of nutrient pollution and therefore find it hard to justify the large bill impact. [E023]

DETAILED INSIGHTS

Excellent river and coastal water quality / Protect and improve river/beach water quality

Insight sources: [E001] [E002] [E003] [E004] [E008] [E012] [E013] [E014] [E015] [E017] [E018] [E023] [E035] [E046] [E045] [E053] [E054] [E057] [E058] [E059]

Customers expect to be able to visit rivers and the coast for the purpose of recreation, however, many are concerned about the quality of river and coastal water quality. For example, customers are increasingly avoiding swimming in water due to safety concerns. Untreated sewage is commonly perceived to be the main cause of river and coastal water pollution. Customers are also concerned on the impact of this issue on the environment more widely (e.g. biodiversity) and are therefore willing to pay for improvement to some extent, however, they are concerned about the high associated bill impacts.

Reasons for making excellent river and coastal water quality a priority

- Environmental challenges have been given increased importance due to [E001];
  - Extreme weather events
  - Impact of CSOs
  - Increased importance given to the rivers and beaches.
- Most future customers able to name their local river and many had anecdotes of time spent there. [E003]
- Rivers play a large part in the lives of future customers but most think river pollution is a problem and so they doubt the safety of local rivers. [E003]
- Over 7 in 10 have visited a local river for recreation in the last year. [E004]
- Over a third have swum or paddled in a local river in the last year. [E004]
- Specific customer feedback on the excellent river and coastal water quality outcome included: [E017]
  - Customers felt the health of waterways has decreased in recent years due to 'dumping' of sewage and fertiliser with impacts on nature and health risks for swimmers. Tackling this is seen as a top priority by customers and stakeholders.
  - Customers were pleased to see plans to address the issue.
  - Smart sewers seen as a good value investment.
  - Collaboration between key players welcomed, especially by stakeholders.
  - Targets for when improvements will be delivered by seen as not ambitious enough by some.
- The Trust Index correlates strongly with underlying perceptions of local river / sea water quality – those who think it is 'good' quality have a substantially higher Trust Index. Acceptability of the operation of CSOs also has some bearing on Trust, but simply being aware of sewage releases / CSOs in general is much less of a driver. [E018]

Customer views on the current level of environmental water quality

- Only 46% of customers believe their river or sea quality is Good. [E002]
- Crucially many future customers associated local rivers with high pollution levels (mainly from littering) and anecdotes of self and friends getting sick from swimming there. [E003]
- 56% think river pollution is a problem (vs. 78% 2021). [E004]
- Sewage in rivers and the sea has become increasingly top of mind in customers' agenda for what Wessex Water should improve on – mentions nearly doubling over the course of the last year. There is a range of tone in the comments we see, and the issue is compounded for some because of reports of water company profits and shareholder dividends. [E018]
- Customers expect their water company to cause minimal negative environmental damage, including not dumping waste into rivers and seas as this is perceived to be directly related to water supply/quality and Fines etc. Customers hear about this in the news, which strengthens expectations that this will be a standard water companies have to meet. [E045]
- People (57%) believe that untreated sewage from water companies has the most negative impact on rivers [E046]
- When customers were asked to choose the top five issues which they were most concerned about, 56% chose water pollution [E054]
- Respondents were asked to share, from a list of options, what most concerned or worried them about their local area. Water pollution was the number one concern for 11% of participants [E057]
- Six in ten respondents (60%) in England thought it should be safe to go swimming in a river. But only 16% thought it was currently safe to do this. Similarly, more than half (52%) of respondents thought it should be safe for children to play in a river, only 12% thought this was currently the case. Views on what should be safe to do in a river in England were consistent between those who live near a river or other body of water and those who do not. [E057]
- Perceptions of the safety of rivers and streams for recreation have fallen slightly. The number of people who would expect to be able to swim in a river safely is declining, from 64% to 57% [E057]
- Without prompting, most identify pollution and "dumping" of sewage into water ways, rivers and oceans (48%) as the reason for their views becoming negative [E059]
- 73% of customers worry about the quality of water in the rivers [E053]
- Three in ten respondents (29%) ranked water pollution of rivers and seas among the top three things having a negative impact on the environment [E057]
- Nearly 6 in 10 people placed 'untreated sewage from water companies' in their top 3 things which they perceived to have the most negative impact on the water quality of rivers in England and Wales. More than a quarter ranked it top. [E057]
- 35% of people in England and Wales now see untreated sewage as the biggest cause of river pollution. [E058]
- Environment-related issues are increasingly salient for customers. In the latest Quarter, as headlines focus on sewage spills, spontaneous mentions of 'no/less sewage in rivers / sea' has risen to 2 in 10 – a very substantial minority now have this top of mind as the issue Wessex Water should address. [E035]
- Increasing treatment capacity was seen to have a high certainty in reduction of incidents, reduced impact on rivers. Disruption and cost seen as acceptable for longer-term again [E012]

Customers' willingness to pay for improvements in river and coastal water quality

- For NHH customers, we find evidence of willingness to pay for improvements in service for all five environmental attributes, and for one service attribute (attribute B, "improving water quality"). NHH customers place additional value on the status quo for some attributes only. These are typically service attributes where we see no evidence that NHH customers are willing to pay for incremental improvements in service. [E008]

- Customers' willingness to pay for river improvement increased with an increase in the improvement rate. [E015]
- There is evidence that significant proportions of customers are willing to pay increased bills to support investments that reduce the operation of storm overflows and improve river and coastal water quality. [E017]
- Respondents were presented with a choice between improving the quality of rivers or keeping bills low. Almost six in ten (59%) wanted their water company to prioritise improving the quality and cleanliness of rivers in England and Wales, even if this were to increase the price of their water bills [E057]
- Just under three in ten (29%) wanted companies to keep water bills low, even if this were to have a negative impact on the quality and cleanliness of rivers in England and Wales. [E057]
- There is lower acceptance for investment in nutrient removal, as customers are less aware of the causes and impacts of nutrient pollution and therefore find it hard to justify the large bill impact. [E023]
- Increasing treatment capacity was seen to have a high certainty in reduction of incidents, reduced impact on rivers. Disruption and cost seen as acceptable for longer-term again [E012]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Excellent river and coastal water quality has been given the 3rd most importance for 2030 goals [E014]

- Customers felt the health of waterways has decreased in recent years due to 'dumping' of sewage and fertiliser, with noticeable impact on wildlife (e.g. reduced amount of ducks and fish in local rivers) and health risks for swimmers
- This issue is top priority for many stakeholders, requiring urgent action.
- Belief that underinvestment and lack of regulation are key causes.
- Clean bathing waters important for tourism and therefore revenue

+ Customers happy to see the issue being addressed.
+ Smart sewers seen as good value.
+ Collaboration welcomed by respondents, especially stakeholders.

– Water quality targets not ambitious enough
– Initiatives lack innovation – smart sewers not seen as cutting edge.
– Goals seen as unambitious, and timescales met with dismay by some stakeholders – feel much more urgent action is needed

Outcome 7: Net Zero Carbon

KEY INSIGHTS

Net zero carbon – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 7th Total number of Wessex Water customers engaged:11,665 Total number of sources reviewed: 10		
Robustness of evidence	Medium*	**Key sources of insight** E001 Reviewing Strategic Direction and Social Purpose, Oct 21 E003 2021 Young People's Panel, Dec 21 E004 2022 Young People's Panel, Nov 22 E008 Estimating customers' WTP for changes in service, Sep 22 E010 Best Value SW Water Resource Plan (Quant research), Jun 22 E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E054 Online Panel Survey Apr 21: Have your say newsletter survey 25 future plans, Apr 21
Divergence of views	High	
Regional differences	Low	
*There is a relatively low volume of insight on this Outcome		

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
Due to the relatively low quantity of insights that refers directly to this outcome, a relatively lower breadth and depth score has been given compared to other areas. Divergence of views is high as there are differing views on the extent of the importance of achieving net zero across several sources. For example, while some customers feel that the timescales were too long, others have shown little ambition to achieve net zero before the target of 2050. There are insight tensions present specifically between future customers and household customers where future customers express a significant amount of concern regarding future impacts of climate change whereas household customers find this to be a lower priority compared with core service areas. No significant regional differences have been found.

Key insight	**Examples of supporting evidence**
Customer awareness and concern around the impacts of climate change is growing, particularly amongst future customers	• Everyone is now conscious of "climate change" and environmental issues although levels of understanding vary across customers. [E001] • Climate change weighs heavily on the minds of our future customers, with most worrying about it 'from time to time' and some worrying 'everyday'. [E003] • 47% think about impact on the environment and try to make a difference without spending too much time or money. [E004] • When customers were asked to choose the top five issues which they were most concerned about, customers most commonly chose climate change (65%) [E054]
Customers want to see efforts from Wessex Water and other companies to reduce their emissions, however, this is perceived by many to be of less importance compared to other areas	• Customers did not express a willingness to pay for incremental improvements in "achieving net zero carbon emissions" [E008] • Targets for net zero carbon and increased effort to reduce leakage tended to be secondary factors for customers. [E010] • Overall, respondents placed minimal additional weight on achieving net zero earlier in 2040 (versus 2050). [E010] • Whilst there was a good level of support from both household and non-household customers for companies' ambition to achieve net zero across operations by 2050, there was no over-riding preference for achieving emissions reductions earlier. [E010]

	• Customers were asked to imagine to choose from three different water companies, all exactly the same other than the way they seek to benefit society. The biggest proportion of customers (42%) would choose a water company that supports the environment, e.g. committing to becoming carbon neutral [E054] • Customers view net zero and tackling climate change as an important issue and many feel this shouldn't be an 'optional extra'. However, customer question the proposed approach and the costs. Many do not accept that they should have to contribute financially towards Wessex Water's efforts to decarbonise its operations. [E023]

DETAILED INSIGHTS

Net Zero Carbon / Attitudes towards net zero and climate change

Insight sources: [E001] [E003] [E004] [E005] [E008] [E010] [E014] [E023] [E053] [E054] [E055]

Unsurprisingly, customers do place value on achieving net zero and are concerned about climate change/global warming, however, they do not seem to prioritise this goal when compared to the rest of the objectives. Likewise, the willingness to pay for advancements in this area is not as high as in other subjects. Lastly, customers believe that becoming carbon neutral by 2030 is way too ambitious and they would like to see other more attainable and affordable milestones.

Customers' views on Wessex Water's role in achieving net zero

- Everyone is now conscious of "climate change" and environmental issues although levels of understanding vary across customers. Customers need to feel that Wessex Water is committed to environmental change, they want to see ambitious and specific outputs. [E001]
- Future customers believe the government is primarily responsible for tackling climate change with companies a close second. Companies engage in behaviours most detrimental to the climate and therefore shoulder more responsibility for addressing the problem. [E003]
- Becoming carbon neutral by 2030 by a continuation of activities including energy efficiency practices and investment in renewable energy. Where emissions are unavoidable, seeking to offset through local sequestration projects or buying offsets - is seen to be important but too ambitious for future customers. [E005]
- 64% of customers think that Wessex Water do a lot or a fair amount to support the environment and a further 19% think that we do a little [E054]

Customer attitudes towards climate change

- Climate change weighs heavily on the minds of our future customers, with most worrying about it 'from time to time' and some worrying 'everyday'. [E003]
- The three most prevalent environmental concerns of future customers were: [E003]
    - CO_2 Emissions
    - Loss of different species
    - Extreme weather events
- Microplastics and air pollution are the biggest concerns of future customers by some margin. [E003]
- Giving up meat or changing/getting rid of the car are seen as the hardest changes to make by future customers, there are plenty of reasons not to change if the environmental impact is doubted. [E003]
- 6% of future customers are very concerned about impact on the environment and spend considerable time or money to reduce it. [E004]

- 47% of future customers think about impact on the environment and try to make a difference without spending too much time or money. [E004]
- Future customers have concern for environmental impacts of heatwaves. [E004]
- Whilst there was a good level of support from both household and non-household customers for companies' ambition to achieve net zero across operations by 2050, there was no over-riding preference for achieving emissions reductions earlier. [E010]
- Overall, respondents placed minimal additional weight on achieving net zero earlier in 2040 (versus 2050). [E010]
- 67% of customers agree that we are losing the battle when it comes to climate change. [E053]
- When customers were asked to choose the top five issues which they were most concerned about, customers most commonly chose climate change (65%). [E054]
- Customers were asked to imagine to choose from three different water companies, all exactly the same other than the way they seek to benefit society. The biggest proportion of customers (42%) would choose a water company that supports the environment, e.g. committing to becoming carbon neutral; demonstrating good environmental behaviours and encouraging others in the community too, however, 27% had no preference and found all three equally appealing. [E054]
- 75% of customers agree that they often look for new ways to reduce their impact on the environment [E055]

Customers' willingness to pay for advancements in achieving net zero

- For attributes that fall under priority area 2, i.e. environmental attributes, customers exhibit willingness to pay for incremental improvements in service. We see a positive incremental willingness to pay for most environmental attributes in both the simple and adjusted models. The exceptions are attributes G ("reducing wastewater pollution incidents") and I ("achieving net zero carbon emissions") in the adjusted model, where we do not find that customers are willing to pay for incremental improvements. [E008]
- For attributes F ("taking water out of rivers and streams"), H ("improving river and coastal water quality"), and I ("achieving net zero carbon emissions") customers are willing to pay for incremental improvements in service, but only in the simple model do we see that customers' willingness to pay for incremental improvements in service outweighs the additional value they place on the status quo. [E008]
- Customers view net zero and tackling climate change as an important issue and many feel this shouldn't be an 'optional extra'. However, customer question the proposed approach and the costs. Many do not accept that they should have to contribute financially towards Wessex Water's efforts to decarbonise its operations. [E023]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Net zero carbon is seen as the **7th** most important outcome for 2030.

- o Net zero was a highly polarising topic for customers, leading to a lower ranking vs other areas. Despite this, it is clear that people from all groups have strong opinions on this high-profile issue, suggesting that targets are likely to be scrutinised.

+ Net zero goal is welcomed by many who are extremely worried about the planet's future
+ Use of electric vehicles was viewed positively by these respondents

– A significant minority felt that net zero targets were not the best way to address the climate emergency, suggesting that it is an unobtainable and difficult to measure goal.
– Timescales are too long
– Lacks detail around how net zero will be achieved and measured

- Perception that electric vehicles are not eco-friendly due to need for disposal of batteries
- Broader questions over whether it is ever possible to reach net zero and whether Wessex Water will stick to its promises when there are so many other issues to contend with
- Tension between the environmental lobby and the consumer lobby - Considered by some a 'luxury spend' when other pressing issues to pay for
- A minority believe that climate change does not exist and do not support initiatives around it.

Outcome 8: Sustainable abstraction

KEY INSIGHTS

Sustainable abstraction – insight summary from Sia Partners' Triangulation Report, September 2023		
Relative priority ranking: 8th Total number of Wessex Water customers engaged: 18,979 Total number of sources reviewed: 27		
Robustness of evidence	High	**Key sources of insight** E001 Reviewing Strategic Direction and Social Purpose, Oct 21 E003 2021 Young People's Panel, Dec 21 E004 2022 Young People's Panel, Nov 22 E006 Garden Water Use, Nov 21 E007 Customer motivations: water saving & smart meters, May 22 E009 West Country Water Resources customer research: Best Value SW Water Resource Plan (qual research), May 22 E010 West Country Water Resources customer research: Best Value SW Water Resource Plan (quant research), Jun 22 E016 Estimating customers' WtP for Sustainable abstraction, May 23 E023 Affordability and Acceptability Testing Interim report on Qualitative research, May 23 E051 CCW Smart Thinking – Metering for Business Customers, Mar 23 E052 CCW Testing the Waters 2022, Jan 23 E053 Online Panel Survey Oct 21: Have your say newsletter survey 25 future plans, Oct 21 E055 Online Panel Survey Apr 22: Have your say newsletter survey 25 future plans No 27 E056 Lifting the lid: the secrets of our water habits Jan 23 E059 Bridging the gap: Awareness and Understanding of Water Issues Nov 22 E060 Water Awareness Survey May 22
Divergence of views	Medium	
Regional differences	Low	

Long-term insights
Please see Long-term insights section for summary of evidence informing our understanding of customers' views on this topic to inform our long term delivery strategy.

Triangulation comments
With a high number of sources used, the analysis includes the views of all customer segments and stakeholders resulting in the robustness of evidence score to be high. No significant and recurring divergence of views have been found, however, insight tensions have been identified regarding leakage; this topic is often of secondary importance to customers, however, stakeholders have stated that they thought of leakage as a top concern. As for the difference between customer segments, household customers favoured increasing the investment in leakage reduction to achieve Wessex Water's 2050 goal, whereas non-household customers did not want to change the current level of investment. Non-household customers express much higher levels of support for the roll-out of smart meters compared with household customers. As for the regional differences, no significant variations have been identified.

Key insight	Examples of supporting evidence
Customers are aware that their personal water use has an impact on the environment, however, many have not yet taken action to reduce their consumption.	• The majority of customers are just not engaged enough with the water conversation to commit to water conservation. [E001] • The need to preserve water is not totally unfamiliar territory but people are generally unaware that water stress is an urgent problem and feel they haven't been educated on the topic. [E006] • Attitudes towards waste don't necessarily ring true when it comes to water behaviour. [E007] • 91% of people said they were aware that personal water use has an effect on the environment, however, 62% of people said they had not done anything to use less water in the last six months. [E060]
Customers either underestimate their water usage or don't pay attention to it at all.	• Customers revealed that many regularly carry out seemingly 'wasteful' water usage behaviours without thinking about how much they're wasting. [E007] • 2/3 of customers stated that they are not very water conscious [E001]

	• Most customers were shocked to hear how much they used each day and said that it seemed like a lot of water. However, customers were still unsure how their usage might compare to average usage; even though it sounds like a lot they're unsure if it's more or less than other people [E007] • Most struggled to even make an estimation as people don't really consider what volume of water they might be using day to day. [E006] • Across all businesses, 39% have engaged in some form of water-saving activity. This is significantly lower than in 2020/21 (46%). [E052]
There is some desire amongst customers to reduce their water consumption.	• 63% of people felt they could be more water-efficient. [E056] • Just over three quarters (76%) agreed that they would be willing to change habits to reduce water usage and 57% think that more should be done to save water. [E053] • 60% of customers agree that they try to think about their impact on the environment when they have a shower or bath. [E055] • Many customers are keen to do more to save water, and recognise the role individuals can play in this. [E021]
There is a large proportion of household customers who are not interested in installing a smart meter and would prefer them not to be compulsory.	• Uninformed interest in smart water meters is reasonable amongst the panel – 4 in 10 are interested. [E007] • 43% of customers agreed to some extent that would be interested in having a smart meter. [E055] • Customers' least preferred option (to reduce demand) was smart metering [E016] • Customers expressed low levels of support for the roll-out of smart meters by 2030 for a number of reasons, including concerns/lack of clarity of the cost impacts of their water habits and what the benefits to customer will be. It was seen as a lower priority compared with other areas of the plan and many questioned why they were being asked to pay for this. [E023]
Household customers are interested in the perceived benefits of smart metering, namely more control over their consumption as well as more accurate bills and potentially lower bills.	• Of those interested in a smart water meter, aside from the functional benefit of being able to monitor water use, the main themes mentioned were to reduce use / waste, save money, and (for a smaller minority) to identify leaks. [E007] • A high proportion of customers with a meter (7 in 10) claim to want to reduce their bill by using less water. [E002] • Customers are very interested to know more about how much water they're using. [E007] • Attitudes to water use and metering: Over half agree with a new statement that they would be interested in more frequent updates on water use and cost. This is a much higher level than were interested in having a smart meter; it is the benefits of smart metering that need to be promoted, rather than the smart meter itself. . **Question wording changed in Q1 2023-24 from "I'd be interested in having a smart water meter" [E035]
Non-household customers are more positive about smart metering and their perceived benefits.	• In principle, around 4 in 5 businesses would be supportive of new water meter technologies being rolled out across the water system. [E051] • The most appealing benefit of having a smart water meter is accurate billing. [E051] • 9 in 10 of those who claim to have a smart water meter find that it provides useful information for their business. [E051]
High levels of leakage drive negative perceptions of the water sector, and are the responsibility of water companies to address.	• Leakage is one of the most emotive topics – and one that exacerbates most others. Consumers feel very strongly that leaks are with the control of water companies and that they are a fundamental responsibility in terms of the day to day running of a water company. [E059] • Two thirds (67%) felt hearing about water leaks had a negative effect on the perceptions of their water company. [E059]

	• 87% of consumers believe the service providers/water companies/sewerage companies should be responsible for water leaks. [E059] • Customers are surprised by current levels of leakage and is seen as a high priority issue for Wessex Water to address; many customers questioned the ambition of the proposed target and wanted to see Wessex Water go further. [E023]
Leakage is commonly a preferred solution for reducing demand and reliance on abstraction, and not addressing this can negatively impact efforts to reduce demand.	• Reducing leakage and using education and awareness campaigns to encourage reductions in water usage were the most supported demand options. [E009] • Regarding the relative preferences expressed by customers between these alternative options, the evidence suggests that customers tend to place most value on leakage reduction and reservoir construction [E016] • There is a causal link made between leaks and hosepipe bans. The amount of leakage frustrates consumers and it undermines any calls to action from water companies to play their part by reducing water use and observing hosepipe bans. [E059]
Customers expressed strong support for reducing reliance on abstraction from vulnerable sources, even beyond the proposed targets for reduction, and to pursue a combination of alternative supply and demand options.	• There was a positive view on measures to protect and improve the environment by reducing the dependency of water supply on surface and groundwater abstractions. [E010] • Participants' preference for supply options was reinforced by a c.60:40 split between supply and demand options…customers recognise the need for multiple approaches for water resource planning, rather than rely on a single approach or solution. [E009] • Customers are willing to pay for improvements in these areas and expressed a desire to see Wessex Water going beyond the reduction target of 10ML/d. [E016] • Whilst cost was a secondary consideration for many, customers are more willing to choose a combination of less expensive methods in order to achieve more improvement in sustainable abstraction for the same overall bill impact. [E016]

Detailed insights

Sustainable abstraction / Smart meters and water efficiency measures

Insight sources: [E001] [E002] [E003] [E004] [E006] [E007] [E013] [E016] [E023] [E051] [E055]

Customers are more positive about the benefits of smart meters (i.e. saving money, reducing consumption etc.) than they are about actually installing them. Customers who already have a smart meter installed are more positive about smart meters as well as their benefits. The same goes for non-household customers, who would like to reduce costs, improve efficiency and accuracy of meter reads, and improve financial forecasting.

Current appetite and potential barriers to smart meter roll-out

- Interest in having a water meter is now at the lowest point to date (25%). Wording for this measure will be changed in the next round of research to understand demand for the information a smart meter would provide, without referencing the term 'smart meter'. There has been a slight rebound in agreement that consumers aren't sure how to reduce their water use, but it remains lower for the latest year than in 2021-2, so there has been some long-term progress in this area. [E013]

- Conversely, customers' least preferred option was smart metering (59 per cent of respondents assigned 0 ML/d to this method). This was followed by regulation and HH support, to which 55 and 43 per cent of respondents, respectively, assigned 0 ML/d. [E016]
- In principle, around 4 in 5 businesses would be supportive of new water meter technologies being rolled out across the water system. [E051]
- 43% of customers agreed to some extent that would be interested in having a smart meter. [E051]
- Customers expressed low levels of support for the roll-out of smart meters by 2030 for a number of reasons, including concerns/lack of clarity of the cost impacts of their water habits and what the benefits to customer will be. It was seen as a lower priority compared with other areas of the plan and many questioned why they were being asked to pay for this. [E023]
- Attitudes to water use and metering: Over half agree with a new statement that they would be interested in more frequent updates on water use and cost. This is a much higher level than were interested in having a smart meter; it is the benefits of smart metering that need to be promoted, rather than the smart meter itself. . **Question wording changed in Q1 2023-24 from "I'd be interested in having a smart water meter" [E035]

Customer demands regarding smart meter innovation and services

- The water industry is seen as being fairly conservative and slow to innovate, which has left it behind in a number of areas. (i.e.: customers having been calling for the introduction of smart meters for some time). [E001]
- There is a need to move forward with smart meters and improve data, these are valued greatly for retailers. [E001]
    - o *Context - Retailers lag behind in technology and customer consumption data when compared to the energy sector. Therefore retailers are very keen on increasing the number of customers who do use smart meters due to its various benefits such as easier and timelier data collection.*
- A high proportion of customers with a meter (7 in 10) claim to want to reduce their bill by using less water. [E002]
- Accessibility was also integral to rolling out smart meters, with features to suit all. [E003]
- Future customers highlighted the importance of the on-boarding process, reflecting the likely barrier to use/engagement if the technology is not easy to use. They focused on two aspects: [E003]
    - o Installation: this will require clear communications and help where needed from Wessex Water personnel
    - o Tutorial: As the technology will be new to many, an online tutorial will be beneficial, advising how to set up and make the most of the smart water meter
- Future customers designed a smart meter programme to provide tangible benefits to the user: [E003]
    - o Make it user-friendly and enjoyable: interface and data should be presented in a way that is easy to read and personalised.
    - o Promote incentives: e.g. how reducing usage can have rewards and communication on any reduced bills/saving.
    - o Environmental: if the environmental benefits of water saving are clear, customers will be more engaged.
- Future customers believe additional features are vital in stimulating ongoing engagement with smart meter data: such as gamification, reward systems, in depth advice and a shared platform [E003]
- Greatest scope for the future is with having a visit from Wessex Water to fit free devices and advise on water saving, along with using 'Get Water Fit'. These will need to be promoted to build awareness and wider interest. [E007]

- Uninformed interest in smart water meters is reasonable amongst the panel – 4 in 10 are interested. There's more enthusiasm amongst those keen to save on utility bills, the environmentally conscious, and younger customers. However, half of those who do not already have a meter are not interested in a smart meter – resistance to be overcome. [E007]
- The majority would want alerts with some regularity – especially those already interested in smart meters. Those who would 'never' want alerts are those who are less interested in smart metering; a core of c. 1 in 5 customers who will not engage with smart meter data. [E007]

Perceived benefits of smart meters

- A consistent majority of people with a meter claim to manage water use to keep the bill down – no evidence that broader financial anxieties are prompting more to do this. Limited uninformed interest in smart water meters. [E002]
- In general, the Get Water Fit calculator brought many students to a new realisation of household water use. [E004]
- Customers' own campaign ideas demonstrate the importance of better communications about why saving water is necessary. Get Water Fit is a useful tool but the interface needs improving. Future customers also want to see Wessex Water create a human connection via characters or real personalities to convey the seriousness of the message in an engaging way. [E004]
- Estimating household water usage proved difficult for respondents. [E006]
- Most struggled to even make an estimation as people don't really consider what volume of water, they might be using day to day. [E006]
- Amongst future customers, many said they'd be interested in monitoring the water logger and seeing how much they use doing different tasks. [E006]
- The biggest potential opportunity barrier to using less water is the cost of installing water efficient devices. We also see that larger, busy households lack the time to put their energy into reducing water use. [E007]
- Of those interested in a smart water meter, aside from the functional benefit of being able to monitor water use, the main themes mentioned were to reduce use / waste, save money, and (for a smaller minority) to identify leaks. [E007]
- Meter data could be helpful in educating customers about their usage. [E007]
- Customers are very interested to know more about how much water they're using: [E007]
    - It's unfamiliar territory for most; even for those who exhibited some water saving behaviours, water usage in volumes isn't well understood.
    - Most were unable to make an approximate guess as to how much their household uses on average each day.
- We presented average daily usage per household to participants, based on historic meter reads: [E007]
    - Most were shocked to hear how much they used each day and said that it seemed like a lot of water.
    - However, customers were still unsure how their usage might compare to average usage; even though it sounds like a lot they're unsure if it's more or less than other people.
- Metered customers select a statistically significantly higher level of smart metering across all four exercises. Metered customers may be more to be aware of the potential benefits of smart meters. [E016]
- The most appealing benefit of having a smart water meter is accurate billing. [E051]
- Automatic water meter reading saves time and hassle and reaffirms trust of paying for what is actually used. [E051]
- Automated meter reading provides greater peace of mind and becomes 'one less thing to think about. [E051]

- Although environmental benefits [of smart meters] are not top of mind, they are valuable to businesses looking to the future. [E051]
- 9 in 10 of those who claim to have a smart water meter find that it provides useful information for their business. Net agree: 91%. [E051]
- Majority see at least some monetary value in receiving regular data on their water usage, with the size of the organisation and the number of premises affecting this significantly. The total mean monetary value estimate is £255.12. Large businesses estimate the monetary value to be significantly higher at £315.72, likely reflecting the estimated bigger savings they could have on their annual water bill. [E051]

Sustainable abstraction / Customer attitudes and behaviours towards water use

Insight sources: [E001] [E003] [E004] [E006] [E007] [E008] [E009] [E010] [E011] [E013] [E015][E021][E046][E052][E053][E055][E056][E060]

As expected, customers differ greatly when it comes to water consumption behaviours. Even though a majority of customers understand that water is scarce, not a large percentage of them feel that it is a major concern. Extreme weather events play a big part in people's perception and behaviour towards water and customers use much more water than they think they use. Again, educating customers on water use is seen as a good course of action. Customers have stated that they do want to save water for financial and environmental reasons, however, they face multiple barriers. A lack of knowledge on the upsides of doing so as well as high upfront costs of purchasing water-efficiency devices for minimal financial returns area all factors which may be preventing customers from achieving their water saving goals.

Customers' water usage behaviours

- 33% of customers have stated that they are [E001]
  - Not very water conscious
  - Unwilling to compromise on water usage.
  - Reluctant to engage.
- 33% of the population have stated that they are [E001]
  - Water aware
  - Environmentally active
  - Willing to engage.
  - Care about themselves and others
- 34% of customers have stated that they [E001]
  - Are not very water conscious.
  - Care about quality for only them
  - Reluctant to engage.
- 44% of future customers have stated that they make a fair amount or a great deal of effort to save water. [E004]
- Tending to your garden is deemed an important and worthwhile use of water, especially when linked to nurturing plants/nature. [E006]
- All of our participants are environmentally conscious to some extent, but we've identified 3 typologies to demonstrate some of the differences. [E006]
  - Busy basics
    - These represent the bulk of our sample.
    - They do basic day to day environmental actions such as recycling their waste packaging.
    - But they have busy lives and are juggling lots of other things; being environmental is not top of mind and it ends up low on the priority list.
  - Waste Warriors

        - These are consumers who have been brought up to not be wasteful often from a young age.
        - This stretches across a variety of things in the home, from food to electricity to water.
        - Often, their behaviour is linked to frugality and saving money.
    - Eco Enthusiasts
        - For these people, being environmentally friendly is a high priority.
        - It is important that they feel they are doing their bit in their day to day lives to help the bigger cause.
        - They work hard to shape their behaviours to do things that are better for the environment.
- Having daily showers is similarly common amongst most groups. Larger (busier) households are notably more likely to use water-intensive appliances more often, along with those who make less conscious effort to save water. [E007]
- Of panellists in household of 2+ people say that others in the home either use more or less water than them personally. [E007]
- Primarily they say others in the household are using more water than them (36%) [E007]
- This suggests that our panellists (bill payers) may be more conscious of saving water than partners / children who are not paying bills. [E007]
- Those who make less effort to save water are a little more likely to agree that it's important for them to relax & enjoy showers, and that they tend to fall back into normal habits of water use. Those who make greatest effort are more mindful of environmental impact, and less likely to think that daily showers/baths are a necessity to be hygienic. [E007]
- The quant revealed that the majority of the panel are not taking a daily bath or shower. [E007]
- Over half of non-household participants stated that their business would struggle to use less water. [E009]
- Water from the outside tap seems to hold a different value to water indoors. [E006]
- Subconsciously water from the outside tap is considered less precious, perhaps as it isn't seen directly as drinking water. [E006]
- When weather is dry and warm, but grey, watering behaviours become a lot more infrequent. [E006]
- Many customers are keen to do more to save water, and recognise the role individuals can play in this. [E021]
- Across all businesses, 39% have engaged in some form of water saving activity. This is significantly lower than in 2020/21 (46%), but significantly higher than in 2018 (28%). [E052]
- 92% agreed (either strongly or somewhat) that they try to control the amount of water they use. [E053]
- Just over three quarters (76%) agreed that they would be willing to change habits to reduce water usage and 57% think that more should be done to save water. [E053]
- Just a quarter of customers (25%) don't think about what happens to water that you flush away and just 16% said that they don't worry about how much water is used. [E053]
- The most common washing method is showering, with nearly all of customers (90%) showering at home weekly or more, and around 4 in 10 showering daily. Many customers have regular flannel washes, however taking daily baths isn't so common. [E055]
- Washing machines are used by almost everyone, with over 7 in 10 of customers (71%) doing at least 2-3 loads a week. Not so many customers use a dishwasher, but those who do use them frequently. [E055]
- Customers were asked how much effort they make to save water, and encouragingly, almost all of customers (96%), said that they make at least some effort. Almost 3 in 10 of customers (29%) said that they make a great deal of effort. [E055]
- 60% of customers agree that they try to think about their impact on the environment when they have a shower or bath. [E055]

- 39% of customers think it's important to relax and enjoy having a shower. [E055]
- 36% of customers think it's essential to have one shower or bath a day to be hygienic. [E055]
- 12% of customers agree that 'you try to save more water but end up going back to your normal habit'. [E055]
- 9% of customers said that 'due to a health condition you cannot reduce the amount of water that you use'. [E055]
- Almost one in five people surveyed across England and Wales (17%) admitted to running the bathroom tap to cover up the sound of them using the loo. Even more strikingly, almost half (48%) said that they had taken a shower after going to the loo for a "number two". [E056]
- Other shower habits also stood out: 29% of people admitted to running the shower for longer than they were actually using it, 'just to get [some] peace and quiet from family or housemates', while the more musical (38%) said that they had spent extra time running a shower because they were singing. [E056]
- Over six in ten (63%) of people in England and Wales feel they could be more water efficient; with most claiming they could possibly be more water efficient (49%) compared to 14% who said definitely. [E056]
- The majority of people (70%) in England and Wales agree it is okay to skip a shower some days. [E056]
- 62% of people said they had not done anything to use less water in the last six months. [E060]

Customers' current levels of concern/awareness and need for education

- Food and energy, rather than water, is perceived as a more pressing environmental concern at the moment. [E004]
- The majority of customers are just not engaged enough with the water conversation to commit to water conservation. There is an opportunity for more communications and water hacks to promote behavioural change. [E001]
- Water usage isn't generally considered an important environmental concern. [E006]
- 5% don't tend to think about impact on the environment in relation to water usage [E004]
- A large proportion of the panel (4 in 10) don't really know or have a firm view about the water resources situation in the Wessex region. Of those who give a view, the balance is towards thinking water resource is plentiful. Only c. 1 in 6 think water resource is limited. This general lack of concern about water resources could potentially lead to complacency in water use. [E007]
- The need to ensure customers take responsibility for their water usage and drainage behaviours. In a sector that has low salience for a majority of customers Wessex Water needs to work with customers to help them understand the implication of their actions (i.e.: what you put down the drains ends up in rivers). [E001]
- Customers tend to defer to educating children (through partnerships with schools to elevate the value of water) rather than consider there would be value in educating all consumers of the value of water. Wider engagement is needed to increase the value and ownership of water. [E001]
- Future customers believe that there is the need for people to be more conscious about water consumption. [E004]
- The need to preserve water is not totally unfamiliar territory but people are generally unaware that water stress is an urgent problem and feel they haven't been educated on the topic. [E006]
    - When confronted with the issue, for many it doesn't add up – how can we face water shortages when it rains so often?
- Customers have very low awareness of: [E006]
    - The concept of water stress
    - That water stress is an issue in many parts of the England.

- The impact of their behaviours on water resources the facts can even seem counterintuitive, given UK's status as a major developed nation and due to perception that the UK has a "wet" climate.

- With few external reference points, many are unaware of what they can be doing to reduce their water usage in key outdoor behaviours. They are also reluctant to make trade-offs which will negatively impact their enjoyment of their protected space. [E006]
  - We suggest:
  - Providing simple tips which help customers to modify (rather than radically overhaul) their behaviours.
  - Prioritising behaviour changes which will be easy for individuals to adopt
  - Highlighting the likely impact of such behaviour changes, both financially (for customers) and environmentally (for society)
- Over 2022-3 there is evidence of increased conscientiousness – more claim to not wash clothes after every use, not rinse washing up, and not have a shower/bath every day; letting lawn go brown may be more seasonal and affected by rain. Greatest resistance remains to not having a bath or shower every day, and not flushing after every use. [E013]
- Recent CCW research showed that 2 in 5 people living in water stressed regions think that water is plentiful. Repeatedly low awareness across numerous research studies (incl. this one) suggest that current channels and approaches are not working. [E006]
  - We recommend:
  - Designing and developing a major, sector-wide campaign which targets high-profile advertising channels.
  - For example, a major TV, radio and online ad campaign which reaches directly into customers' lives.
- The heatwave (of 2022) might have brought home some of the environmental impacts of a drought period but for this age group (future customers), it feels more normal than worrying. The energy crisis is much more pressing than concerns about water resources. [E004]
- After a wet and cold period, fewer customers now believe that water resources are limited. However, despite this seasonality in outlook, over the course of the year more customers claim to be practising certain water saving behaviours. This is a positive initial sign although any changes in attitudes and behaviour will need effort to maintain. [E013]
- Impressions of water resources available appear to be influenced by season. With wetter and colder conditions over the last two Quarters, following on from a record-breaking heatwave over the summer, more customers believe water supplies are plentiful in the region again. This will likely have implications for attitudes to water saving. [E013]

Approach to educating and engaging with customers

- Response to the pop art post were generally positive, with panellists rating it on average 7.6 out of 10. [E003]
  - *Context - Future customers were given different examples of advertisement samples and they have scored the advertisement on their expected effectiveness. All of the advertisements aimed to educate customers on better and more environmentally forms of water consumption. The difference between the advertisements was their delivery form such as pop-art posts, Facebook ads, etc.*
- Response to the Facebook post were more negative, with respondents rating it on average 6.3 out of 10. [E003]
  - *Context - Future customers were given different examples of advertisement samples and they have scored the advertisement on their expected effectiveness. All of the advertisements aimed to educate customers on better and more environmentally forms of*

water consumption. The difference between the advertisements were their delivery form such as pop-art posts, Facebook ads, etc.

- Customers made some suggestions for campaign solutions to reduce water consumption. [E004]
    - Help people establish new routines – with help from e.g. shower timers
    - Drawing on 'the fun theory': encourage don't blame
    - Promoting small actions
    - Positive campaign using storytelling with a superhero character: Water Warrior
    - Cost effective
    - Adaptable to media, channel, different stories
    - Relevant to all ages
- Campaign solutions [E004]
    - Storytelling approach likely to engage – and educate
    - Using much loved and famous personalities (Paddington and Mary Berry) to tell the story: impact across all ages
    - Storyboard example conveys 'problem then solution': Paddington's actions are the problem; Mary Berry has the solution (and these are shown to be easy)
    - With familiarity, campaign works across media, on Wessex vans etc.
    - Social media supported with #makehastedontwaste
- Campaign solutions to reduce water usage [E004]
    - 3 strands: a 'wonder pump'; campaign to encourage less flushing; educate about environmental links to excessive water use
    - Campaign developed around 'if it's yellow let it mellow' slogan
    - And a 'Superloo' character
    - Supporting materials drive home the environmental context
    - Recommended school visits (targeting secondary level)
- Awareness is the first base for behaviour change campaigns. Belief/engagement follows: environmental message resonates. [E004]
- To promote reduced water usage, help audience to visualise what wasting water looks like and make it memorable, with impact. [E004]
- Customer engagement should be part of the mix of solutions. [E004]
    - Customer engagement a popular – and low risk – option: relatively cheap with a good impact rating
    - See the need to engage people in the topic (future customers were largely unaware of the issue)
- Improved communications efforts are likely to be essential to overcome the motivation and opportunity barriers. [E006]
- Communications must explain: [E006]
    - The reality of the current situation, and how this will change in the coming years.
    - How urgent the issue is
    - The likely consequences of inaction / insufficient action
    - The work that is already being done
    - How customers can help, and what the impact of this will be
- We heard in the qualitative fieldwork that many regularly carry out seemingly 'wasteful' water usage behaviours without thinking about how much they're wasting. Once made aware, they're often more willing to change that behaviour for the sake of being less wasteful (alongside other stronger motivations such as financial) However, if a water saving behaviour requires a high level of effort or sacrifice the desire to be less wasteful is overruled. [E007]
- Education around water volume has potential to encourage people to reassess their water usage behaviours. [E007]

- Simple comparisons are the best way to help customers wrap their head around water volumes and be more conscious of how much water they use day to day. There is also a desire to see water volumes alongside cost. [E007]
- Cost is a strong driver to adopt new behaviours but water costs relatively low priority, which suggests Wessex Water should. [E007]
    - Develop compelling messaging around cost savings:
    - To make behaviour change more worthwhile group together energy and water costs when showing examples of small changes in behaviour that can lead to impactful savings.
- People lack the know-how to save water. This suggests that Wessex Water should: [E007]
    - Create campaigns around plugging information gaps:
    - Hacks: tricks and tips (e.g., reuse ideas, use the dishwasher instead of washing up)
    - Fun stuff: especially for busy, high usage households with children
- People are disconnected from how much they use (and why it matters), which suggests Wessex Water should Develop meaningful ways to talk about volume [E007]:
    - This is a mental gap yet can have real impact. Visualising volume, especially around behaviours that involve flowing water needs simple comparisons (NB a suggested focus for the final stage)
- Seven out of ten know or think their water company is encouraging people to reduce the amount of water they use. Those who know of their water company encouraging people to save water are more likely to say they see the company as environmentally conscious (31% vs. 23%) and responsible (34% vs. 29%). [E046]

Motivations for reducing consumption

- A dislike of waste and a desire to save money are more strongly held motivations than actively looking for new ways to reduce environmental impact. Many don't have any strong impressions about their water use relative to other people, or the environmental damage of water abstraction. [E007]
- Participants recognised that water resources are limited, with the majority considering that they could use less water, although responsibility was frequently placed on others within their households. [E009]
- Participants supported protecting the environment at times of water shortages, even if it meant accepting more frequent imposition of less severe restrictions such as hose pipe bans, and no reduction in the risk of severe water restrictions. [E009]
- The top theme spontaneously given by members of the panel for making effort to save water is saving money. After this, 'scarce resources', 'environmental concerns' and 'reducing waste' are all similarly widely mentioned. Of the few who said they made 'not much or no effort' the dominant reason was that they don't use much water anyway. [E007]
- Mixed response to the idea of adopting water saving behaviours. [E007]
    - Positives
        - Opportunity to do something positive e.g. save money, save resources
        - Appeal of free devices to help as many are unsure where to start.
        - Very positive about the idea of 'fit and forget' devices that allow them to change behaviour with minimal effort [E007]
- Encouragingly, the majority disagree that saving water doesn't give a worthwhile saving on the water bill, underpinning that financial savings are motivating. [E007]
- 91% of people said they were aware that personal water use have an effect on the environment. [E060]

Potential and existing barriers to reducing consumption

- A fairly similar level of belief that 'others are more to blame' across all demographics. [E007]
- Cost-of-living crisis is already impacting day to day behaviour… but not water saving behaviours. [E007]
  - People have a better understanding of the reason for price hikes around these costs as they're linked to immediate factors such a Brexit, the pandemic, and the war in Ukraine.
  - There is also better knowledge of what households can do to alleviate price shocks in these areas.
  - Water saving does not naturally come to mind as it's not associated with an inflating expense, and most aren't used to cutting down on water to save money.
- Generally, most people aren't that bothered by the amount of water they're using in the garden and are unlikely to change their behaviour just by being made aware of how many litres they're using. [E006]
- In general supply options were preferred over demand options. There was concern amongst participants as to whether people can be trusted to change behaviours and reduce demand in a sustained way, which strongly influences their views and preferences for demand options. In contrast supply options were seen as reliable. Customers also recognise that there is a need to use multiple approaches for water resource planning, rather than rely on a single approach or solution. [E009]
- Consumers are unlikely to change behaviour without some help or information. [E006]
- Future customers want to exercise behaviours to consume less water to both save up on money and help the environment but they feel like there are barriers preventing from achieving changed behaviour. Some barriers preventing change are: [E004]
  - Lack of clear information to define actions
  - Seems pointless saving money when savings are minimal
- Three major opportunity barriers (to reducing consumption): [E006]
  - Low awareness of water resources challenges in UK
  - Low awareness of more water-efficient ways to conduct regular behaviours.
  - Reduced water usage may make certain behaviours more difficult / time-consuming (e.g. cleaning car / patio)
- There are numerous perceived downsides to using less water: [E006]
  - Interferes with fun / enjoyment / source of pleasure.
  - Makes tidiness / cleanliness more difficult.
  - Few perceived advantages:
  - Not aware of significant cost benefit to using less water.
  - Not aware of significant environmental benefit to using less water.
- With limited known upsides and numerous downsides, only a small minority will change their behaviour. Findings from customer research suggest that Wessex Water should: [E006]
  - Explain how much money metered customers could save through simple behaviour changes.
  - Explain how watering with rainwater is better for some plants than with tap water.
  - Where possible, offer discounts on water butts and other water-saving devices – as well as providing clear guidance / help with installation.
- Others in the home may be even more difficult to reach and influence in terms of motivating and reminding to save water, 71% of the panel claim to make either 'a great deal' or 'a fair amount' of effort to save water (identical to the proportion in the 2021-2 tracker). This suggests most don't feel there is a pressing need to do more. Those who tell us they make less effort are often hostage to habits, and less likely to have a meter (or be interested in one). [E007]
- The biggest potential attitudinal barriers to using less water are that it is seen as essential to either shower or bath daily to be hygienic and that it's important to relax / enjoy the shower. [E007]

- The biggest potential capability barriers to using less water is the reluctance (inability?) to go without the wellbeing benefits of relaxing in the shower - with 4 in 10 agreeing. [E007]
- Motivation barriers dominate while hygiene is often seen as an essential driver for water use, understanding the drivers to use less water – saving money, helping the environment, aspiring to 'good' or even 'typical' behaviours and being sparing with a finite resource are not strong drivers. [E007]
- Attitudes towards waste don't necessarily ring true when it comes to water behaviour. [E007]
- Changing habits is difficult because there is no reward or no concrete consequence. [E004]
- Numerous factors make educating the public on this topic challenging: [E006]
    - People are sick of being berated for their behaviours.
    - Don't want water to be another one on the list of things they need to worry about
    - People feel they're constantly being told to use less of everything, and it can feel tiresome
    - People seek more positivity – praise for good behaviour, support, education and help to make changes.
- We see evidence of behaviour change during the heatwave – both using more water and saving water. However future customers lack the (financial) motivation to be more water conscious. Behaviour change needs to be driven by a better understanding of the impact and consequences of climate change on water resources. [E004]
- There are some behaviours future customers would find difficult to change but having learnt how much water they use they are open to trying to reduce their usage. [E004]
- Mixed response to the idea of adopting water saving behaviours [E007]
    - Concerns
        - Feel like there's nothing to save as they don't waste water.
        - Will the family join in?
        - Don't want to make compromises for limited benefit to yourself.
        - Concerns about hygiene esp. fewer showers, not flushing loo.
        - Worry about giving confusing or contradictory instructions to their children.
        - Don't want to burden their children with too much info on saving – don't want to give them eco anxiety.
- Mixed response to the idea of adopting water saving behaviours [E007]
    - Negatives
        - General dislike for the yellow mellow idea
        - Having to sacrifice specific things e.g., water pressure, cleanliness/hygiene.
        - Having to rush through things can be stressful e.g., showers.
        - For those who have medical conditions it may be difficult to cut down water usage helps with their ailment e.g., arthritis.
        - Some water usage behaviours contribute to wellbeing e.g., long showers or regular baths
- For attributes F ("taking water out of rivers and streams"), H ("improving river and coastal water quality"), and I ("achieving net zero carbon emissions") customers are willing to pay for incremental improvements in service, but only in the simple model do we see that customers' willingness to pay for incremental improvements in service outweighs the additional value they place on the status quo. [E008]
- 25% of customers believe that it's too expensive to get water-efficient devices and appliances. [E051]

Perspectives on future investment and water use

- There was a willingness on the part of respondents to undertake actions that would reduce water use, but a large share of respondents also had the view that more support was needed from companies and Government to help achieve this. The strongest level of support from both households and non-households was for a moderate level of reduction in water use. [E010]

- Respondents also recognised the importance of reducing their own water use but felt that more support could be provided to customers by companies and Government to help achieve this. [E010]
- A per capita consumption level of 110/l/p/d was the preferred target for both household and non-household respondents. This was preferred to both lower and higher reduction levels from a current position of 140l/p/d. [E010]
- The majority of customers supported higher frequency of less severe restrictions such as hosepipe bans and the potential inconvenience it would cause, if this would contribute to keeping more water in the environment and protecting sensitive habitats. [E011]
- Customers favoured earlier investment in new supply options, even if this had increased risk that they may not be needed, or they could be the wrong size. For customers the benefits of acting early and being prepared outweighed the potential benefit of waiting for more certainty in the future before acting. [E011]
- When it comes to customer-side demand management, customer education was accepted by 74% whereas separation-sustainably preventing rainfall entering sewers was accepted by only 39%. [E015]
    - The reasons for which customers found customer education UNACCEPTABLE was due to them finding it unnecessary and due to customers preferring money used for different activities.
    - When it comes to separation, the reason for which customers found the action UNACCEPTABLE was because of the high cost and the seemingly no significant impact.

Sustainable abstraction / Reducing reliance on rivers and groundwater

Insight sources: [E009] [E010] [E012] [E013] [E016]

Customers support companies taking actions to protect and improve the environment by reducing the dependency of water supply on surface and groundwater abstractions. Similar to the perspective customers have towards environmental factors, customers are willing to pay for improvements resulting in the reduction of the reliance on rivers and groundwater. Both HH and NHH are in agreement here and they would like results that are higher than the WW target (they are more ambitious). Customers would like to achieve this through a supply-based methodology rather than demand as they do not have confidence in other customers following best practices in the near future.

Customers' willingness to pay for advancements in sustainable abstraction

- Customers are willing to pay for improvements in sustainable abstraction beyond the target 10 ML/d. When given free choice, most customers chose materially more than 10 ML/d of sustainable abstraction activity. [E016]
- It is reasonable to assume that customers are willing to pay: [E016]
    - At least £2.22 per ML/d for improving SA by ca. 3 ML/d (Exercises 1 and 3) and ca. 12 ML/d (Exercises 2 and 4) through Leakage reduction;
    - At least £0.34 per ML/d for improving SA by ca. 1 ML/d (Exercises 1 and 3) and ca. 4 ML/d (Exercises 2 and 4) through HH Support;
    - At least £0.09 per ML/d for improving SA by ca.1.5 ML/d (Exercises 1 and 3) and ca. 5 ML/d (Exercises 2 and 4) through NHH Support;
    - At least £1.35 per ML/d for improving SA by ca. 1 ML/d (Exercises 1 and 3) and ca. 3.5 ML/d (Exercises 2 and 4) through Smart Meters; and
    - At least £0.16 per ML/d for improving SA by of 1 ML/d (Exercises 1 and 3) and ca. 3.5 ML/d (Exercises 2 and 4) through Regulation.

- We find that for five of the six methods of SA, customers' selected volumes of SA improvement is not sensitive to the bill impacts they face within the survey to select higher or lower levels of it. Hence, we conclude that customers are willing to pay a price per ML/d up to the maximum bill impact per ML/d shown in the survey, up to their preferred total level of ML/d, with no evidence that their willingness to pay diminishes over this range. For instance, this means that when customers are presented with WW's target of 10 ML/d, they are willing to pay at least £2.22 per ML/d to improve SA by 3 ML/d (£6.66 in total) through leakage reduction. [E016]
    - For context current ML/d is 7 thus an increase of 3ML/d is needed which brings our WTP to £6.66
- Finally, we tested whether customers' preferences changed when faced with a choice exercise that more realistically reflected the costs and feasibility constraints of WW's actual planning problem to achieve its 10 ML/d target. Overall, we find similar results to those expressed in the preceding exercises. Customers still want WW to achieve the target improvement in SA through a mix of methods which prioritises leakage reduction, with an average impact on their annual bill of £6. [E016]
- Customers' WTP for one additional ML/d to be saved through building a reservoir. This table should be read as follows. Looking at the second column, WTP (£ per ML/d) to achieve target 10 ML/d, we see that customers are WTP £1.96 per ML/d for the first ML/d saved and a further £0.46 per ML/d for the second unit. Therefore, if WW were to build a reservoir to reduce abstraction by 2 ML/d in total, then the average customer would be WTP in total an additional £2.42 per year on their bill to fund this. [E016]
- Overall, the combined evidence on all six activities suggests that customers are WTP for some amount of each method and would prefer that WW invest in a mix of methods to achieve improvement in sustainable abstraction. Customers' most preferred methods appear to be leakage reduction, building a reservoir, and supporting NHH customers to reduce their water consumption. However, although customers do exhibit a preference for a reservoir in small amounts, they may not be willing to pay for a reservoir at its feasible scale (i.e., providing 30 ML/d of reduction in water abstracted) solely to improve sustainable abstraction. [E016]
- There is clear evidence that customers are willing to pay for WW to invest to improve the sustainability of its abstraction activities by more than its 10 ML/d target. In the two exercises where customers were not restricted to the target of 10 ML/d but could choose their preferred amount of ML/d, customers typically chose a materially higher amount of sustainable abstraction. On average, they selected 35.1 ML/d in Exercise 2 and 36.3 ML/d in Exercise 4, which increased the total annual bill by £23 in each case. [E016]
- On average, in this exercise customers selected options that led to a £6 increase in their annual bill. [E016]

Methods of improving sustainable abstraction

- When asked about specific constraints on sharing water, participants strongly supported sharing to protect the environment. [E009]
- Participants' preference for supply options was reinforced by a c.60:40 split between supply and demand options in the mini water resource planning exercise. Customers also recognise that there is a need to use multiple approaches for water resource planning, rather than rely on a single approach or solution. [E009]
- Greywater Treatment and Reuse [E012]
    - A popular option
    - Makes complete sense to reuse for non-drinking purposes.
    - Reduces guilt in sending 'clean' water to sewage.
    - Some knowledge of existing toilets with integrated basins, so doesn't feel too far a stretch.
    - For consumers it is ideal if the system is contained within their own household
    - Could be integrated into new developments.

- Potential costs/accessibility would be a barrier.
- Some interested among NHH if help provided.
- Water retailers feel there is an opportunity for Wessex to have effective dialogue with practical solutions for businesses.

- Of the six methods available, customers' most preferred methods are leakage reduction and building a new reservoir. However, customers do not want WW to rely on these two methods exclusively. They prefer a strategy that includes some of each of the six methods. [E016]
- On average, customers are motivated by the aim of improving the sustainability of WW's abstraction activities and want WW to do this using the methods that are most likely to be effective (i.e., they prefer methods where they perceive there to be less risk of failure to improve sustainability). While cost is a concern for some customers, for most customers it is a secondary consideration. [E016]
- Direct debit customers select significantly higher levels of HH support and regulation when unconstrained (i.e., exercises 2 and 4) than other customers. Again, direct debit customers are likely to have more disposable income than other respondents and therefore be less constrained by cost. It may also be the case that individuals who are willing to set up direct debits are more trusting of their water company and therefore more willing to pay for measures like HH support and regulation, whereas less trusting customers may be sceptical regarding the effectiveness of these measures. [E016]
- Looking at customers' choices for each method individually when they are not constrained to meet WW's 10 ML/d target, we again see that customers choose less leakage reduction and more HH and NHH support. However, in this case customers also increase the amount of reservoir and regulation that they choose. [E016]
- Looking at the total amount of improvement in sustainable abstraction that customers choose, we see that between Exercise 2 and Exercise 4 respondents increase the total amount of improvement they select by 1.22 ML/d on average. However, there is no significant increase in customers' bills between Exercise 2 and Exercise 4. [E016]
- Overall, this means that once customers learn more about the six different methods, they are more willing to select the less expensive methods, so they can achieve more improvement in sustainable abstraction for the same overall bill impact. However, the impact of additional information is small. [E016]
- Respondents typically preferred leakage reduction and building a new reservoir, despite these being the first and third most expensive methods. Almost 41 per cent of respondents allocated at least 4 of the 10 ML/d to leakage reduction, and almost 23 per cent allocated at least 4 ML/d to reservoir construction. Only 1 out of 10 customers did not allocate any ML/d to leakage reduction. [E016]
- We find that for five of the six methods WW could use to deliver SA, customers' preferences on how much of each method WW should implement are not driven by price. This is true both when customers are asked to select an amount of each method to meet a target of 10 ML/d of water saved and when customers have the freedom to choose any amount of water saved. [E016]

General outlook customers have regarding the reliance on river and groundwater

- There was strong support from both household and non-household respondents for measures that will reduce the dependency of the water supply system on surface and groundwater abstractions, particularly from sensitive catchments. There was a clear preference for going beyond the minimum requirements for the environmental ambition of the plan, to provide enhanced outcomes for biodiversity in the region, and also benefit communities by improving local environmental quality. [E010]
- Respondents supported companies taking actions to protect and improve the environment by reducing the dependency of water supply on surface and groundwater abstractions. [E010]

- There was a positive view on measures to protect and improve the environment by reducing the dependency of water supply on surface and groundwater abstractions. [E010]
- Customers would like WW to pursue a strategy that prioritises leakage reduction and building a new reservoir but includes some of each of the six methods. [E016]

Sustainable abstraction / Leakage

Insight sources: [E009] [E010] [E016] [E023][E059]

When it comes to sustainable abstraction, leakage reduction is seen as the most preferred method for customers even though it is the most expensive. However, as customers desire water saving goals to be higher than the current goals of Wessex Water, they do realise that due to the high cost associated with it, leakage reduction should not be favoured in large scale applications. Regardless, customers would like to see investment done into leakage reduction even if it is not the sole method of reducing water demand in the region. High leakage levels undermine efforts to encourage customers to reduce their consumption.

- Reducing leakage was amongst the most supported options to reduce demand. [E009]
- Regarding the relative preferences expressed by customers between these alternative options, the evidence suggests that customers tend to place most value on leakage reduction and reservoir construction, with less value in £ per ML/day of SA improvement placed on the alternatives. [E016]
- Of the six methods available, customers' most preferred methods are leakage reduction and building a new reservoir. However, customers do not want WW to rely on these two methods exclusively. They prefer a strategy that includes some of each of the six methods. [E016]
- The evidence does not suggest that customers prefer WW to meet the SA target in the least expensive way possible. In general, customers would like WW to achieve SA primarily through leakage reduction, which is typically the most expensive method offered. [E016]
- When customers could freely choose their preferred amount of SA, they again chose less leakage reduction (by 0.2 ML/d) and more HH and NHH support (by 0.4 and 0.7 ML/d, respectively), but also more reservoir construction and "regulation" (by 0.1 and 0.2 ML/d, respectively), overall increasing the total amount of SA selected by approximately 1.2 ML/d. However, since customers tended to reduce the amount to be delivered by the most expensive option (i.e., leakage reduction), the total bill impact did not increase. [E016]
- Customers still want WW to achieve the target improvement in SA through a mix of methods which prioritises leakage reduction, with an average impact on their annual bill of £6. [E016]
- Increased effort to reduce leakage tended to be a secondary factor for customers, compared to other outcomes. Household respondents had a clear preference for the 50% reduction in leakage target to be achieved by 2050. Non-households, however, did not favour enhanced effort for reducing leakage over continuing levels of repair and maintenance. [E010]
- Consumers have an impression that all of the issues discussed are within the control of the water companies. There is a damaging cycle which stems from leakage and storm overflows which influences negative views on other issues. [E059]
- Leakage is one of the most emotive topics – and one that exacerbates most others. Consumers feel very strongly that leaks are within the control of water companies and that they are a fundamental responsibility in terms of the day to day running of a water company. [E059]
- There is a causal link made between leaks and hosepipe bans. The amount of leakage frustrates consumers and it undermines any calls to action from water companies to play their part by reducing water use and observing hosepipe bans. [E059]
- 87% of people believe the service providers/water companies/sewerage companies should be responsible for water leaks. [E059]
- Just over two fifths (44%) had heard about water leaks in the last few months, with those in the Southeast (55%) and under a hosepipe ban (58%) significantly more aware of this key topic

compared to the total. Those with a water meter (48%) are more likely to have heard about water leaks compared to those who do not (42%). [E059]
- Two thirds (67%) felt hearing about water leaks had a negative effect on the perceptions of their water company. In comparison, three in ten (29%) said it had no effect and for a minority (5%) a positive effect. [E059]
- When reviewing the proposed plan, there is customers support for Wessex Water to go further in its leakage targets. [E023]

Priority ranking of 2030 goals – Your Say Your Future [E014]

Sustainable abstraction is seen as the **6th** most important outcome for 2030.

- Not ranked as very high on the agenda by customers, potentially due to terminology used – it was often necessary to explain 'abstraction'.
- Leakage was more emotive, but goal not noticed by many customers.
- By contrast, leakage was a top concern for many stakeholders, with a strong feeling that the water industry needs to address this. Some felt that there should be no shareholder dividends until it is sorted.

+ Smart meter installation targets welcomed by many, particularly cost-conscious customers and those who had experienced a reduction in bills since having a meter installed
+ Good understanding of concepts around reducing abstraction once customers understand terminology.

– Confusion over what exactly 'sustainable abstraction' means and suggestion that simply complying with abstraction licenses does not go far enough.
– Low awareness of drought risks amongst customers limits engagement with Outcome Area
– Suspicion around smart meter initiative – perception that they aren't accurate and lack of trust in Wessex Water to fairly pass on savings to customers
– Lack of detail around initiatives to reduce leakage – this topic elicited strong feelings from those customers who noticed this goal.

Long-term insights

"To help make the right decisions for the long term, water companies should set out their five-year business plans in the context of a 25-year long-term delivery strategy. These strategies will outline the long-term outcomes the company aims to deliver, and how they will deliver them in a range of plausible futures." Ofwat, April 2022[3]

As part of its final PR24 methodology[4], Ofwat expects companies to undertake company-specific research to understand customers' views on the nature and phasing of delivery of statutory requirements for both PR24 and beyond and to inform company proposals across a range of areas, including for their long-term delivery strategies.

This section seeks to summarise the evidence from customers and stakeholders which has helped to inform Wessex Water's understanding of customers' views on a range of topics for PR24 and beyond, helping to identify where the business should look to deliver against customers' needs and priorities in the long-term. A link back to each relevant Outcome summary has been provided in the table below.

Outcome 1: Affordable bills – Outcome 1
Future customers' economic outlook • There's a sense that future customers will be burdened with the costs of Covid-19 through rising inflation, increased taxation and property costs. It's important that future customers are adequately represented in future willingness to pay/investment studies. [E001] • Future customers are showing an increased pessimism related to the cost of living and a poor economic outlook. Specifically they appear more conscious of the pressure on bills and feel ill-prepared for what this will mean for them. [E004] Long-term affordability of bills • The second priority for 22% of customers for Wessex Water to focus on over the next 25 years was affordable and fair bills for everyone (22%). [E054] • Biggest concern is the cost of living crisis: all appreciate they will be affected by this in the near future. Specifically worry they will be unable to pay bills in the future. [E004] • Customers most commonly supported delaying investment to reach and support 100k customers in water poverty by 2040 rather than 2035 or 2030 due to the slower associated bill increases. [E023]
Outcome 2: Excellent customer experience - Outcome 2:
Wessex Water makes providing support for customers in vulnerable situations • Customers (all) and stakeholders expect policies and practices from companies like Wessex Water that support the most vulnerable in the communities they serve and ones that acknowledge the growing wealth gap. [E001] Digital Futures • Customers expect leading customer service across touchpoints (digital, telephone), brand expertise and influence, continual innovation. [E001] • Customer and stakeholder expectations in the use of technology are significantly higher than the current state of play in the water sector and this gap has been identified as a significant challenge for Wessex Water. [E001]
Outcome 3: Safe and reliable water -
Water quality

[3] PR24-and-beyond-Final-guidance-on-long-term-delivery-strategies_Pr24.pdf (ofwat.gov.uk)
[4] https://www.ofwat.gov.uk/publication/creating-tomorrow-together-our-final-methodology-for-pr24/

- The top priority for a third of customers (33%) for Wessex Water to focus on over the next 25 years was safe quality drinking water. [E053]

Investment in infrastructure and resilience

- Supply resilience was ranked highest priority on average for household customers, with little difference between the next two factors – improving the environment and reducing the demand for water. [E009]
- Drought resilience - Customers were aware of the future water supply challenges in the South West, although had limited understanding about the impacts of extreme drought. Severe water use restrictions like rota cuts were perceived as difficult to cope with and generally unacceptable. [E011]
- Customers supported investment now that would benefit future generations. They typically expected the cost to be spread out over the period to limit the bill impact, and some customers flagged their support was conditional on the size of the bill impact. [E009]

Outcome 4: An effective sewerage system -

Investment in infrastructure

- When customers are asked how to invest to reduce or resolve wastewater pollution incidents, the highest percentage of customers wanted to increase investment now to 2030 rather than increase slowly between now and 2040 or 2050 for example. [E015]
- There were high levels of acceptance and support for the legally required investment in reducing storm overflows. However, enhanced investment is not affordable for many customers. [E023]
- The phrase

Views of future customers on storm overflows and wastewater pollution

- River pollution from sewage is a significant concern with over a quarter of future customers and over a third of adults putting it in their top 3 concerns. [E003]
- Once informed about CSOs, future customers view as an urgent issue that requires action. [E003]
- Future customers believe solutions for CSOs should be multi-faceted with short term measures such as building awareness and education but also longer-term infrastructure projects. [E003]
- Micro plastics are of high concern to young people/future customers. [E003]

Views of future customers on upgrade/maintenance of the wastewater system

- Future customers conclude that the drainage system needs overhauling e.g. water storage on a large scale; pipe separation. Customers are aware this is long-term and expensive though think it must be done. [E003]
- Education is expected to have a longer-term impact on influencing social norms (relating to drainage and wastewater) - if unlikely to change behaviour in the short term. [E004]
- Future customers prioritise increased treatment capacity as a solution. [E004]
  - Future customers felt the need to spread their risk and invest in several options rather than focus on a few
  - When money is no object, future customers favour the reliability of increasing treatment capacity and educating people on 'good' flushing behaviours
- Future customers tended to prioritise other solutions above rainwater management. [E004]

Outcome 5: Biodiversity improvement -

- Services which do or might impact people directly are seen as most important. Similarly, service aspects with immediate impact or consequences are a higher priority than those with consequences in a more distant future. For example, the appearance and taste of water is seen to be more important than biodiversity. [E049]

- In contrast to the adult population, future customers appear more concerned about loss of habitats and biodiversity – but a little less concerned about river pollution. This might be a stronger messaging idea for younger audiences. [E003]
- Both current customers on the Wessex Water panel and future customers across the region are initially more impressed with the idea of a water company supporting the environment than supporting communities or the local economy. This reflects both stated priorities and what they think Wessex Water currently focuses on. [E004]
- For future customers, people & community based initiatives e.g. promoting local projects, social mobility and the local economy appear to have more impact than purely environmental options. [E004]

Outcome 6: Excellent river and coastal water quality -

Investment in infrastructure

- Increasing treatment capacity was seen to have a high certainty in reduction of incidents, reduced impact on rivers. Disruption and cost seen as acceptable for longer-term again [E012]
- Future customers prioritised increasing treatment capacity and favour its perceived reliability [E004]
- When customers are asked how to invest to reduce or resolve wastewater pollution incidents, the highest percentage of customers wanted to increase investment now to 2030 rather than increase slowly between now and 2040 or 2050 for example. [E015]
- Customers expect their water company to cause minimal negative environmental damage, including not dumping waste into rivers and seas as this is perceived to be directly related to water supply/quality and Fines etc. Customers hear about this in the news, which strengthens expectations that this will be a standard water companies have to meet. [E045]

Views of future customers on storm overflows and wastewater pollution

- River pollution from sewage is a significant concern with over a quarter of future customers and over a third of adults putting it in their top 3 concerns. [E003]
- Micro plastics are of high concern to young people/future customers. [E003]

Outcome 7: Net zero carbon -

Views of future customers on net zero and climate change

- Young people are entirely removed from the world of water and waste services: the YPP experience is revelatory for them. Once they understand the impacts of climate change on a water company they are more engaged. [E002]
- Climate change weighs heavily on the minds of our future customers, with most worrying about it 'from time to time' and some worrying 'everyday'. [E003]
- Future customers believe the government is primarily responsible for tackling climate change with companies a close second. Companies engage in behaviours most detrimental to the climate and therefore shoulder more responsibility for addressing the problem. [E003]
- Future customers have concerns about the environmental impact of heatwaves. [E004]
- Future customers believe that becoming carbon neutral by 2030 by a continuation of activities including energy efficiency practices and investment in renewable energy goes above and beyond legal requirements.[E005]
- Leading the improvement of the natural environment of our region through our work to adapt to and mitigate climate change, reduce pollution, conserve water, promote sustainable agriculture and eliminate single use plastic - is seen as a priority by future customers. [E004]

Attitudes towards net zero of our wider customer base

- Everyone is now conscious of "climate change" and environmental issues although levels of understanding vary across customers. Customers need to feel that Wessex Water is committed to environmental change, they want to see ambitious and specific outputs. [E001]

- When customers were asked to choose the top five issues which they were most concerned about, customers most commonly chose climate change (65%). [E054]
- Whilst there was a good level of support from both household and non-household customers for companies' ambition to achieve net zero across operations by 2050, there was no over-riding preference for achieving emissions reductions earlier. [E010]
- Customers view net zero and tackling climate change as an important issue and many feel this shouldn't be an 'optional extra'. However, generally do not accept that they should have to contribute financially towards Wessex Water's efforts to decarbonise its operations. [E023]

Outcome 8: Sustainable abstraction - Outcome 8: Sustai e abstraction

Smart meters

- Although environmental benefits [of smart meters] are not top of mind, they are valuable to businesses looking to the future. [E051]
- Customers expressed low levels of support for the roll-out of smart meters by 2030 for a number of reasons, including concerns/lack of clarity of the cost impacts of their water habits and what the benefits to customer will be. It was seen as a lower priority compared with other areas of the plan and many questioned why they were being asked to pay for this. [E023]

Reducing demand

- Future customers believe that there is the need for people to be more conscious about water consumption. [E003]
- Future customers want to exercise behaviours to consume less water to both save up on money and help the environment but they feel like there are barriers preventing from achieving changed behaviour, primarily lack of clear information to define actions and minimal savings. [E004]
- We see evidence of behaviour change during the heatwave – both using more water and saving water. However Future customers lack the (financial) motivation to be more water-conscious. Behaviour change needs to be driven by a better understanding of the impact and consequences of climate change on water resources. [E004]

Maintaining supplies

- Timing of investment - Customers favoured earlier investment in new supply options, even if this had increased risk that they may not be needed, or they could be wrong size. For customers the benefits or acting early and being prepared outweighed the potential benefit of waiting for more certainty in the future before acting. [E011]

Appendix

Sources

Event ID	Event Name	Date	Method	Number of attendees	Facilitated by
E001	Reviewing Strategic Direction and Social Purpose	Oct-21	Online / Face to face / Telephone interviews	1627	Accent
E002	2021-2022 Annual Presentation WW Image Tracker	May-22	Telephone / Online Panel Interviewing	1000	Blue Marble
E003	2021 Young People's Panel Final Report	Dec-21	In-person panel / online panel / School Surveys	326	Blue Marble
E004	2022 Young People's Panel	Nov-22	In-person panel / online panel / School Surveys	521	Blue Marble
E005	2021 Wessex Water Social Purpose	Apr-21	Discussion groups / Online Surveys	1620	Blue Marble
E006	2021 Garden Water Use	Nov-21	Longitudinal study / Online interview / questionnaire	3	Blue Marble
E007	Customer motivations: water saving & smart meters	May-22	Longitudinal study Qualitative interviews / In-Person workshops / Quantitative Surveys	824	Blue Marble
E008	Estimating Customers' Willingness to Pay for Changes in Service at PR24	Sep-22	Descriptive statistics / Qualitative research / Cognitive interviews / Pilot surveys	6813	NERA & Qa

E009	Customer Research to Inform the Best Value Water Resource Plan for the Southwest Qualitative research report	May-22	Online interviews	66	EFTEC, ICS
E010	Customer Research to Inform the Best Value Water Resource Plan for the Southwest Quantitative research report	May-22	Surveys	492	EFTEC
E011	Customer Research to Inform the Best Value Water Resource Plan for the Southwest Summary report	Jun-22	Online interviews / Surveys	0*	EFTEC, ICS
E012	Drainage and Wastewater Management Plan Research: Qualitative Findings	Sep-21	Workshops / Interviews	10	Accent PJM Economics
E013	2022-3 Water Tracker Q4	Apr-23	Telephone / Online Panel Interviewing	1000	Blue Marble
E014	2023 Your Say Your future Wessex Water Customer and Stakeholder Consultation	Apr-23	Web survey, depth interviews, conversation	176	Blue Marble
E015	Drainage and Wastewater Management Plan Research: Quantitative Findings	Jan-22	Surveys / Face to face interviews	2181	Accent PJM Economics
E016	Estimating Customers' Willingness to Pay for Sustainable Abstraction at PR24	Jun-23	Willingness to pay quantitative surveys	2555	NERA & Qa
E017	Customer Insight Summary for final DWMP / SRO	May-23	Surveys, Interviews	0*	Blue Marble, Nera, Qa
E018	2022-2023 Image Tracker Annual Presentation	May-23	Telephone / Online Panel Interviewing	1000	Blue Marble
E019	Social tariff Research: Wessex Water Panel	Jun-23	Interview	807	DJS Research

E020	Social tariff Research: Wessex Water, Bristol Water, Bournemouth Water	Jun-23	Interview (panel and face-to-face)	808	DJS Research
E021	Customer spotlight People's views and experiences of water	Apr-22	Online survey, telephone survey	3051	Savanta
E022	Water Affordability Scheme Funding – Opinion research	Mar-22	Online surveys, Fieldwork	2000	CCW
E023	Affordability and Acceptability Testing Interim report on Qualitative research for Wessex Water	May 23	Surveys, Face to face deliberative events	90	Blue Marble
E024	Continuous insight- Customer Feedback graphs	Jun 23	Survey	N/A	Wessex Water
E025	R-Mex Report Aug 2021	Aug 21	Survey	14	Mosl
E026	R-Mex Report Aug 2022	Aug 22	Survey	16	Mosl
E027	R-Mex Report Dec 2020	Dec 20	Survey	14	Mosl
E028	R-Mex Report Feb 2022	Feb 22	Survey	13	Mosl
E029	R-Mex Report Feb 2023	Feb 23	Survey	15	Mosl
E030	Vulnerability and affordability panel 13.07.21	Jul 21	Panel (meeting minutes)	9	Wessex Water
E031	Vulnerability and affordability panel 28.07.2020	Jul 20	Panel (meeting minutes)	11	Wessex Water
E032	Vulnerability and affordability panel 19.07.2023	Jul 23	Panel (meeting minutes)	9	Wessex Water
E033	Vulnerability and affordability panel 20.06.2022	Jun 22	Panel (meeting minutes)	10	Wessex Water
E034	Vulnerability Summit 2023	Jul 23	Panel	4000	Collaboration Network
E035	Wessex Water Tracker Q1_2023 Report	Jul 23	Telephone and online panel interview	250	Blue Marble
E036	CCW Research Report Water Matters 2022 Summary of Research Findings for Wessex Water	Jan 22	Survey	200	CCW
E037	Wessex Water Support Schemes Pilot Industry Report	Feb 22	Interviews	N/A	Blue Marble

E038	Winter Vulnerability advisory panel	Dec 22	Panel Meeting minutes	7	Wessex Water
E039	CAP Taking on UK Poverty 2023	May 23	Data Analysis Report	65336	CAP Christians againsts poverty
E040	Cost of Staying Alive Report 2022	Aug 22	Survey	1042	Kidney Care UK
E041	MMH Time to act	Feb 22	Survey	N/A	Money and Mental Health Policy Institute
E042	Ofwat Cost of living Wave 3 report	May 23	Survey	2600	Ofwat
E043	Ofwat Customer Licence Condition research	May 23	Data analysis report (7-day online community)	64	CCW
E044	CCW Ofwat Customer experiences of sewer flooding	May 22	Interviews, Workshop	50	CCW
E045	CCW Customer views on guaranteed standards scheme	Jul 23	Focus Groups, Interviews, Fieldwork	104	CCW
E046	Ofwat Trust and perceptions: People's views on the water sector	Feb 23	Online Survey	2016	Savanta
E047	Disability Price Tag 2023: the extra cost of disability	2023	Survey	19,000	Scope
E048	Water Matters 2022	May 23	Telephone Interview, Fieldwork	5502	CCW
E049	Ofwat CCW Research on customer preferences	Apr22	Focus groups, interview	86	CCW
E050	Ofwat CCW Business customer insight survey 2022	Oct 22	Survey	500	CCW
E051	CCW Smart Thinking – Metering for Business Customers	Mar 23	Survey, Interview	507	CCW
E052	CCW Testing the Waters 2022	Jan 23	Survey, Interview	1825	CCW
E053	Online Panel Survey Oct 21: Have your say newsletter survey 25 future plans No25	Nov 21	Survey	700	Wessex Water
E054	Online Panel Survey Apr 21: Have your say newsletter survey 25 future plans No 24	Apr 21	Survey	1050	Wessex Water
E055	Online Panel Survey Apr 22: Have your say newsletter survey 25 future plans No 27	Apr 22	Survey	824	Wessex Water

E056	Lifting the lid: the secrets of our water habits	Jan 23	Survey	2126	CCW
E057	River Water Quality Report	Jul 22	Survey	2329	Ofwat
E058	Awareness and perceptions of river water quality	Apr 22	Survey	2187	CCW
E059	Bridging the gap: Awareness and Understanding of Water Issues	Nov 22	Survey	2209	CCW
E060	Water Awareness Survey	May 22	Survey	1310	CCW
E061	Making ends meet insights from clients StepChange advice clients	Oct 22	Interview	16	Stepchange
E062	Tracking the impact of the high cost of living on UK households	Jun 23	Survey	2000	Money Advice Trust
E063	Living on Empty: a policy report from Citizens Advice	Jul 23	Survey	4268	Citizens Advice
E064	Wessex Water CSAT results	Jan 23	Survey	196	Wessex Water
E065	PSR Tailored Results	N/A	Survey	343	Wessex Water
E066	Customer Survey Dashboard - Dev	Apr 22	Survey	11049	Wessex Water
E067	PSR surveys April 2022 to date	N/A	Survey	794	Wessex Water
E068	Acceptability and Affordability Analysis	Sep-23	Survey	2,373	Blue Marble
E069	Ofwat Annual C-MeX and D-MeX report	Oct-22	Survey	1487	Ofwat / Accent

*This is a summary document of other sources so number engaged has been set at zero to avoid double-counting

Robustness scores of Sources

Event ID	Document Title	Methodologically sound	Rigorously gathered	Credibly interpreted	Overall Robustness Score (1-3)
E001	Reviewing Strategic Direction and Social Purpose	3	3	3	3.00
E002	2021-2022 Annual Presentation WW Image Tracker	3	3	3	3.00
E003	2021 Young People's Panel Final Report	2	3	3	2.67
E004	2022 Young People's Panel	2	3	3	2.67
E005	2021 Wessex Water Social Purpose	2	2	3	2.33
E006	2021 Garden Water Use	2	2	2	2.00
E007	Customer motivations: water saving & smart meters	3	3	3	3.00
E008	Estimating Customers' Willingness to Pay for Changes in Service at PR24	3	3	3	3.00
E009	West Country Water Resources: Customer Research to Inform the Best Value Water Resource Plan for the South West Qualitative research report	3	3	3	3.00
E010	West Country Water Resources: Customer Research to Inform the Best Value Water Resource Plan for the South West Quantitative research report	3	3	3	3.00
E011	West Country Water Resources: Customer Research to Inform the Best Value Water Resource Plan for the South West Summary report	3	3	3	3.00
E012	Drainage and Wastewater Management Plan Research: Qualitative Findings	2	3	3	2.67
E013	2022-3 Water Tracker Q4	2	2	2	2.00
E014	2023 Your Say Your future Wessex Water Customer and Stakeholder Consultation	3	3	3	3.00
E015	Drainage and Wastewater Management Plan Research: Quantitative Findings	2	3	3	2.67
E016	Estimating Customers' Willingness to Pay for Sustainable Abstraction at PR24 [DRAFT]	3	3	3	3.00
E017	Customer Insight Summary for final DWMP / SOR	3	3	3	3.00
E018	2022-2023 Image Tracker Annual Presentation	3	3	3	3.00
E019	Social tariff Research: Wessex Water Panel	2	2	2	2.00
E020	Social tariff Research: Wessex Water, Bristol Water, Bournemouth Water	2	2	2	2.00

E021	Customer spotlight People's views and experiences of water	3	3	3	3.00
E022	Water Affordability Scheme Funding – Opinion research	2	3	3	2.67
E023	Affordability and Acceptability Testing Interim report on Qualitative research for Wessex Water	3	3	3	3.00
E024	Continuous insight- Customer Feedback graphs	2	2	2	2.00
E025	R-Mex Report Aug 2021	3	3	3	3.00
E026	R-Mex Report Aug 2022	3	3	3	3.00
E027	R-Mex Report Dec 2020	3	3	3	3.00
E028	R-Mex Report Feb 2022	3	3	3	3.00
E029	R-Mex Report Feb 2023	3	3	3	3.00
E030	Vulnerability and affordability panel 13.07.21	1	1	2	1.33
E031	Vulnerability and affordability panel 28.07.2020	1	1	2	1.33
E032	Vulnerability and affordability panel 19.07.2023	1	1	2	1.33
E033	Vulnerability and affordability panel 20.06.2022	1	1	2	1.33
E034	Vulnerability Summit 2023	2	2	2	2.00
E035	Wessex Water Tracker Q1_2023 Report	3	3	3	3.00
E036	CCW Research Report Water Matters 2022 Summary of Research Findings for Wessex Water	2	2	2	2.00
E037	Wessex Water Support Schemes Pilot Industry Report	3	2	3	2.67
E038	Winter Vulnerability advisory panel	1	1	2	1.33
E039	CAP Taking on UK Poverty 2023	3	3	3	3.00
E040	Cost of Staying Alive Report 2022	2	2	3	2.33
E041	MMH Time to act	2	3	3	2.66
E042	Ofwat Cost of living Wave 3 report	3	3	3	3.00
E043	Ofwat Customer Licence Condition research	3	3	3	3.00
E044	CCW Ofwat Customer experiences of sewer flooding	2	3	3	2.67
E045	CCW Customer views on guaranteed standards scheme	3	3	3	3.00
E046	Ofwat Trust and perceptions: People's views on the water sector	3	3	3	3.00
E047	Disability Price Tag 2023: the extra cost of disability	1	1	2	1.33
E048	Water Matters 2022	3	3	3	3.00
E049	Ofwat CCW Research on customer preferences	2	2	3	2.33
E050	Ofwat CCW Business customer insight survey 2022	3	3	3	3.00
E051	CCW Smart Thinking – Metering for Business Customers	3	3	3	3.00

E052	CCW Testing the Waters 2022	3	3	3	3.00
E053	Online Panel Survey Oct 21: Have your say newsletter survey 25 future plans No25	2	3	3	2.67
E054	Online Panel Survey Apr 21: Have your say newsletter survey 25 future plans No 24	2	3	3	2.67
E055	Online Panel Survey Apr 22: Have your say newsletter survey 25 future plans No 27	2	3	3	2.67
E056	Lifting the lid: the secrets of our water habits	3	3	3	3.00
E057	River Water Quality Report	2	3	3	2.67
E058	Awareness and perceptions of river water quality	3	3	3	3.00
E059	Bridging the gap: Awareness and Understanding of Water Issues	3	3	3	3.00
E060	Water Awareness Survey	3	3	3	3.00
E061	Making ends meet insights from clients StepChange advice clients	2	2	3	2.33
E062	Tracking the impact of the high cost of living on UK households	2	2	3	2.33
E063	Living on Empty: a policy report from Citizens Advice	2	1	2	1.66
E064	Wessex Water CSAT results	2	2	2	2.00
E065	PSR Tailored Results	2	2	2	2.00
E066	Customer Survey Dashboard - Dev	2	2	2	2.00
E067	PSR surveys April 2022 to date	2	2	2	2.00
E068	Acceptability and affordability testing – quantitative findings	3	3	3	3.00
E069	Ofwat Annual C-MeX and D-MeX report 2021-2022	3	3	3	3.00

*This table does not include the contributary scores which assess the extent to which each source addresses the specific sub-topics, nor does it include the segment and coverage scores which assesses the extent to which different customer segments are included in the research.

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