



Evidence against quality tests

# Engagement and affordability



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# 1. Introduction

This document summarises how our high quality and ambitious customer and engagement has shaped our plan. It sets out compelling evidence that we have met and exceeded Ofwat's minimum expectations in relation to engagement and affordability. It explains how we have ensured that we have developed an understanding of our customer priorities, needs and requirements. It explains how we have engaged on the issues that matter to them and shared a realistic and contextualised range of options for meaningful feedback.

We summarise our approach to developing a programme of meaningful engagement that seeks to represent the views of every customer and to use their views and preferences to develop our proposals. We describe how we have combined bespoke best practice PR24 engagement research with our highly regarded continual programme of ongoing insight to co-create our plan with our customers.

We set out how we have used our rigorous **INFORM – LISTEN – REPLAY – IMPLEMENT** process, alongside our four phased engagement programme, to ensure that we accurately reflect the range of our customer views in a timely manner.

We explain how we have refreshed our sampling and segmentation strategy to ensure that we taken account of the views of both our current and future customers, as well as those who struggle, or are at risk of struggling, to pay their bills.

We describe how we have **engaged meaningfully** with our customers to understand their priorities for improved outcomes for customers, communities and the environment for 2025-2030 and beyond, including their views on how and when statutory requirements are best delivered.

We set out how we have taken account of affordability in our overall business plan and long-term delivery strategy, using our customers and stakeholders views to inform our proposals to phase investments and service improvements to deliver what matters most first.

We demonstrate how we will deliver our **stretching ambition to ensure water is affordable for all** - whether current or future customers, whether struggling or at risk of struggling to pay. We set out our focus areas for supporting our customers: **using data wisely, growing partnerships, community engagement and improving the customer journey**. We describe how we will proactively enrol customers onto social tariffs and will undertake trials of innovative fairer approaches to charging.

We demonstrate how we have followed Ofwat's guidance and CCWater (CCW) recommendations to assure and synthesise our evidence engagement. This enables us to incorporate the fullest possible range of evidence in our planning. We describe how our research has been independently synthesised by Frontier Economics, supporting us to understand the depth and breath of customer views on areas that are a priority to them, enabling us to develop a plan that is in line with their expectations of investment at an affordable price.

We explain how we have shared the research outputs with our customers, through our innovative WaterShare+ initiative and digital communication to our customers.

## 2. Document Map

The primary documents within the business plan submission are illustrated below. Other supplementary information, reports and documents are also referenced within these documents and can be accessed using a link in the document, where appropriate.

# South West Water PR24 document plan

28 Sept 2023

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**Level 1 • Main documents**






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**Level 2 • Our strategic priorities**



**Water quality and resilience**



**Storm overflows and pollutions**



**Net zero and environmental gains**



**Addressing affordability and delivering for customers**



**Action plans to 2025**

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**Level 3 • Evidence against quality tests**



**Risk and return**



**Outcomes**



**Long-term delivery strategy**



**Data, information and assurance**



**Costs and efficiency**



**Engagement and affordability**



**Track record of delivery**

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**Level 4 • Supporting documents and data table commentaries**



**Deliverability and supply chain**



**Markets and competition**



**Enhancement business cases**



**What we have heard from customers and communities**



**Data table commentaries**

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**Strategic plans to 2050**









### 3. Executive Summary

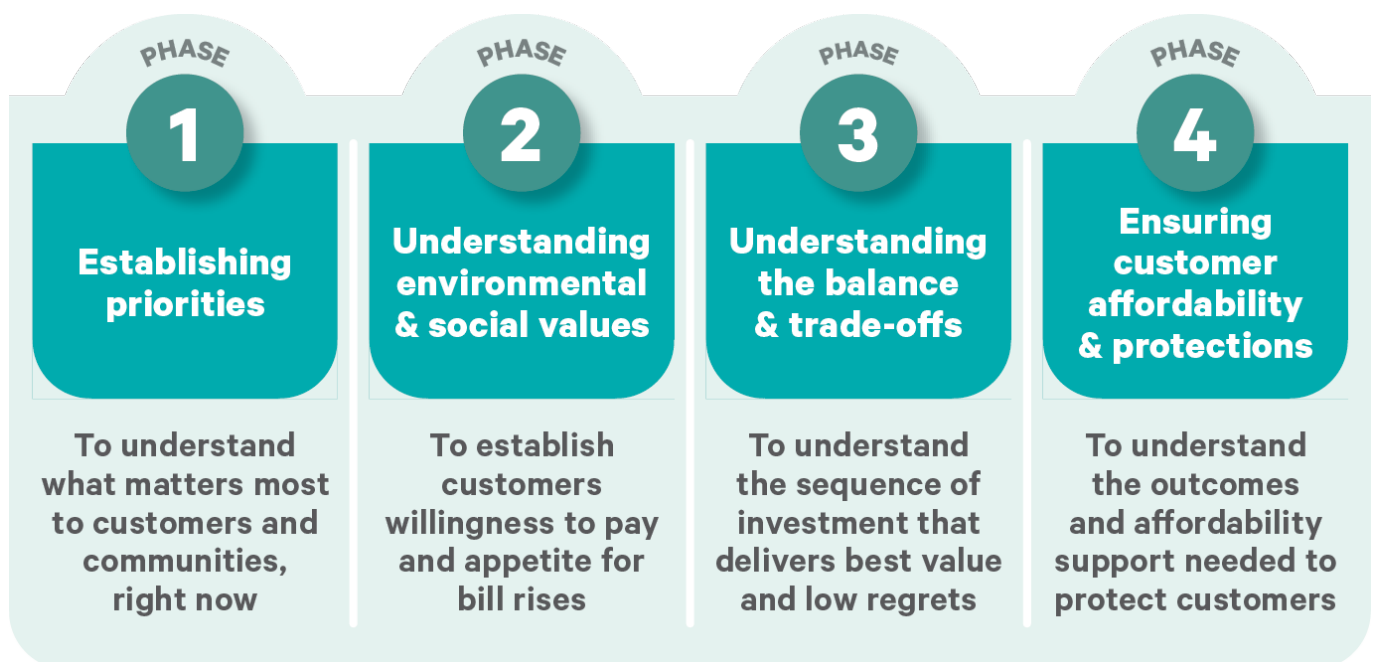
Working in partnership with our customers is at the heart of everything we do. We have co-created our plan with our customers, including local communities to ensure that our plan is clearly driven by what matters most to our customers and communities. We have also ensured our plan is balanced, working hard to keep bills as low as possible.

We have undertaken a comprehensive and high-quality programme of customer and stakeholder engagement that is broad and inclusive, robust and effective. We have worked hard to apply it consistently throughout the development and delivery of our work programmes across the region.

We have continued the customer research programme commenced in PR19, with an extensive customer engagement plan that aims to understand the views from all the different customer groups we serve. We have undertaken our engagement in four phases to ensure that each piece of research delivers key insight required to inform our plans. This has allowed us to provide structure to the research and ensured inputs to the business planning process are carried out at the right time to enable customer views to inform our plans.

We have engaged proactively and directly with over 250,000 customers, empowering them by tailoring our range of engagement tools to suit their participation needs – surveys, workshops, focus groups and interviews – as well as our day to day interactions – tracking surveys, post work feedback, post event feedback, amongst others – to build up and leverage our insights to co-create our plans.

Our Watershare+ model enables our customers to hold shares in our parent company, Pennon Group, giving them ownership of their local water company. It also gives all customers the ability to come along to talk directly to and challenge us, through our open, Watershare+ customer panel meetings. This unique model allows customers to become part of our customer panel, working with our independent panel to challenge our performance and have a say in what we do - to co-create our plans with us.



### 3. Executive Summary continued

We ensured that our engagement exceeds Ofwat's standards for high quality engagement and is:

- Inclusive – enabling everyone to have a voice
- Robust and effective – working collaboratively with our partners to drive high quality, comprehensive, meaningful engagement that makes a difference
- Business as usual – applied continually and consistently throughout the development and delivery of our work programmes across the region – to empower customers and communities everyday.

Our engagement has underpinned our plan ensuring our plan reflects the unique nature of our region and our customers' and communities' priorities no matter where they live – from the Isles of Scilly, through Devon, Cornwall, Bournemouth and Bristol.

We have built in feedback loops into our programme at every stage through our rigorous **INFORM – LISTEN – REPLAY – IMPLEMENT** process. This ensures that our programme builds our knowledge around what matters most to our customers over the programme.

We have commissioned independent expert synthesis, triangulation and assurance of our research and engagement findings to ensure that we have listened to and fairly balanced the needs of all. We have welcomed the challenge provided by our independent, expert WaterShare+ customer panel.

Our overall customer engagement programme has been closely overseen by our Board and ensured clear lines of communication from the WaterShare+ panel to our Board (for example, through meeting attendance to update on progress and any issues to provide a backstop that ensures customers views are heard at Board). Overall, we are confident that we have met and exceeded Ofwat's customer engagement, challenge and assurance standards.

Affordability is a key focus for us. We provide a critical service to customers across our region and our plans for the next five years reflect a significant step forward in meeting the expectations, needs and priorities of all our customers across our region. Our engagement programme has given us confidence that we are delivering the right investment and outcomes for customers, at the right time. However, we know that with the scale of investment at an all time high, as well as the cost of living crisis continuing, it is more important than ever to ensure that our plan represents the right price; i.e. it is both efficient and affordable for our customers.

We have built a five-step approach to ensure our bills are affordable:

1. Balancing investment needs over the current and future periods to ensure we meet customer expectations and legal and regulatory requirements, whilst considering the impact on bills;
2. Challenging our delivery to be as efficient as we can, both in delivering the investment programme as well as underlying base expenditure
3. Proposing new charging mechanisms, to deliver fairer bills
4. Ensuring customers are empowered to use only the water they need, through smart metering and water efficiency; and
5. Supporting those that may have financial vulnerabilities to ensure they have an affordable bill.

Working in partnership with our stakeholders, we have made difficult decisions about the pace and scale of investment to reflect our customers' priorities and balance the needs of all. Our programme of research has carefully synthesised the views of both current and future customers around the pace and scale of investment to ensure that our long-term plans are fair and affordable across generations. We also ensure plans are cost efficient, challenging ourselves to deliver for less.

We continue to innovate and plan to pilot new approaches to charging customers in line with our ambition to strive for fair charging for all. Our Affordability Toolkit provides additional support for helping customers lowering their bills, in addition to the support we provide with metering and water efficiency to ensure customers only pay for what they use. We made a stretching and ambitious board commitment five years ago to eradicate water poverty in our region. We will continue to deliver this commitment, despite increasing investment, through our leading four-pillared approach to ensure customers who need help paying their bill receive it.

Overall, we are confident that:

- ✓ our plan reflects what matters most to our customers
- ✓ we have engaged meaningfully with our customers to understand their priorities for improved outcomes, including how and when statutory requirements are best delivered
- ✓ we have set out stretching and ambitious plans to further enhance affordability for all, whether currently at risk of struggling to pay, whether current or future customers
- ✓ we have exceeded Ofwat's engagement, affordability and acceptability tests, including Ofwat's standards for high quality engagement.

## Key messages



We have carefully considered how our customer engagement and affordability plans represent the views of all of our customers and ensured that our plans are affordable for all.



We have undertaken a comprehensive and high-quality programme of customer engagement that is broad and inclusive, robust and effective.



We have engaged proactively with over 250,000 customers enabling us to understand the views of all our different customer groups.



We have ensured that our engagement meets Ofwat's standards for high quality research



Our unique WaterShare+ scheme enables customers to hold shares in our parent company Pennon Group, giving them ownership of their local water company. It also provides the opportunity for customers to talk to us at our regular WaterShare+ Panel meetings in public.



We have welcomed the challenge from the WaterShare+ Panel on our customer engagement and our plans for affordable bills.



Our 5 step approach to affordable bills for all sets out how we will achieve this, including the use of innovative tariffs.

## 4. Ofwat's Quality and Ambition Assessment Tests

This document is part of the overall business plan providing key information about our proposals. Delivering high quality engagement and exceeding Ofwat's expectations, we have clearly gone beyond Ofwat's Quality Assessment Tests for customer engagement, affordability, and acceptability.

### Quality Test Area: Minimum expectations for Customer Engagement, affordability and acceptability.

Ofwat's Quality Assessment Test Area	How we have met these	Further evidence can be found in
<p>The company's plan provides sufficient and convincing evidence that our customer engagement activities meet Ofwat's standards for research, challenge and assurance.</p>	<p> We set out in this document how we have worked carefully with our research partners to ensure that every aspect of our customer engagement research exceeds Ofwat's standards for high quality research, challenge and assurance.</p> <p>We have built Ofwat's tests into the development of our research programme and projects. We have carefully designed our programme of research to ensure that each piece of research uses thoroughly tested engaging materials to enable meaningful engagement. Each research project has a clear practical purpose and is timed to enable customer views to inform our plans.</p> <p>Our overall programme seeks to reach every one of our customers, focusing on quality rather than quantity and synthesises insight together with evidence from our wider day to day interactions with our customers to shape our plans.</p>	<ul style="list-style-type: none"> <li>• Section 5 of this document</li> <li>• Frontier Economics assurance report</li> <li>• Peer review from Prof Ken Willis</li> <li>• Self Assurance Appendix of this document</li> <li>• WaterShare+ report</li> <li>• Board assurance report</li> <li>• Engaging customers and Communities report.</li> </ul>
<p>The company's plan explains how we have taken account of views on the affordability of our proposals for all customers, including for those who struggle, or are at risk of struggling, to pay their bills.</p>	<p> We have carefully considered the views on affordability of all our customers, including those who struggle or are at risk of struggling to pay their bills.</p> <p>We developed a rigorous sampling and segmentation strategy and followed Ofwat/CCW's AAT guidance to enable us to ensure we have listened to those who struggle or are at risk of struggling to pay their bills.</p> <p>We have ensured that the views of those struggling or at risk of struggling to pay their bills have shaped our plans. Our research demonstrates that those struggling to pay support our action to invest now. The views of those struggling or at risk of struggling to pay have been particularly helpful in shaping our affordability and progressive tariffs work to ensure zero water poverty.</p>	<ul style="list-style-type: none"> <li>• Section 6 of this document</li> <li>• Segmentation strategy</li> <li>• AAT research</li> <li>• Engaging customers and Communities report.</li> </ul>
<p>The company's plan and long-term delivery strategy demonstrates that our proposals are likely to be fair and affordable for both current and future customers.</p>	<p> We have tested the bill impacts of alternative options for our plan and long term delivery strategy with both current and future customers.</p> <p>We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.</p> <p>We have heard that intergenerational fairness is a key priority of our customers who want to ensure that they pass on a resilient infrastructure to the next generation. They do not want to see short term cuts in investment at the expense of future generations, viewing this as a false economy.</p>	<ul style="list-style-type: none"> <li>• Section 7 of this document</li> <li>• Long Term Delivery Strategy</li> <li>• AAT research report</li> <li>• Engaging customers and Communities report.</li> </ul>

#### 4. Ofwat's Quality and Ambition Assessment Tests continued

### Quality Test Area: Minimum expectations for Customer Engagement, affordability and acceptability.

#### Ofwat's Quality Assessment Test Area

#### How we have met these

#### Further evidence can be found in

The company's plan provides sufficient and convincing evidence that we have followed our guidance for testing customers' views of the affordability and acceptability of our proposals.



We have designed our AAT research carefully to ensure that we have followed the Ofwat/CCW guidance for testing customers views on the affordability and acceptability of our proposals.

We shared materials with WaterShare+ customer panel and incorporated their feedback in the final materials.

We have gone further than required by Ofwat's guidance and have undertaken additional affordability and acceptability testing as our plan has evolved in response to evolving government requirements.

- Section 8 of this document
- Appendix 1 of this document
- AAT research report
- WaterShare+ report
- Board assurance report.

The company's plan includes plans for supporting customers to pay their bills using social tariffs and other methods.



Our Customer Care Strategy ensures our customers who need help paying their bill receive it and we achieve our goal of eradicating water poverty.

Due to the increase in bills, progressive charging forms a core component of our plan.

- Section 9 of this document
- Customer Care Strategy.

### Ambition Test Area: Engagement

#### Ofwat's Ambition Assessment: Enhancing affordability tests

#### How we have met these

#### Further evidence can be found in

The company's plan demonstrates that they have engaged meaningfully with our customers to understand:

- their priorities for improved outcomes for our customers, communities and the environment for 2025-30 and beyond; and
- their views of how and when statutory requirements are best delivered, ie the outputs specified in WRMPs and the WINEP or NEP.



Our engagement programme has included meaningful ongoing tracking and bespoke PR24 research to understand customer priorities.

We have undertaken dedicated customer research into the key areas of investment to understand customer views on how and when statutory requirements are best delivered.

We have used a range of techniques in the timely research programme, for example WaterFit and DWMP focus groups explored views including around solutions in depth and our Second stage WTP coastal and river pollution study provided representative quantitative views on the benefits of alternative options. This was supplemented by direct public consultation and our AAT research.

All research methods and stimulus builds on previous research and best practice guidance and customer feedback ensures it is meaningful.

- Section 7 of this document
- Long term Delivery Strategy
- Engaging customers and Communities report
- AAT research report
- DWMP
- WRMP
- Spotlight on our priorities documents
- Enhancement business cases.

## 4. Ofwat's Quality and Ambition Assessment Tests continued

### Ambition Test Area: Enhancing Affordability

#### Ofwat's Ambition Assessment: Enhancing affordability tests

#### How we have met these

#### Further evidence can be found in

The company's plan provides evidence demonstrating ambition to further enhance affordability for residential customers struggling to pay.



Our 4 pillared approach is our plan for ensuring customers who need help paying their bill receive it and we achieve our goal of eradicating water poverty.

Our innovative Water Poverty Tool enables us to continue to auto enrol our customers in water poverty straight onto the best tariff for them, without them needing to contact us.

We share outperformance with customers via our innovative WaterShare+ model enabling customers to choose either share ownership or credit on their bills.

- Section 9 of this document
- Customer Care Strategy.

The company's plan provides evidence demonstrating ambition through evidence of high value and innovative proposals to support customers, such as:

- voluntarily sharing outperformance
- making other contributions from investors, or
- delivering charging innovation.

Please give specific references for each proposal submitted.



Our WaterShare+ incentive scheme allows customers to own a share in our parent company, Pennon Group, and therefore their local water company.

1 in 14 of our customers are now shareholders, giving them not only a say but a financial stake in our plans. We now have more customer-shareholders than investor-shareholders.

We set out in this document how we are planning to pilot innovative new methods for charging customers to provide fair charging for all and how we have set ourselves an ambition target to get to 1 in 10 customers as holding shares in their local water company.

- Section 9 of this document
- Customer Care Strategy.

The company's plan provides evidence demonstrating ambition to further enhance affordability overall (over and above ensuring value for money).



We set out in this document how we are planning to enhance the affordability for all of our customers through our 5 stepped approach:

- Step 1: Prioritise and phase investment
- Step 2: Deliver the best value plan
- Step 3: Charge affordable and fair bills
- Step 4: Support water efficiency through smart metering, putting customers in control of their bill
- Step 5: Offer our largest ever package of support.

- Section 7 of this document
- Customer Care Strategy.

The company's plan provides evidence demonstrating ambition to further enhance affordability for future customers.



Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.

We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. We have also consulted with younger members of the population – our future customers – to understand their perceptions of the affordability of our services and in turn inform our plans.

We have used this feedback to consider how the cost of investment and outcomes should be shared between current and future customers to ensure fairness across generations – as such we believe our plan balances our statutory obligations and stakeholder requirements with our customers' needs whilst remaining affordable.

- Section 7 of this document
- Customer Care Strategy.



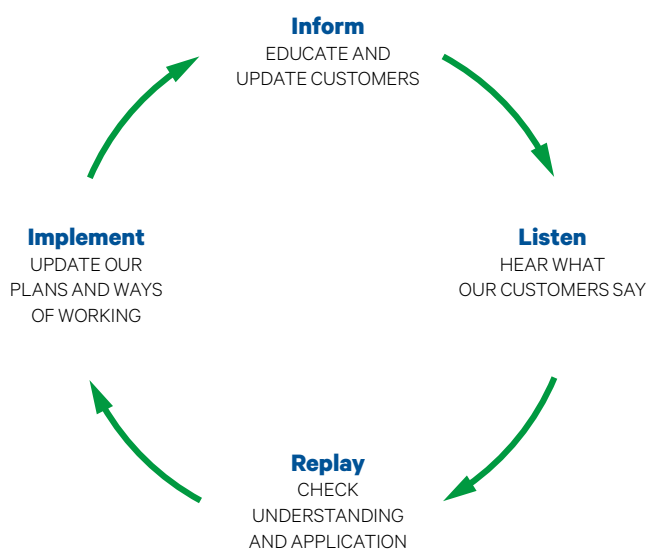


### Our high quality comprehensive and collaborative research programme

To achieve these aims, we have adopted a wide range of methods to connect with and engage our customers and stakeholders, empowering them by ensuring the method met their needs and enabled them to participate. Methods utilised include correspondence campaigns, one-to-one meetings, focus groups, workshops, dissemination events, formal research, surveys and the huge number of formal and informal conversations which take place between our employees, partners, customers and stakeholders on a daily basis.

We have engaged proactively and directly with over 250,000 customers – to build up our insights on our plans. We have combined our detailed PR24 research with the wider insights that we gain from engaging with our customers through the daily interactions we have such as day to day contacts and complaints, post work customer surveys, post event surveys, and tracking satisfaction surveys.

We don't rely on any one piece of research, we use our established iterative **INFORM – LISTEN – REPLAY – IMPLEMENT** process to ensure we thoroughly understand and correctly apply our customers views in our planning process. We have worked with our research partners and our independent WaterShare+ Advisory Panel to carefully develop a collaborative and comprehensive research programme.



**"Very informative and eye-opening. I felt very involved, and my opinion felt recognised. SWW's plans for the forthcoming years felt mostly positive, and I found it very useful as I am soon to be paying bills. A generally well-structured day with extremely friendly and helpful staff."**

Feedback from an Exeter Youth Board (future customers) participant

### Ofwat's standards for high quality research, challenge and assurance

In February 2022 Ofwat set out:

- 8 standards for high quality research
- 8 standards for customer challenge
- 5 standards for assurance of customer engagement.

We set out in this section below sufficient and convincing evidence that we have met Ofwat's standards for high quality research. The standards for customer challenge and assurance of customer engagement are addressed in Sections 10 and 11.

### Ofwat's standards for high quality research

Ofwat has set out eight standards for water companies to meet to ensure their research and engagement follows best practice and leads to a meaningful understanding of what is important to customers and wider stakeholders.

We have worked with our research partners to carefully develop all our research projects to ensure that our customer engagement research:

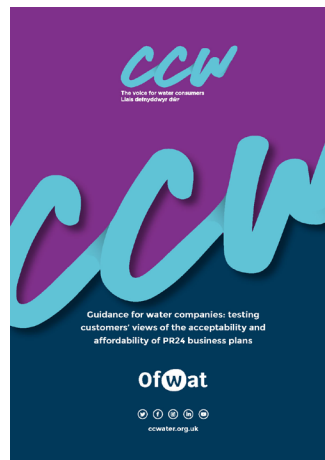
- Complies with Market Research Society best practice
- Exceeds Ofwat's standards
- Delivers CCWater (CCW) and wider stakeholder expectations for the quality of our engagement and research.





## 5. Empowering our Customers and Communities continued

This section summarises how we have exceeded Ofwat's eight standards for high quality research through our engagement programme. Appendix A5 sets out in detail how each of our providers has ensured the standards have been exceeded. These actions ensure that our customers and stakeholders can have confidence that our plans accurately reflect their preferences.



### Standards for high quality research\*

### Summary of how we have met the standard

Useful & Contextualised	All our research has practical relevance and it is clear why it has been undertaken and how it will be used. Each project has been carefully scoped to fit into the four phase PR24 research programme.
Neutrally designed	All our research is carefully tested through a combination of cognitive interviews, pilot testing and soft launches. Each piece of research builds on previous experience to push the best practice frontier. Detailed Ofwat guidance has been followed for our AAT work and other research has been aligned to the Ofwat/CCW materials guidance.
Fit for purpose	All our research complies with our segmentation strategy to ensure that the research sample is appropriate and that we hear from the full ranges of voices across the overall programme. Each project has been carefully scoped to ensure that the method chosen is appropriate and provides a balance of methods across the overall programme.
Inclusive	All our research complies with our sampling and segmentation strategy to ensure that our insight is broad and inclusive, enabling us to hear from the full ranges of voices across the overall programme. Our research programme engages with customers using a wide variety of approaches to ensure our findings are inclusive
Continual	Listening to and co-creating our plans with our customers and stakeholders is business as usual for us. It is not an activity we only undertake once every 5 years. We have synthesised our bespoke PR24 research with our ongoing day to day insight.
Independently assured	Our research programme and findings have been independently assured by Frontier Economics by experts Frontier Economics and Professor Ken Willis.
Shared in full with others	Our research is shared on a dedicated, WaterShare+ webpage where we encourage further feedback from and engagement with our customers.



Ethical	All our research partners conduct research in compliance with Market research Society guidance.
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\*See PR24 and beyond: Customer engagement policy, Ofwat, February 2022

## Useful and Contextualised research has shaped our plans

### Ofwat standards for 'Useful & Contextualised'

### Summary of how we have met the standard

Research should have practical relevance.

All research is planned carefully through our four-phase programme to ensure that it asks the right questions at the right time to have practical relevance. For example, our affordability and acceptability testing has had multiple stages.

It should be clear why the research has been undertaken, to what it will contribute and how.

Customers were informed about the purpose of the research and where their feedback sat within a wider body of work that would then be submitted to Ofwat for approval. All reporting is clear about the purpose of the research.

The research should be designed with quality rather than quantity as a priority (in other words, a better quality of research, rather than a larger quantity of research).

All research was conducted within MRS guidelines and the quality of the questionnaire design and analysis was further bolstered through collaboration with other companies when applicable. For example, we worked with West Country Water Resources Group to gather insight jointly at the regional level – as the most appropriate level for regional water resources issues.

As much as possible, research findings should be presented alongside a wider evidence base – including research conducted by others.

The independent synthesis of our research draws together the findings from the whole programme of research. Findings in individual research reports are set in the context of wider evidence, including research conducted by others. Whenever applicable, we worked collaboratively with others, which enabled us to deliver insight cost efficiently and share best practices. We were always cognisant of the wider body of our research when creating and testing our enhancement case proposals.

The analysis should contextualise the findings and explain how they will be used.

Our analysis not only contextualises customers views, but also transparently explains how these will be used.

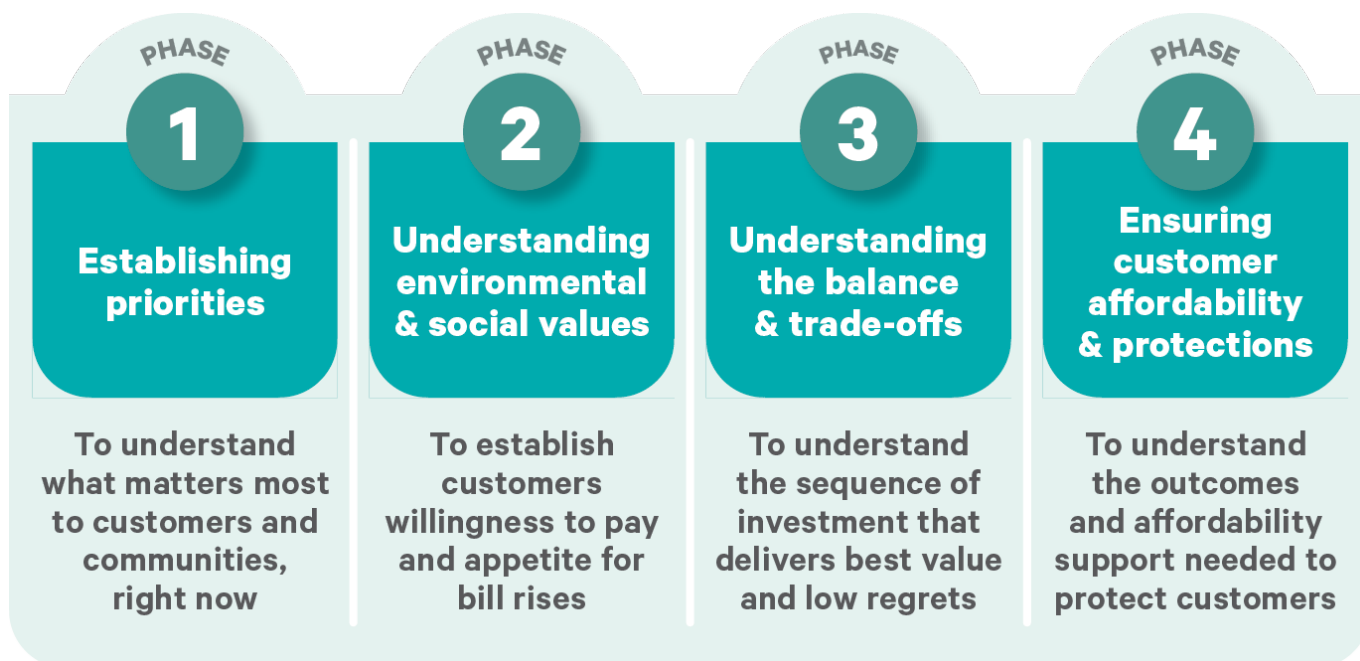
We have continued the customer research programme commenced in PR19, with an extensive customer engagement plan that aims capture the views of all of our customer groups. We have undertaken our engagement in four phases to ensure that we deliver these strategic aims for our engagement – ensuring that each piece of research delivers key insight required to inform our plans. This has allowed us to provide structure to the research and ensured inputs to the business planning process are carried out at the right time to enable customer views to inform our plans.

The one page summary of each research project provided in Engaging with customers and communities sets out its purpose and how the insight gathered has informed our plans.

Where context makes appropriate, we have worked collaboratively with other companies. For example, we have worked closely with other members of the West Country Water Resources Group to gather insight jointly at the regional level – as the most appropriate level for regional water resources issues. This collaborative working has also enabled us to deliver insight cost efficiently and share best practice across partners. We have also engaged fully with the Ofwat and CCW centralised research including the centralised Outcome Delivery Incentive Rate valuation research.

\*See PR24 and beyond: Customer engagement policy, Ofwat, February 2022

## 5. Empowering our Customers and Communities continued



## Neutrally designed research has informed our plans

### Ofwat standards for 'Neutrally designed'\*

Research should be designed and delivered in a way that is neutral and free from bias.

The potential for bias and the ways to negate this should be considered at every stage of a project, and evidenced – including set up, question wording, question ordering, stimulus materials, selective use of quotes or data in reporting and interpretation of findings.

If there is some inherent bias that is unavoidable or was an unintentional outcome of the research, this should be acknowledged and explained in the research findings..

### Summary of how we have met the standard

We build on previously successful materials and conducted extensive language testing to remove all biasing statements before customer research began. We also carefully monitored this during fieldwork. Our expert partner moderators are trained to not pose leading questions. Our iterative approach to developing insight includes playing back findings with customers.

Before a project is live, cognitive interviews are deployed to root out any potential biasing in question wording, ordering and content of stimulus materials. All data presented was consistent in its look, tone and amount of content. Expert consultants (Frontier Economics) have independently synthesised the overall programme research findings through a rigorous, structured synthesis and assurance process. This has allowed us to identify the extent to which research findings are consistent and to explore reasons.

Every effort has been made to ensure that the research is neutral and free from bias. Participants are encouraged to give their open and honest views and reassurances were given that South West Water were open to hearing their honest opinions and experiences. Customers have differing perceptions and trust in their water company is unavoidable but has been considered in reporting research findings by our research partners

Ensuring that customer and stakeholder voices are at the heart of our plans means ensuring that our customers and stakeholders are able to meaningfully engage with us. We have worked closely with our highly experienced research partners to ensure that all our engagement materials are neutrally designed, understandable, are free from any leading questions and so enable meaningful engagement that is fit for purpose.

During PR14 and PR19 we undertook extensive language testing to ensure that our materials are accessible, understandable and free from bias. We have continued to test the language we use to ensure that our customers can understand our documents and materials. Examples include our qualitative research to test and shape our vision, the co-creation of our water efficiency messaging, and working with our Youth Board on our Long term Delivery Strategy.

## 5. Empowering our Customers and Communities continued

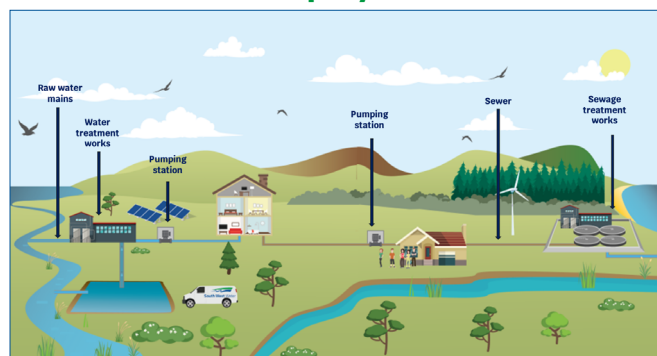
We have continued our PR19 commitment to bar-raising techniques and presentation of materials to ensure customers can meaningfully engage on sometimes complex topics and questions.

We have embraced the power of social media and driven a step change in the use of digital engagement since PR19 and we use a range of digital analytics to influence planning of the future customer journey and our engagement activities. Webpage traffic is analysed, highlighting pages that do and don't perform well to ensure we are focusing on areas that are important to customers e.g. we can see that most customers access and use the website for transactional purposes and therefore have made the 'MyAccount' section more readily available.

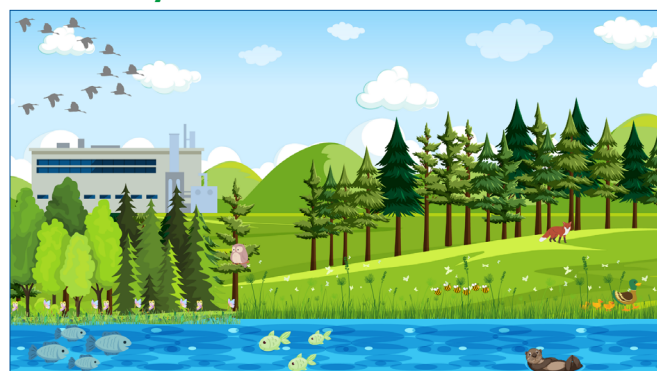


We have continued to evolve our PR14 and PR19 engagement materials to bring our services to life for all focus groups and survey participants. Our focus groups commence with context setting discussions of our water and sewerage services brought to life via through engaging, carefully designed stimulus materials. This enables them to appreciate the full range of activities and for us to meaningfully explore their priorities.

### What does a water company do?



### Biodiversity and Habitats



## Fit for purpose research has informed our plans

### Ofwat standards for 'Fit for Purpose'\*

The research sample and methodology should be appropriate for the research objectives.

Participants should be able to understand the questions they are being asked and surveys should limit the use of forced choice options.

A research approach that has previously been challenged should not be repeated unthinkingly. Innovation is welcome if it is likely to lead to meaningful and trusted insight and learning.

### Summary of how we have met the standard

We have a clear sampling and segmentation strategy to ensure representative quota setting. The research sample was always created with guidance from our research partners to ensure this was representative while ensuring the voices of vulnerable customers were well represented. Our research partners also have methodological expertise, and so we ensured that across all our studies the appropriate methodology (and how to run this effectively) was always used.

Participants were presented with carefully selected background reading to prepare them to discuss complex topics. Moderators ensured there was no outstanding questions relating to comprehension of materials or the topic area before moving on to a new topic. Cognitive interviews and pilot surveys were used to check understanding and interpretation. At the end of focus groups and online surveys, customers voted on their comprehension of materials viewed. This was overwhelmingly positive.

We worked with highly experienced MRS certified research partners to ensure our approach was fit for purpose. We evolved our PR14 and PR19 materials to bring our services to life in all our research – whether qualitative or quantitative,

## 5. Empowering our Customers and Communities continued

Our clear sampling and segmentation strategy is used to ensure our research sample is fit for purpose. We work hard to ensure that we listen to the full range of voices and that our findings are representative of the range of our customers. More detail about our segmentation strategy is set out under 'inclusive' below and in Section 6.

We have ensured that our customer research programme encompasses insight from a full range of methodologies, ensuring in the design stage, with advice from our expert partners, that each methodology is appropriate for the task in hand. As an example, our main stage qualitative Acceptability and Affordability testing included deliberative face to face sessions, online focus groups and in depth interviews.

Background reading is provided to participants in advance of groups discussing more complex topics (such as Outcome Delivery Incentives) where our experienced research partners advise it will enable participants to reflect in advance of sessions to aid meaningful discussions.

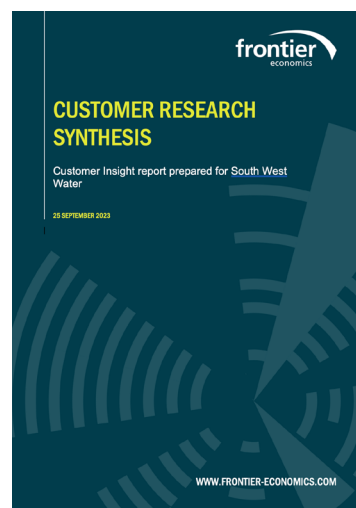
We ensured that information on our current and forecast performance and comparative data in focus groups was used to aid discussion around priorities and levels of service. This information has been valuable in the discussions on stretching PR24 and longer-term performance commitments, setting stretching long term ambitions and in discussions with customers on their preferred pace of delivery in our Long Term Delivery Strategy.

We have made wide use of interactive exercises to enliven discussions, both in our online and face to face research. Polls and on-screen or in person exercises are used to increase engagement and promote discussion.

We carry out testing of all our surveys to ensure they are neutrally designed and fit for purpose in line with best market research practice. We do this through a rigorous process of test and retest via one to one cognitive testing of the survey and materials, pilot testing and soft launch. Our overall programme is designed to enable focus group testing of more complex topics to aid effective design and development of the survey. Survey focus, visual materials and language are tested via focus groups in advance of quantitative surveys (for example Our programme of Outcome Delivery Incentive research included qualitative and quantitative phase, as did our water resources planning research, conducted together

with other West Country companies via West Country Water Resources Group).

All survey questions and materials are thoroughly tested through focus groups or one to one cognitive interviews. The cognitive interviews provide time for researchers to walk through the survey with participants and gather feedback on their understanding of the questions and visuals to ensure the look and feel of the survey and the language used maximise respondent understanding, ensure that they are not forced into choice options they do not support and delivers meaningful engagement that is free from bias and enables full respondent views to be captured.



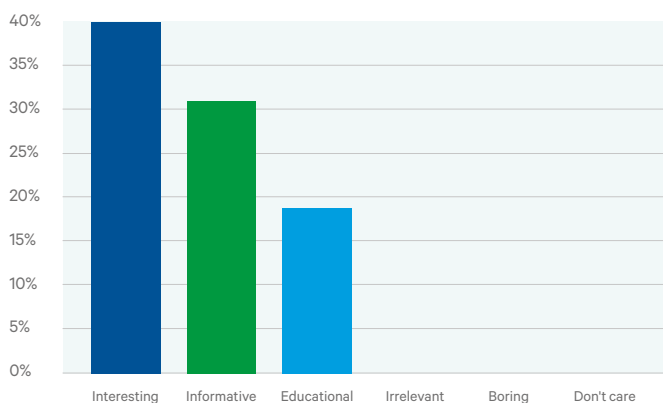
We have ensured that the insight we draw through our synthesised research findings is free from bias by employing independent expert consultants Frontier Economics to synthesise the overall programme research findings through a rigorous, structured synthesis and assurance process.

We take customer on board feedback given at the end of focus groups and surveys to ensure that customers feel that the materials have been fit for purpose and that they have been able to engage meaningfully. Example customer feedback from participants in our Outcome Delivery Incentive focus group research demonstrate how meaningful customers find our engaging research materials and discussions. The design and structure of Outcome Delivery Incentives is a particularly technical issue, and our participant feedback demonstrates how well they were able to engage with the topic.

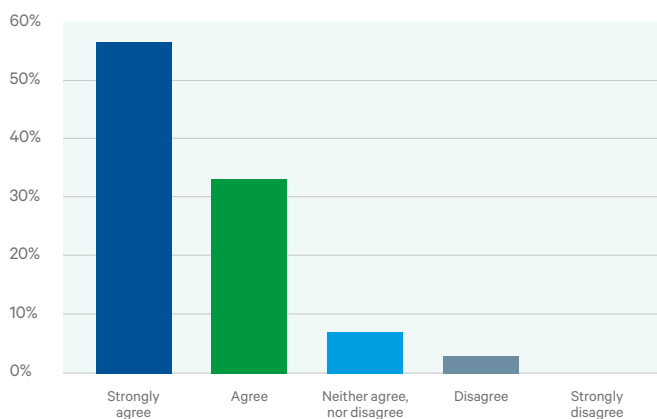
We are passionate about putting customers at the heart of everything we do and enabling all our customers to engage meaningfully with us. We aim to hear from all of our varied customer groups, so all our customers can hear about our plans and activities and get in touch to have a say and a voice in our plans. We have worked hard to combine our wide breadth of engagement methods with our comprehensively refreshed sampling strategy to ensure that as a whole our programme of research is demonstrably inclusive.

## 5. Empowering our Customers and Communities continued

### Customers satisfaction with the discussion at Outcome Delivery Incentive Focus Group



### Customer satisfaction with Outcome Delivery Incentive Focus Group sessions



## We have ensured our research is inclusive



### Ofwat standards for 'Inclusive'\*

Research should include different audiences and socio-demographics, considering local or regional or national populations, business customers and business retailers.

Where possible, research findings should identify and report on variances by sociodemographic and consumer types (for example, bill payers, future customers).

Research findings should provide details of those who may have been excluded or under-represented in the research.

Where possible, research should use mix-method approaches to provide a more inclusive set of findings.

While the range of representation may vary from project to project, the research programme as a whole should be demonstrably inclusive.

### Summary of how we have met the standard

We comprehensively refreshed our sampling strategy to ensure the full spectrum of different audience views were adequately represented. We also provided our research partners with a 5-step approach to sampling to ensure this was consistently applied across all studies.

In our reports, meaningful differences between customer groups are reported as and when these occur. Accompanying analysis is provided to explain what is likely causing these differences.

It was felt that no customer groups (including digitally excluded) were excluded or under-represented from this body of research. Both of our independent reviewers (Frontier Economics & Professor Ken Willis) also arrived at this conclusion based on our final sample.

This body of research uses a wide range of online and offline qualitative and quantitative methods to ensure that appropriate reliability, representativeness and validity are all achieved. This ensures our findings are inclusive.

In this body of research tens of thousands of customers have provided their feedback. All customer types are well represented and so this research is demonstrably inclusive.

We have empowered customers to shape our plans with us through the wide range of engagement channels we have used. We have undertaken a balance of online, telephone and face to face engagement across the research programme to enable the widest possible participation. Online discussions have been invaluable, not only due to the constraints of undertaking research during a pandemic, but also to increase inclusivity for many participants, including those with disabilities or caring responsibilities that mean they may not wish or be able to travel for face to face research. We have worked hard to ensure that the voices of digitally disengaged customers are included through face to face and telephone methods. For example, our Customer Forum moved onto a virtual platform during COVID,

and a number of members said this helped them attend including a parent with a new born baby, a customer with health concerns who couldn't leave the house and one customer who had moved to a rural area, further away was still able to join with no concerns over travel.

We have reviewed our sampling strategy to ensure we reach an inclusive range of audiences and voices. Our updated segmentation strategy ensures:

- Consistency of analysis through the use of universal segments for all research, and
- We reach the right audiences through the option to include enhanced segments where applicable to specific research topics (such as environment or affordability).



**Our 5 step user guide provides clarity for our research partners.**



Our standard household segments and quotas cover life stage, financial and regional characteristics as well as gender. And for non-households our quotas are set on business industrial classification to ensure we hear from the range of business types and sizes.

We have carefully identified the segments engaged via each piece of research according to its purpose, in line with the segmentation strategy and user guide. The summary of each research project provided on our website set out the segments engaged and the format via which the engagement took place. The table below demonstrates that as a whole the research programme is demonstrably inclusive.

<b>Format</b>	<b>Households (total)</b>	<b>Non Households (total)</b>	<b>Vulnerable customers (number of studies)</b>	<b>Future customers (number of studies)</b>	<b>Retailers (number of studies)</b>	<b>Stakeholders (number of studies)</b>	<b>Region (number of studies)</b>
Quantitative	25,832	1,746	27	5		4	24 Devon & Cornwall 20 Bournemouth 30 Bristol
Focus groups	727 (online) 212 (in person)	81 (online)	22	13			18 Devon & Cornwall 13 Bournemouth 12 Bristol
Qualitative (Customer Panels & Meetings).	1,018	17				2	5 Devon & Cornwall 3 Bournemouth 5 Bristol
Interviews	72	35	2		2		3 Devon & Cornwall 2 Bournemouth 2 Bristol
Workshops	175		1		1	4	3 Devon & Cornwall 0 Bournemouth 1 Bristol
Real-time feedback	232,235	7,494					1 Devon & Cornwall 1 Bournemouth 1 Bristol

## 5. Empowering our Customers and Communities continued

We also take into account the views of our visitors. In the summer months, our services scale up to serve 10m consumers, including the visitors we see to the region, given we are the UK's most popular tourist attraction outside of London. With over 80% of those visiting come specifically to enjoy the coast or a beach. As part of our

engagement programme, we have undertaken targeted research to the attitudes, motivations and behaviours of visitors to the South West.

More detail on our inclusive programme is set out in Section 6 below.

### Continual Insight

#### Ofwat standards for 'Continual'\*

Companies' research programmes should be continual, enabling day-to-day insight gathering, as well as specific and relevant research for informing business plans and long-term delivery strategies.

This will allow areas of concern or change to be more easily identified and acted on.

#### Summary of how we have met the standard

We deploy regular tracking surveys and gain direct feedback daily on issues relating to bills and disruptive events. We also hold WaterShare+ meetings with our customers on a quarterly basis to discuss the performance of the company. Finally, we regularly engage with online panels and customer forums. All this data is collated and informs each iteration of our research.

Across all our studies we take great care to document all concerns raised. We have used a qualitative triangulation method to assess the wide variety of insight gathered. As part of this, we ensure the widest range of concerns or change in opinion can be identified and acted on.

Every day we hear from our customers through the many interactions we have including our day to day contacts, complaints, bills, social media, and feedback surveys after our work.

On a frequent basis we hear their views through feedback surveys, our tracking satisfaction surveys, online panels and customer forums.

We review the insight monthly, then annually we overlay the insights from our tracking surveys, comparing the findings to external surveys such as the annual CCW matters survey and research completed by the Institute of Customer Service with their Business Benchmarking survey and UKCSI. The learnings from this feed into our customer strategy. See Appendix 5 for a summary of what we include as continual insight.

We have delivered on our PR19 promise to 'continue to invest in our people and ensure we have the right communication channels in place to meet our customers' needs to encourage a two way dialogue.'

We have delivered this through our qualitative customer forum events, our youth boards and daily customer feedback.

We have heard from over 200,000 customers through our continual insights:

- Regular tracking of customer satisfaction:
  - CMeX is the Ofwat Customer Measure of Experience for the 17 largest water companies in England and Wales. The survey provides data for us to analyse on both customers who have and have not had an interaction with us.
  - DMeX is the Ofwat Developer Measure of Experience. It is made up of a quantitative score and a qualitative score which provides insights into the customer's sentiment linked to the service they have received
- Monitoring and learning from our complaints data. Across all customer groups we analyse the root cause of complaints, changes in trends and cause of the complaints
- Our Long Term Tracker Survey is an annual survey looking at a number of key metrics such as overall satisfaction with service, satisfaction with individual aspects of service, transparency of information, trust and values and affordability of the bill
- Our Priority Services Register Satisfaction. Customers who are signed up to the Priority Services Register are surveyed to give insight into how satisfied they are with the service they received through the PSR
- Real Time Feedback. This is a short survey that we use across the customer journeys to ask customers for instant feedback on the service they have just received
- Digital analytics. We gather information from social media channels on what customers are engaging with and sentiment on key issues. We deploy post event research surveys at agreed trigger points



## WaterShare+ has changed our relationship with customers.

WaterShare+ provides a meaningful route to engage directly with our customers, through our quarterly public meetings and at our customer AGM, so we can hear directly what matters most and reflect what we have heard in what we do. Everyone is invited to our WaterShare+ Meetings – which are always attended by our CEO and the Executive team. These give customers regular opportunities to get involved, speak directly to our Executive team on any topic they wish, and keep us accountable.

Our WaterShare+ Meetings provide a fantastic opportunity for two way communication; for our customers to learn more about what's happening across all three regions – Bournemouth, Bristol and Devon, Cornwall and the Isles of Scilly, as well as allowing us to hear first-hand what our customers want and need from their business.

For example, during the cost-of-living crisis, we have heard that this has weighed heavy by some customers, so we have ensured annual bill levels increases well below inflation levels and the 7% annual increases seen across the sector, whilst doubling the number of customers on support tariffs, and taking steps to eradicate water poverty.

The scheme gives customers the option of a financial stake in our business, through our share scheme, as we look to share success. Customers can either opt to take shares in our parent company Pennon Group, as opposed to money off their bill, and we have included Bristol customers for the first time this year. With 1 in 14 households in the South West choosing to become shareholders, we are well on our path to shifting the dial – and ensuring that more and more customers have a stake and a say in their water company. For us, the scheme is a fundamental shift of the dial to a socially responsible business. And now, more than ever, it is essential when we need to rebuild trust, and for our customers and communities to feel listened to.



## 5. Empowering our Customers and Communities continued

- Post Event research. We have a range of surveys to understand customer views following an event. This ranges from using instant customer feedback tools for smaller scale events to using 3rd parties to conduct larger pieces of research for larger scale events
- Online panels. We run online panels to run short surveys with our customers
- ServiceMark and UKCSI. Both of these are run by the Institute of Customer Service. ServiceMark is an accreditation we hold. It is comprised of the customer Business Benchmarking survey, and the staff ServCheck survey. UKCSI is a nationwide customer satisfaction survey.

### **Our WaterShare+ Panel meetings enable continual two way dialogue**

Our customers are welcomed to our public Watershare+ panel meetings, not just to attend, but to form part of the panel in debating and scrutinising our performance and plans. Listening to our customers and ensuring they shape our plans is part of our everyday work, not just for PR24 but for our daily operational and delivery plans.

The introduction of Watershare+ has empowered our customers even more to engage and interact with us, especially when it comes to the overall performance of the company. We hold WaterShare+ meetings with our customers on a quarterly basis, and hold a CustomerAGM.

These meetings are a mixture of virtual and in person to help make them accessible to more customers. The minutes of these meetings, including the questions and answers can be found on our website [WaterShare+ | South West Water](#)

We have synthesised and contextualised our four-phase business planning research with the wider insight that we gather every day from our customers and stakeholders.

We have developed a leading edge, robust and structured approach to the synthesis of our insight, building on the CCWater best practice review.

We have used a qualitative triangulation method to assess the wide variety of insight gathered. Each report has been scored using a framework derived from the CCW triangulation approach and developed initially by the synthesis team. Sources are scored according to their robustness and relevance, ensuring the widest range of insight can be incorporated whilst appropriately reflecting its relative weight. Using this scoring approach helps reduce the risk of bias, evidencing sources based on the robustness and relevance of each source. The categorisation draws on Ofwat's principle for high quality research as well as the established valuation triangulation criteria, derived from Treasury Magenta Book and CCW good practice guidance.

We receive a wealth of information from customers on a daily basis from a number of different channels.

Customers provide us with real-time feedback via short surveys carried out on our websites, with staff visiting them, and/or following an interaction on the phone or via email. These feedback surveys allow us to not only rectify problems as soon as they occur, but also continuously analyse and improve our performance, to better serve all our customers and keep complaint volumes low. Trends of feedback are analysed to identify areas in need of improvement, and what's working well.

### Ethical

#### Ofwat standards for 'Ethical'\*

Research should be conducted in line with the ethical standards of a widely recognised research body – such as the Market Research Society or the Social Research Association.

#### Summary of how we have met the standard

All research is conducted in line with the ethical standards of the MRS:

- We ensured that the purpose of the research was transparent to all
- All participants were informed how their data would be collected and that their personal identity would be anonymised in reporting
- All research was conducted by persons with appropriate training, qualifications and experience
- We ensured that all participants were comfortable discussing the topic area under review
- To ensure there was no conflicts of interest, the ethical integrity of our research has been independently challenged by Frontier Economics and professor Ken Willis
- At the outset of all research projects all participants were informed that data collection, analysis and reporting.

All our research is conducted to the highest ethical standards by professional research partners in compliance with Market Research Society standards. More detail is provided in Appendix 5, where each of our research partners set out their affiliations and standards.

Our research adhered to the principles of the MRS Code of Conduct:

1. We ensured our activities and proposed enhancement cases were understood in a transparent manner
2. We were straight forward and honest in all professional and business relationships
3. All customers were told about purpose of the research and how their data would be used
4. Great care was taken to accurately reflect the views and opinions of our customers
5. We respected participants confidentiality. No personally identifiable information is included in any reports
6. We respected the rights and well-being of all individuals. Care was taken to ensure participants clearly understood what they were reviewing and were comfortable providing us with their views
7. No individuals were harmed or adversely affected by any of our research studies
8. The needs of customers were always our primary concern in designing our research studies. We made sure incentives were paid on time and that the participant experience was positive. We asked participants to rate their experience at the end of focus groups and online surveys. We received overwhelmingly positive feedback
9. The design, conduct and reporting of our studies accurately capture customer views. This has been independently verified
10. All research was conducted by persons with appropriate training, qualifications and experience
11. By adhering to the MRS code of conduct and Ofwat guidelines, we protected the reputation and integrity of our research
12. Every aspect of the research process was conducted with the principles and rules of the MRS Code of Conduct in mind.

### Shared in full with others



#### Ofwat standards for 'Shared in full with others'\*

Research findings should be published and shared in full, as early as possible with as wide an audience as possible.

This will add value to the evidence base on customers

- By allowing research approaches to be understood and improved on
- By building the shared knowledge base about customers' views, preferences and experiences
- By allowing research findings to be considered in a comparative way – meaning water companies can better understand their own customer base, by comparison with the findings from other areas.

Research findings should always be accompanied by clear and detailed information on the methodology for the research. This should include, for example, recruitment screeners, questionnaires, discussion guides, and copies of any stimulus materials used.

#### Summary of how we have met the standard

Care has been taken to ensure our findings are published and reach the widest audience as early as possible. We have a dedicated section of our WaterShare+ page which is devoted to sharing what we have heard from our customers, and we regularly inform customers about this resource. We also use our regular customer newsletters to share insight findings and how we are responding to our customers' views. These newsletters went to every household within the South West Water, Bristol Water and Bournemouth Water service area, including the Isles of Scilly for South West Water.

Customers reactions to our research has been critical in improving how we improve our research approach. We have a systematised approach (inform- listen- replay- implement) to ensure that each piece of research builds on previous findings based on customer insight. All of the studies shown on WaterShare+ page have 1 page summaries that follow the same structure. This allows customers, stakeholders and ourselves to easily compare findings.

All our research findings clearly detail the methodology used. It is always clear to the reader who took part, what the recruitment process looked like, what questions were asked, what stimulus was shown and how.

All our research reports clearly set out the methodology applied, and the materials used (e.g. questionnaires, stimulus materials and discussion guides).

A key plank of our continual, transparent approach is our **INFORM – LISTEN – REPLAY – IMPLEMENT** process. Each piece of research builds on the previous findings to build the evidence base across the programme. Learning from others and collaborating with water companies helps our continuous improvement process of improving our customer insight.

An example of this process is our playback focus groups which we have used to review research findings with our customers. Our valuation playback focus groups enabled us to discuss and test the results of our valuation research with customers to ensure it remains sensible, up to date and fit for purpose to shape our investment programme across our regions.

We are committed to transparency. We have shared our research with stakeholders and customers through a range of channels to maximise engagement.

To extend our reach, we have a dedicated section of our WaterShare+ page of our website, sharing what we have heard from our customers, setting out previous research findings, upcoming projects and encouraging feedback. Simple easy to understand one-page summaries of all our customer research reports, including how they have been used to shape our plans are shared with all on our website. Our research is shared on dedicated, WaterShare+ webpage WaterShare+ (southwestwater.co.uk) where we encourage further feedback from and engagement with our customers.

We have used this webpage over the last few years to encourage customers to sign up to our WaterShare+ panel, to hear about what we have done at our meetings and see our research.



## 5. Empowering our Customers and Communities continued

We use our regular customer newsletters to share insight findings and how we are responding to our customers' views. Our Let's Talk Water and The Drop magazines and newsletters were separately produced magazines for South West Water, Bristol Water and Bournemouth Water regions – showcasing the uniqueness of each business, operations, community and investment programmes in the area. The magazines went to every household within the South West Water and Bournemouth Water service area, including the Isles of Scilly for South West Water.

The structure and themes selected were designed to help educate customers, shift perception and help ensure our vital services are valued. These form a key customer touchpoint for us to promote the support we offer to help customers. Newsletters had included prominent information for different support schemes; affordability, priority services, and community funds. Examples of newsletter from the Bristol Water region demonstrate how the content has been shaped in response to the continual insight with gather, with messages around metering, water efficiency and community activities.

South West Water  
[www.southwestwater.co.uk/campaign/lets-talk-water/](http://www.southwestwater.co.uk/campaign/lets-talk-water/)

Bournemouth Water  
[www.bournemouthwater.co.uk/lets-talk-water/](http://www.bournemouthwater.co.uk/lets-talk-water/)

Bristol Water  
[www.bristolwater.co.uk/the-drop-2023](http://www.bristolwater.co.uk/the-drop-2023)

For us it is important, not only to share our research in full with others, but also to work collaboratively with them and to develop joint learning to improve customer engagement across the whole sector and beyond. We have continued to collaborate on our customer research with other water companies. Where we joint bill with Wessex Water in the Bristol Water region and share many customers in the Bournemouth region, we have worked together on multiple pieces of customer research. This included cross subsidy research and the Affordability and Acceptability Testing as examples. It allowed customers to see the impact of the future plans on their whole bill. By sharing ideas and approaches to this new research, we were able to verify our plans to deliver the guidance and achieve consistent, accurate results from the work.

We found at both the Your Water, Your Say session and our WaterShare+ Group meeting in Bristol in July 2023, that many customers in the Bristol area asked us about their waste service and charge. We answered where we could, and introduced customers to Wessex where they had outstanding questions. We work collaboratively across the region and beyond in our customers engagement to help understand the views of our customers and visitors.

We have also completed research collaboratively with others for the West Country Water Resources Group. We are active participants in cross sector sharing of best practice, joining and sharing examples of our work at WaterUK meetings, CCW events and Ofwat led customer research meetings. Through this approach we have been able to take on board learning from other companies work and jointly push forward the frontiers of high quality customer engagement for water customers. An example is our review of other company segmentation strategies in our work to refresh and update our segmentation strategy to ensure we inclusively listen to the full range of voices.



In January 2023, 600,000 Bristol Water customers received the Drop to their door, this included a feature on Bristol Water's 25-year water resources plan, including a link to the full plan on website.

**2022 saw:**

Driest UK summer since 1995

Second hottest summer on record, first time over 40°C

Driest year in England since 1976



The hard work doesn't stop and future planning is more important than ever.

Our 25-year water resource plan considers climate change, growing population, how we use our network and the storage available when rivers are low.

**Where our water comes from**

12%

from groundwater

42%

from our reservoirs

46%

from the Gloucester and Sharpness Canal

**Did you know?**

- Our total water storage capacity is 38 billion litres – enough to fill Wembley Stadium ten times
- Water comes from four major reservoirs – Chew Valley Lake, Blagdon Lake, Cheddar and Barrow
- We also take water from the Gloucester and Sharpness Canal, fed from the River Severn
- In winter, we have the option to take water from the River Axe near Cheddar.

Only 2.5% of the water on earth is drinkable. Every drop is a precious resource – we all need to use it wisely

For more information about how we manage our water visit: [bristolwater.co.uk/water-resources-plan](http://bristolwater.co.uk/water-resources-plan)



5. Empowering our Customers and Communities continued

**Independent assurance** 

**Ofwat standards for 'Independently assured'**\*

**Summary of how we have met the standard**

Research should be reviewed by individuals or groups that are independent of water companies.	Our research has been reviewed and independently assured by experts Frontier Economics and Professor Ken Willis.
Those reviewing research should have a range of relevant skills and experience and feel confident and able to challenge on all elements of research.	The senior independent academic peer review and independent expert review from a large and well-regarded consultancy in matters of research integrity (Frontier Economics) ensured a range of relevant skills and experience was deployed to effectively challenge all elements of the research.
Information shared with them should be relevant and timely.	Information was shared with Frontier Economics and Professor Ken Willis in a timely matter. Both parties were complimentary as to the integrity of the research and no complaints were raised in this area.
Water companies should be transparent about the research findings and whether, and in what ways, it has been used.	We are committed to transparency about our research and how it has been used. The one-page summaries of each research project contained in Annex 7 of this report provide a clear demonstration of how the findings of each project have been used to inform our plans.

Independent expert challenge of our research process, engagement and findings has been provided by independent experts Frontier Economics to ensure that the body of customer engagement captures a robust and credible range of views across all aspects of the PR24 business plan and is inclusive of the views of the wide range of customers served in all regions.

Throughout our research programme our independent WaterShare+ Panel and reviewed and challenged our research and how we have used it on behalf of customers. See Section 11 for more information about our WaterShare+ Panel.

The Frontier Economics report provides clear assurance that the work undertaken can be relied upon for inclusion in the PR24 business plan. This included ensuring that insights were gathered at the strategic, tactical and operational level to provide a comprehensive understanding of our customers' needs and priorities to inform all aspects of our services – from our customer's long-term priorities for service and bill levels in shaping the overall long-term delivery strategy and PR24 business plan, to our individual business cases, performance commitments (PCs) and outcome delivery incentives (ODIs), and our day-to-day operations.

**“We have seen comprehensive evidence from SWB of a wish to ensure that their customers’ views are central to the business planning process and a desire to ensure that the evidence used to develop this is robust. We also see evidence that research has been conducted in line with Ofwat’s standards for high-quality research.”**

Independent research synthesis and assurance, Frontier Economics

<b>c. 180 reports synthesised...</b>		<b>...using a wide range of research methods...</b>	
Including the most recent studies as part of SWB's PR24 customer engagement plan and the AAT, but also those going back to 2017/18 to capture how views have evolved since PR19.		Surveys	Focus groups
		Open forums	Interviews
		Youth Boards	
<b>...across all SWB's regions and demographics...</b>		<b>...which can be used to inform all aspects of SWB's PR24 business plan and LTDS</b>	
SWW Devon, Cornwall and Isles of Scilly	Bristol Water	Strategic insight	
	Bournemouth Water	Tactical insight	
With representative samples across its customer base		Operational insight	
Female / male	All age groups Including future and younger members of communities		
All income groups			
Vulnerable customers	Households, non-households and retailers		

## 5. Empowering our Customers and Communities continued

We have engaged senior independent academic peer review to challenge our thinking and review our technical valuation analysis. Our Valuation Triangulation report sets out a summary of our approach to understanding the value of our activities to customers and society. It includes the expert peer review provided by Prof Ken Willis a leading international expert in this area. Prof Willis review is clear that the valuation work undertaken is of a high standard and can be relied upon.

We are committed to transparency about our research and how it has been used. As set out above we have dedicated a section of our website to sharing the findings from our research in order to maximise the reach.

Our independent external assurers Frontier Economics have concluded that our programme of customer engagement meets Ofwat’s standards for high-quality research, as set out in the table below.

**“Taken as a body of evidence, SWB’s research therefore provides evidence that customers support continued investment from SWB to get the basics right in delivering services throughout the water cycle, that SWB should also invest to drive environmental improvements while ensuring that its approach delivers value for money to all customers.”**

Independent research synthesis and assurance, Frontier Economics

**“expertly undertaken... meticulous pieces of research. South West Water can have confidence in the results...”**

Prof Ken Willis, University of Newcastle

Ofwat standard		Description
Useful and contextualised	✓	The research has been conducted in a clear manner, based on a well-planned programme of engagement that has responded to feedback on where there were previously limitations and/or gaps in the company’s understanding of their customers’ views.
Fit for purpose	✓	The company has used accredited market research agencies in carrying out its research. These have followed best practice in conducting research, both in terms of sample sizes and their representativeness of the SWB customer base, and in the methodologies that have been used. Where earlier research has revealed inconsistencies or shortcomings in the methodologies used, these have been repeated and improved upon in more recent research, and in a way that allows for consistent findings to be derived across all of SWB’s regions. These limitations have also been reflected in the insight weightings assigned to each piece of research to ensure that appropriate weight is placed on more recent, and more robust pieces of research, as relevant.
Neutrally designed <sup>1</sup>	✓	
Continual	✓	As per the framework set out in Figure 1 above, SWB’s customer engagement plan has included research at a strategic, tactical and operational level. This has meant research has been conducted on both a one-off basis as needed on specific topic, as well as on an ongoing or regular basis to ensure that changes in customer views and priorities are clearly identified and tracked over time.
Inclusive	✓	SWB’s customer engagement has been extensive, and has captured the views across all three of SWB’s regions, as well as across the broad range of demographics that it serves. This includes engaging with customers across different ages and income levels, as well as with households, non-households and retailers. Where relevant, more focussed studies have been conducted to seek views in a robust way from specific customer groups, for example vulnerable customers and future customers).
Ethical	✓	All research has been conducted in line with ethical standards, and by accredited market research agencies
Shared in full with others	✓	The individual research reports that we have synthesised include full and clear details on the methodology used, the questions asked and materials shared with participants.
Independently assured	✓	Our synthesis of SWB’s research has been undertaken independently of SWB. However, we have worked alongside SWB and its WaterShare+ Panel in providing challenge and review to its customer engagement plan on an ongoing basis to ensure that any gaps or limitations in the customer engagement programme have been addressed.

Source: Frontier Economics based on SWB’s programme of customer research

More detail on our customer challenge and board assurance is set out in Section 10 and 11 below.



## 6. Inclusive Engagement Reflecting all the Customers and Communities we serve

This section provides our evidence that: Our plan explains how we have taken account of views on the affordability of our proposals for all customers, including for those who struggle, or are at risk of struggling, to pay their bills.

### How have we met this test?

- ✓ We have designed our engagement and research to enable every customer to have a voice
- ✓ We have carefully specified our sampling and segmentation to make sure that we have gathered the views of customers who are struggling to pay their bills and those who are at risk of struggling to pay their bills
- ✓ We have developed our proposals to reflect the views we have heard from all our customers about their priorities for investments and the affordability of our proposals, including those struggling or at risk of struggling to pay their bills
- ✓ We have refined our plan to reflect the views on the affordability of our proposals of all customers, including those who struggle, or are at risk of struggling, to pay their bills.
- ✓ We have organised our customer research carefully to ensure that we gather the views of all customers on the affordability of our plan, including those customers who struggle, or are at risk of struggling, to pay their bills.

#### Rural Communities



**22:30**

The average travel time to the nearest town centre [1]

**+1:30** Compared to England average

#### Digitally Excluded Customers



**3.1**

Digital Exclusion Risk Index Score [2]

**+0.1** Compared to England average

#### Ageing Population



**22.7%**

Aged 65 or older [3]

**+4.3%** Compared to England average

#### Financial Vulnerability



**1.6**

Financial Vulnerability Risk Score [4]

**+0.1** Compared to England average

#### Disabled Population



**7.8%**

Are disabled with day to day activities limited [5]

**+0.5%** Compared to England average

#### Dementia Population



**0.9%**

Have dementia [6]

**+0.1%** Compared to England average

#### Benefits Claimants



**20.1%**

Of working age population claim working benefits. [7]

**-2.3%** Compared to England average

#### No Working Qualifications



**15.7%**

have no working qualifications [8]

**-2.4%** Compared to England average

#### Customer providing care



**2.8%**

Provide unpaid care [9]

**+0.2%** Compared to England average

## 6. Inclusive Engagement Reflecting all the Customers and Communities we serve continued

### We have designed our engagement and research to enable ever customer to have a voice

The South West is surrounded by water, be that coasts, rivers, reservoirs, and lakes, and it is home to 36% of England’s bathing beaches, dotted across our 860 miles of coastline and we have four National Parks and ten Areas of Outstanding Natural Beauty. Our customers are located across an array of small remote coastal villages through to urban centres such as Bristol, Exeter and Plymouth. The population swells to 10 million each year with visitors to our region in the summer, who flock from all across the country to enjoy our beautiful coasts and landscapes.

This means our customer base is also diverse, with differing interests, outlooks and challenges. Our engagement plans therefore need to ensure considers all the diverse needs of our customers and communities. It is particularly important to us to ensure that we listen to the views of those who require an inclusive service to avoid being at risk of causing adverse impacts to those who are or may be at risk of suffering detrimental impacts to their finances, health or wellbeing.

For example, our region has a higher proportion of households with lower-than-average incomes. This is combined with higher-than-average water bills due to our extensive coastline that has led previously to direct government support of £50 per customer in the South West region. All these factors, combined with the current cost-of-living crisis mean that in developing our plans we have placed a particular focus on understanding and taking account of the views of those who are struggling or at risk of struggling to pay their bills.

We have established a segmentation approach that identifies standard and enhanced segmentation.

Our enhanced affordability segments recognise that affordability is driven by more than income alone. Our enhanced segments cover financial, housing tenure and customers in vulnerable circumstances.

We use our enhanced affordability segments to ensure that our customer research helps us understand the needs and views of the range of customers who are struggling or may struggle to pay their bills.

Standard financial segments are used across our research projects. Enhanced affordability segments are used to ensure we reach an inclusive range of audiences and voices of those struggling or at risk of struggling to pay. Our 5 step user guide provides clarity for our research partners. (See Section 5 for more detail.)

Standard Segmentation		
<p><b>Life stage</b></p> <p>Current or future customers.</p> <p>Based on household composition question:</p> <ul style="list-style-type: none"> <li>• Adults</li> <li>• Families</li> <li>• Retired</li> </ul> <p>A customer may pass through up to three key 'life stages': leaving home, starting a family, and retiring from work.</p>	<p><b>Financial</b></p> <p>Based on Socio-economic group and financial assistance questions:</p> <ul style="list-style-type: none"> <li>• Struggling (DE and WaterCare)</li> <li>• Comfortable (C1C2)</li> <li>• Affluent (AB)</li> </ul> <p>For basic segments, financial assistance is determined through the WaterSure/WaterCare question.</p>	<p><b>Region</b></p> <p>Basic regional segmentation is done simply by the coverage of each area:</p> <ul style="list-style-type: none"> <li>• South West Water</li> <li>• Bournemouth Water</li> <li>• Bristol Water</li> </ul> <p>Include postcode and water company questions. Include separate water and wastewater provider questions.</p>
Enhanced Affordability Segmentation		
<p><b>Enhanced Financial</b></p> <p>Classified into:</p> <ul style="list-style-type: none"> <li>• Struggling</li> <li>• Just scraping by</li> <li>• Comfortable</li> <li>• Affluent</li> </ul> <p>Does the survey cover affordability, social tariffs or changes to bills?</p>	<p><b>Housing Tenure</b></p> <ul style="list-style-type: none"> <li>• Home owner</li> <li>• Second home owner</li> <li>• Renter - private</li> <li>• Renter - housing association</li> </ul> <p>Consider for surveys about priorities, affordability and/ or bill changes.</p> <p>Are second home owners likely to have a different view?</p>	<p><b>Customers in vulnerable circumstances</b></p> <ul style="list-style-type: none"> <li>• Customers in vulnerable circumstances (PSR and disability/ long term health)</li> <li>• Does the vulnerability impact water use or not</li> </ul> <p>Are customers in vulnerable circumstances likely to have a differing view or does this need testing?</p>

## Enhanced affordability segments

The basic, universal financial segments are based on socio-economic group and social tariff provision, however, enhanced financial segments are used when important for the research topic (e.g., where studying affordability). Additional questions over and above the standard defined questions are added to surveys to enable enhanced financial segmentation.

In defining our segments, we use socio-economic group (SEG) as a widely recognised proxy for income combined with customer responses to specific questions about social tariffs, arrears and ability to pay water bills. This recognises that an individual's perception of struggling to pay and the burden of paying bills is likely to be more variable than expected income for each socio-economic grouping.



Figure : Enhanced financial segments

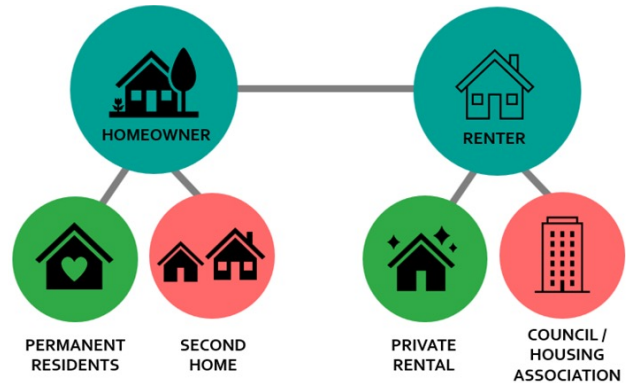
Enhanced affordability segment Ofwat standard	Socio economic group
Struggling	<p>Any customer regularly in arrears. DE SEG with one or more of:</p> <ul style="list-style-type: none"> <li>• Receive a social tariff</li> <li>• Stating bills are heavy burden</li> <li>• Agree struggling to pay all household bills.</li> </ul> <p>C1C2 SEG with one or more of:</p> <ul style="list-style-type: none"> <li>• Receive a social tariff and agree struggling to pay all household bills</li> <li>• Agree struggling to pay all household bills and state they are a heavy burden.</li> </ul>
Just scraping by	<p>All remaining DE not allocated to struggling: C1C2 SEG with one or more of the following:</p> <ul style="list-style-type: none"> <li>• Receive a social tariff and disagree that they are struggling to pay all household bills</li> <li>• Agree struggle to pay all household bills and somewhat burden</li> <li>• Do not agree struggle to pay all household bills but find the bills a heavy burden.</li> </ul>
Comfortable	<p>All remaining C1C2 SEG not allocated to 'Struggling' or 'Just scraping by'. AB SEG that:</p> <ul style="list-style-type: none"> <li>• Agree they are struggling to pay all household bills or state they are a heavy burden.</li> </ul>
Affluent	<p>All remaining AB SEG not allocated to 'comfortable'.</p>

Enhanced financial segments

### Housing Tenure Enhanced Segment

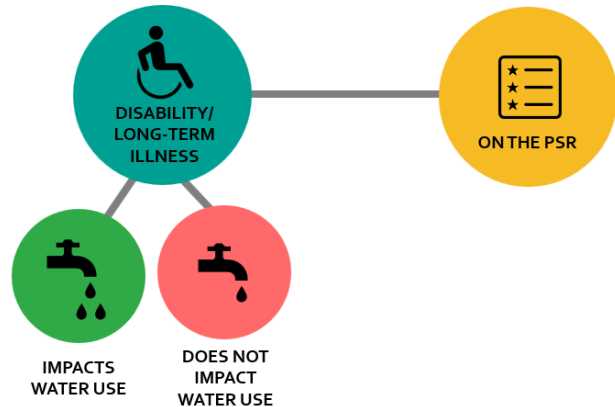
Housing tenure segments are based on home ownership status, including second home ownership. Up to four segments can be considered depending on the research topic.

Segments include a simple split of homeowners and renters. More complex options are available where appropriate depending on the research topic. The standard tenure questions differentiate between home owners (main residence and second home), social renting and private renting. These categories can be considered for larger research projects.



### Customers in vulnerable circumstances Enhanced segment

Customers in vulnerable circumstances segments are based on customer responses to Priority Services Register (PSR) and disability questions. Up to four segments can be considered depending on the research topic. The two core enhanced segments are those reporting a disability/long term illness in the household and customers on the PSR. Further segments can be used to separate those whose disability impacts water use if relevant to the research.



We have ensured that we have taken account of views on the affordability of our proposals of all our customers, including for those who struggle, or are at risk of struggling, to pay their bills.

We have used our segments in our PR24 customer engagement to ensure that we include the views of those who struggle or are at risk of struggling to pay to shape the affordability of our proposals and the activities we plan to undertake more widely across the plan.

We have undertaken specific Affordability and Acceptability research in line with Ofwat’s guidance to test the affordability and acceptability of our proposals for all our customers, including those struggling to pay and customers in vulnerable circumstances. For more information on this research see Section 8. We have gone beyond Ofwat’s requirements to ensure that we have reflected the priorities around investment and affordability of those struggling or at risk of struggling to pay their bills across our plan.



### Reflecting the priorities of those least able to pay

With the cost of living crisis continuing, we know it remains as important as ever to keep our bills low and ensure our services are value for money. Our customers tell us that fair and affordable bills are essential. Therefore, we have worked hard to ensure that we have included the voices of all customers in our plans, including those who struggle or are at risk of struggling to pay their bills.

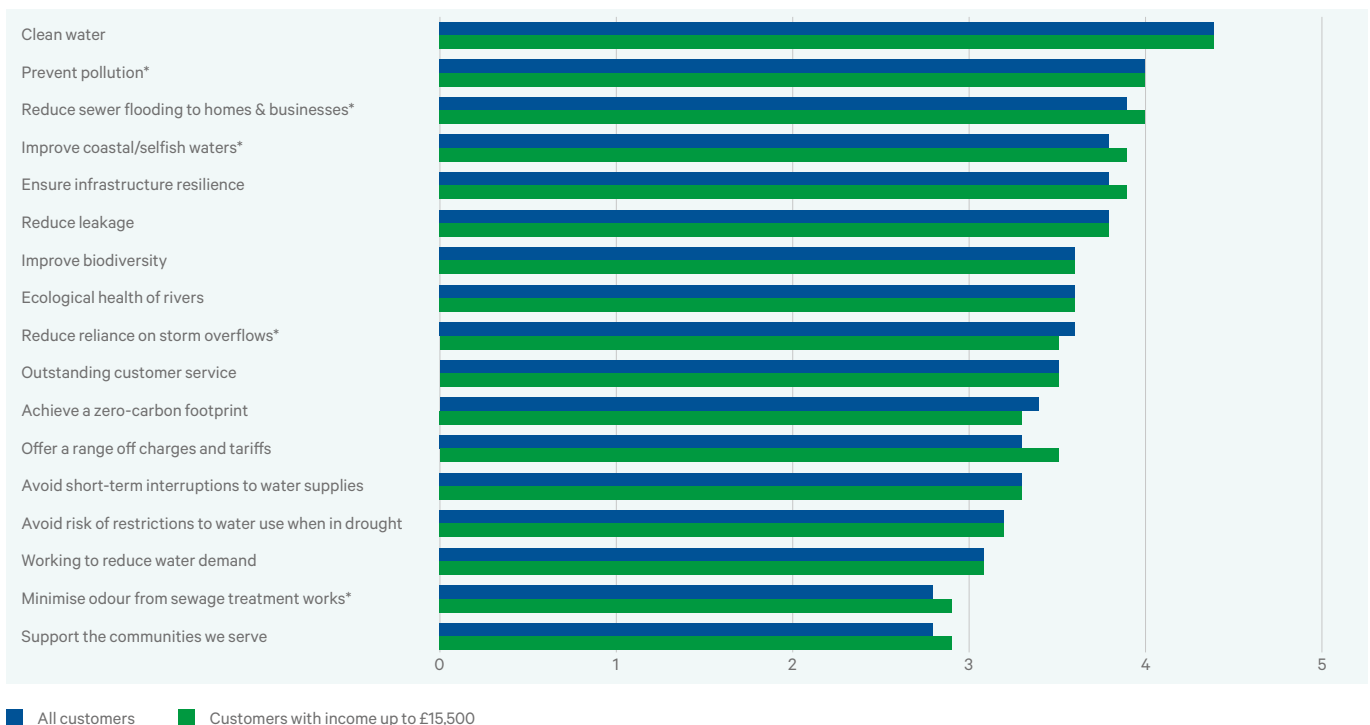
We ensured that we explored the priorities of our all customers including our segments in our PR24 priorities research.<sup>2</sup> The findings are clear that the priorities of our customers with the lowest incomes are consistent with the overall average priorities that we have used to shape our plans. The one important area of differences is that those who sometimes or always struggle to pay their bills, like those in our lowest income segment have a higher priority for a wider range of bills and tariffs – and we are responding to this priority through our work on fair charging – see Section 10 for more information on this innovative initiative.

Our priorities research, conducted in February 2023 by Verve, also demonstrates that our customers want to see our investment programme smoothly paced to achieve fair and affordable bills – overall 59% consider a steady programme of investment to be preferable to front or back end loaded programmes. Amongst those with the lowest incomes, 50% of prefer a smooth programme, 25% front ended and 25% back ended. We have paced our investment smoothly to reflect these preferences and ensured that investments to deliver against highest customer priorities are delivered first.

More detail about how we have paced the investments in our plan to drive affordability for all – whether current or future customers, struggling or not is set out in the following sections.

A key driver of the investment included in our proposals is our work to improve Storm Overflows – we have carefully tested the willingness of customers to pay for improvements (WTP) in this area. Our dedicated quantitative research has used our affordability segments to ensure that our proposals are affordable to all including those struggling or at risk of struggling to pay.

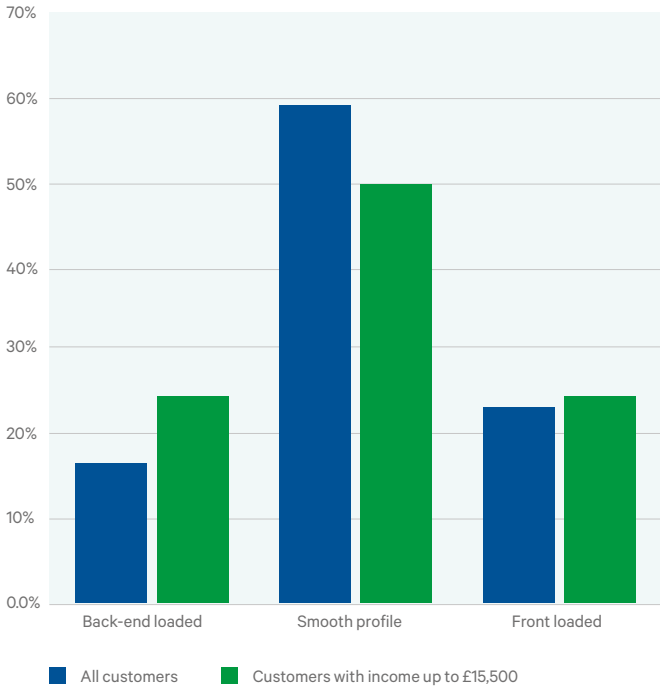
Priorities out of 5 by area and household income



<sup>2</sup> Report 17- Verve, PR24 Customer Priorities, February 2023

6. Inclusive Engagement Reflecting all the Customers and Communities we serve continued

Preferred investment approach by household income



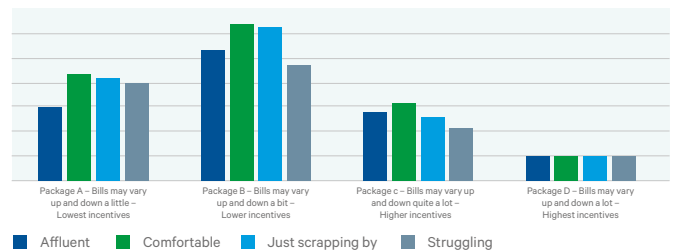
The findings of this research demonstrate that the WTP of the Struggling are Comfortable segments are both very close to the average that we have used in our analysis. The WTP of the Affluent segment is significantly higher than for the other groups – our conservative approach using the mean reflects the affordability preferences of those struggling or at risk of struggling to pay.

Affordable outcome delivery incentives

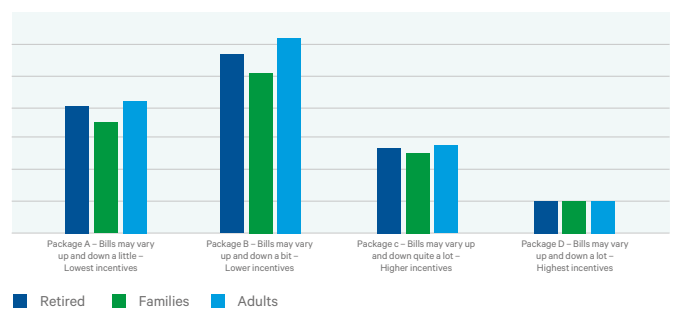
Outcome Delivery Incentives (ODIs) form a core component of our proposals. We have ensured that we have understood and reflected the views on the affordability of these proposals of all customers, including those who struggle or are at risk of struggling to pay in developing our customer-informed ODI proposals.

Our proposals for the overall package of incentives have been driven directly by our customers views. Our ODI customer research gathered customer views to enable a top-down approach to setting Outcome Delivery Incentive rates based on robust meaningful engagement. The project used the enhanced financial incentives to ensure that the views on affordability of ODIs of all groups, including those struggling or at risk of struggling to pay were used to inform our proposals. The findings provide conclusive evidence that customers support a 2% RORE package. This 2% preference is consistent across all the enhanced affordability customer segments (housing tenure, life stage, customers in vulnerable circumstances) as well as across the Bristol and South West regions.

ODI package preferences for enhanced financial segments



ODI package preferences for life stage segments



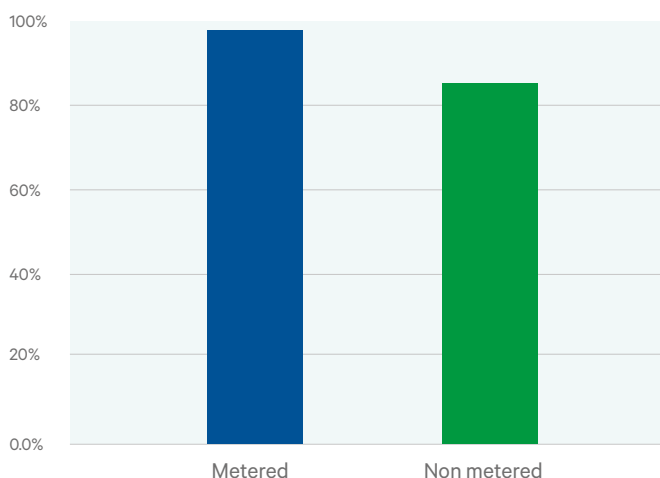


## Affordable support for those least able to pay

We closely monitor customer views on the affordability of their bills through regular quarterly tracking research. Despite the cost of living crisis value for money has remained stable and assessed affordability has continued to improve. Latest year results for the combined South West and Bournemouth regions show 96.9% water affordability and for Bristol 100% affordability – but there is more to be done as that still leaves around 25,000 households facing unaffordable bills.

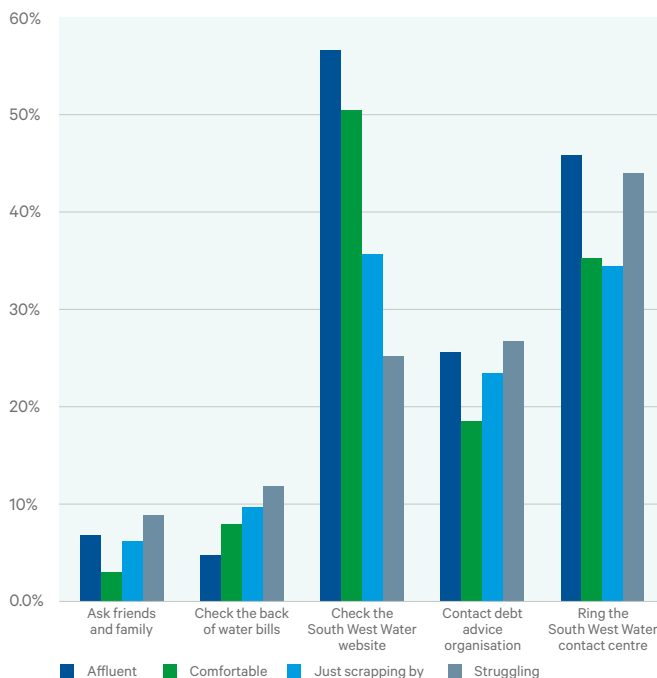
We know from our research that affordability is lower for unmetered customers, families, those renting and those with lower incomes. This reinforces the importance of using our segments in conducting our customer research.

### Affordability by metering



Regular tracking of how our customers access support using our affordability segments enables us to target assistance channels. The graph shows that customers who are struggling to pay their bill are more likely to look at water bills and less likely to check our website than the average customer.

### Where households go for information about assistance by enhanced financial segment



Cross subsidies are an important component of providing support to customers who need extra help. They result in customers who can afford to pay for their water services, paying a small additional amount through their bill, to support those who cannot pay. During 2023, research has been carried out to obtain updated customer views on their willingness to contribute to a cross subsidy through their water bill. The research found that our customers continue to support this contribution, which is key to being able to keep all of our customers out of water poverty.

### Willingness to contribute to a cross subsidy, by area

Area	Mean Willingness to Contribute per year
South West Water (Waste & Water bill) <sup>4</sup>	£22.45
Bristol Water (Water only bill) <sup>6</sup>	£11.65
Bournemouth Water (Water only bill) <sup>5</sup>	£10.60

<sup>4</sup> Social Tariff Research: South West Water DJS

<sup>5</sup> Social Tariff Research: Bournemouth Water DJS

<sup>6</sup> Social Tariff Research: Bristol Water DJS

## 6. Inclusive Engagement Reflecting all the Customers and Communities we serve continued

Therefore, we are confident that there is strong support from those customers who may be struggling with their bills for a cross subsidy. We have taken these views forward into our plans to ensure we have adequate cross subsidy for helping customers through our schemes.

### Refining our plan to reflect views on affordability

We have undertaken multiple rounds of customer testing as we have developed and refined our proposals to ensure that they reflect the views on the affordability of our proposals of all customers, including those who struggle, or are at risk of struggling, to pay their bills.

We have ensured that we have reflected the views on affordability of our proposals of those struggling or at risk of struggling to pay throughout our plan. Our research demonstrates that the average willingness to pay to reduce spills from storm overflows closely reflects the views of our struggling customers.

Our programme to test the Acceptability and Affordability of our plan including face to face deliberative workshops, online focus groups and in depth interviews in.

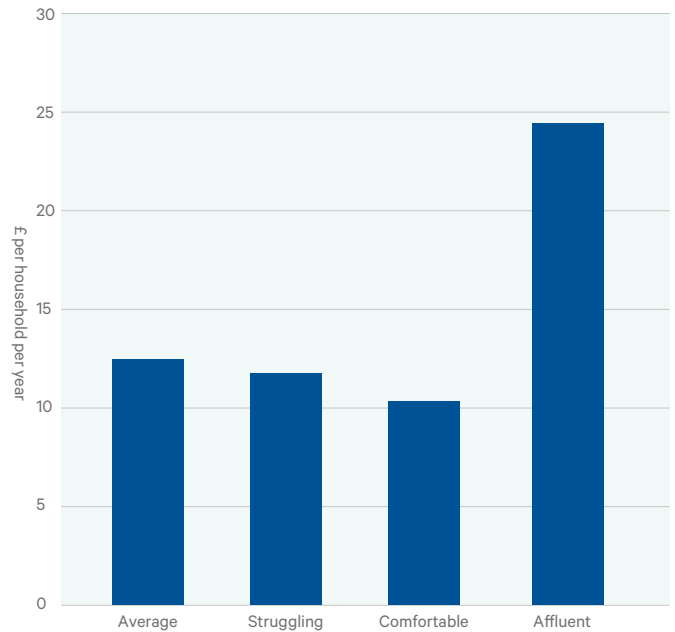
The findings from this research was used to further challenge our proposals resulting in a reduced level of investment that was then tested with customers through our quantitative Acceptability and Affordability survey over the summer. The findings from the quantitative work fed directly into discussions with our regulators to further refine our proposals, to further reduce investment needs and increase affordability for our customers. Final Acceptability and Affordability testing of the proposals with our customers demonstrated an increase of nearly 20% in the affordability of our final proposals.

**“It sounds really positive, and I had no idea that South West Water was doing so much. It makes me happier paying my bill.”**

Female, C2DE, Aged 46+

More information on our programme of customer research on the Acceptability and Affordability of our proposals is set out in Section 8.

WTP to reduce storm overflow spills



### Summary

- ✓ Overall, we are confident that we have taken account of the views on the affordability of our proposals for all customers, including for those who struggle, or are at risk of struggling, to pay their bills
- ✓ This insight has directly shaped our ambitious five-step approach to ensure our proposals are affordable:

- 1** Prioritise and phase investment to reflect what customers think is important.
- 2** Deliver the best value plan that is at the frontier of efficiency in our sector.
- 3** Charge fairly for the services we offer.
- 4** Support water efficiency and smart metering to put customers in control of their bills.
- 5** Offer our largest ever package of support for those who are struggling to pay.

**These steps are set out in more detail in the following Sections.**



## 7. Fair and Affordable Bills for Current and Future Generations

This section sets out our evidence that we have meet these tests:

### Ambition Test:

Our plan demonstrates that have engaged meaningfully with our customers to understand:

- ✓ Their priorities for improved outcomes for our customers, communities and the environment for 2025-30 and beyond; and
- ✓ Their views of how and when statutory requirements are best delivered, ie the outputs specified in WRMPs and the WINEP or NEP.

### Quality test

Our plan and long-term delivery strategy demonstrates that our proposals are likely to be fair and affordable for both current and future customers.

**“It seems to be improvements all around which is good.”**

Male, 18-45

Our plan is based on customer views, needs and priorities. The scale of investment we are proposing reflects the expectations and outcomes customers have of the services we provide. Our independent synthesis of our customer research is clear that:

- Our customers want reliable water and sewerage services at an affordable price
- They see us as key custodians of the water environment and they want us to protect the places they love, now and in the future.

**“Taken as a body of evidence, SWB’s research therefore provides evidence that customers support continued investment from SWB to get the basics right in delivering services throughout the water cycle, that SWB should also invest to drive environmental improvements while ensuring that its approach delivers value for money to all customers.”**

Frontier Economics, Independent Assurers

This section sets out how we have engaged meaningfully with our customers to understand their priorities for improved outcomes, including how and when statutory requirements are best delivered. We have used the evidence gathered through our high-quality customer engagement to refine and balance our proposals over the next five years and into the longer term to ensure that they are likely to be fair and affordable to both current and future generations. This is Step 1 of our five-step approach to ensuring fair and affordable bills - Balancing investment needs over the current and future periods to ensure we meet customer expectations and legal and regulatory requirements, whilst considering the impact on bills.

### Engaging customers and communities

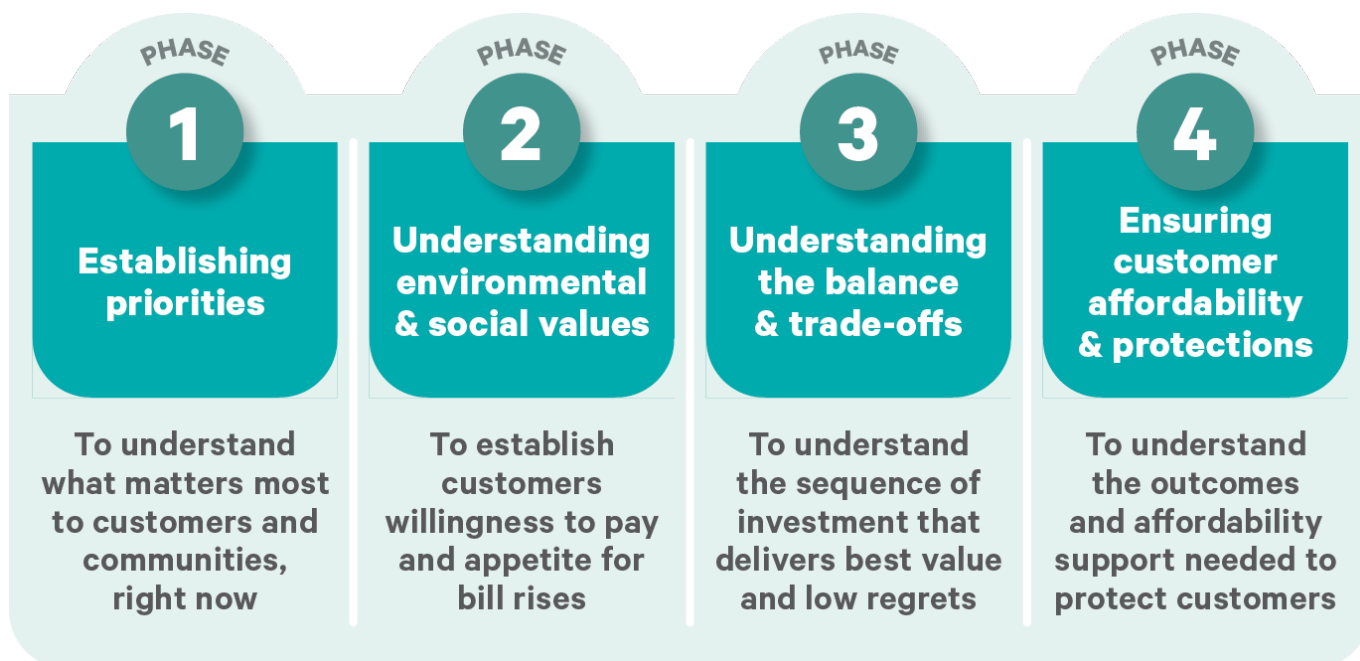
Our Engaging Customers and Communities report sets out in detail how we have built on over a decade of innovative engagement to deliver our most diverse engagement programme ever - widening the reach and methods of our engagement. We have engaged a similar number of customers as we did in PR19, but this time have also engaged with a wide range of stakeholders including delivery partners, catchment partners, consumers bodies, NGOs and regulators.

Our customer research has been developed and delivered by experts in market research, customer engagement, and the water sector. That ensures it is meaningful and actionable. We have used this customer research to shape our plans. There is a clear line of sight from what we have heard to what is in our 2025-30 and longer-term plans. We know what our customers and communities’ priorities are. Having conducted a comprehensive programme of engagement that is high quality, we have used this to base our plans around what matters most to customers and communities.

Our Engaging Customers and Communities report sets out how we are clear about what it is we need to know to ensure that our plans reflect our customers priorities for improved outcomes for customers, communities and the environment and their view of how and when statutory requirements are best delivered. Our four phased engagement programme is designed to provide the right information at the right time and is underpinned by business as usual activities and the wider engagement campaign to encourage customers to have their say.

7 Frontier Economics report

8 Environmental leadership report



### Establishing priorities – understanding what matters most

Through focus groups and workshops, online, telephone and face to face surveys, digital channels and social media, through engaging with you in everyday activities, whether it's paying a bill or ringing to tell us views, we have been listening.

We have built an understanding of how customer priorities are evolving over time. We have used both ongoing tracking research into customer priorities and our bespoke PR24 priorities customer research to ensure we hear a rounded view and do not rely on any one piece of research alone.

We continually track our customers priorities through our regular ongoing tracker research. Each quarter we undertake quantitative surveys with representative samples of our customers across all three regions to understand their satisfaction and be sure we can understand how their priorities may change over time.

We have undertaken the following tracker research projects:

- Annual Satisfaction Surveys (Quantitative survey) - Each quarter we track our overall performance and satisfaction in the Bristol water area

- Satisfaction, service, performance, value for money - annual tracker (Quantitative survey) - Each quarter we track our overall performance and satisfaction in the South West and Bournemouth areas
- Affordability - annual tracker (Quantitative survey) - Each quarter we track attitudes and levels of affordability
- Vulnerability / Priority Services Register customers - annual tracker (Quantitative survey) - Each quarter we track vulnerable customer satisfaction and how we can best meet their needs.

We have undertaken an extensive programme of specific research projects to understand customer priorities using a range of techniques to capture the full breadth of views. Projects include:

- Developing Future Long-Term Strategies (Qualitative/deliberative) - To understand customer views of the most important long term challenges and investments shaping our long term delivery strategy and PR24 proposals
- Environmental Leadership (Qualitative/deliberative) - To understand overarching priorities for environmental improvements
- River water quality (Qualitative/deliberative) - To understand how media attention impacts customer views and what customers want us to prioritise around river water quality improvements

## 7. Fair and Affordable Bills for Current and Future Generations continued

- WaterFit Priorities(Qualitative/deliberative) - To test our WaterFit plans to make sure it focused on what matters most
- Youth Board - future customers(Qualitative/deliberative) – to understand PR24 priorities from our younger customers.
- Water quality perception (Qualitative/deliberative) – to understand long term views on water in BRL region, based on customer feedback
- Retailers Priorities (Qualitative/deliberative) – to understand retailers priorities for PR24
- Visitor survey - Post Covid Impacts (Quantitative survey) – to understand views and priorities of visitors to our region
- Developers - we hold regular Market Engagement Sessions, send newsletters and hold regular meetings to share information and hear our customers views on how we can improve the service
- Visitor survey - Behaviours (Quantitative survey) – to understand how visitors behave when on holiday
- Priorities research (Quantitative survey) – to understand PR24 priorities and household and business customer appetite for change and bill impacts.

We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.

For more information on each of these projects see Appendix A2.

As set out in section 5 above we are confident that each of these projects meets Ofwat’s standards for high-quality research, including meaningful engagement.

Listening to our customers through these customer research projects tells us that concerns about climate change and the environment have become more important in recent years.

Our independent synthesis report drawing together and triangulating findings from our whole programme confirms that:

**“The environment has also increased in relative importance since PR19, particularly with regard to storm overflows, river water quality and leakage reduction. Customers in the SWW region recognise the importance of the water environment to the local economy, with valuations for related outcomes and service attributes (e.g. bathing water quality) notably higher than in other parts of the country, including higher than in the BW region. Customers identified climate change as the greatest challenge facing the region, but viewed a number of other challenges (including population growth, urban development and environmental policies) to be interdependent and of high priority while recognising the difficulties in addressing these in the region.”**

Frontier Economics, Independent Assurers

Therefore, we are confident that we have engaged meaningfully with our customers to understand their priorities for improved outcomes for customers, communities and the environment for 2024-30 and beyond.

Across South West Water, Isles of Scilly, Bournemouth and Bristol			
	YOU SAID	WE’VE PRIORITISED	
DELIVERABILITY	Prevent sewer flooding Reduce reliance on storm overflows Prevent pollution Protect bathing water quality Protect rivers	<b>1</b> Storm overflows & pollutions	AFFORDABILITY
	Clean, safe water supplies Resilience to extreme weather Reduce leakage	<b>2</b> Water quality & resilience	
	Boost nature and wildlife	<b>3</b> Net zero & environmental gains	
	Excellent customer service and responsiveness	<b>4</b> Delivering for our customers & addressing affordability	

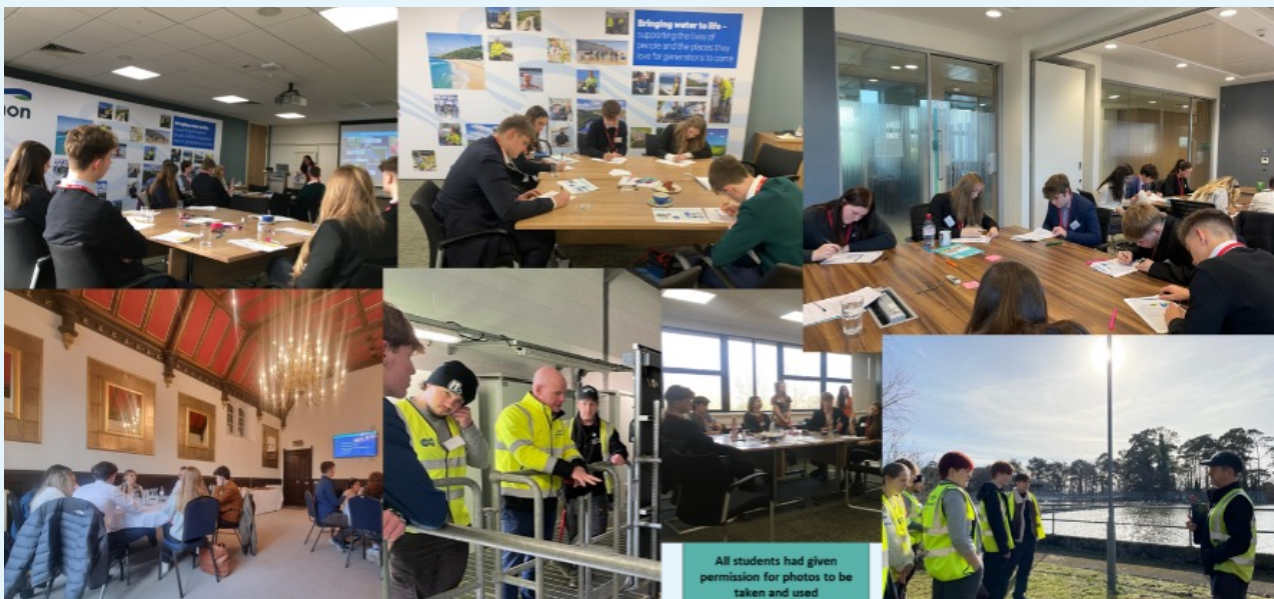
## Case study: Focus on Future Customers

We have worked hard to ensure that we have included the voices of future customers in our plans.

We have held an annual 'Youth Board' for a number of years in our Bristol region. Future customers from schools and colleges are invited into the business for a one- or two-day workshop, to be part of our decision making. Building on the success of this experience and sharing best practice across our regions, in 2022-23 the Youth Board was expanded across the group with workshops held in Devon, Cornwall, Bristol and Bournemouth, hearing from future customers across the region, gaining their feedback and thoughts on our vision for future digital customer journeys. These annual engagement opportunities provide insight into our future customers priorities and expectations.

We conduct regular tracking surveys across all our regions. The second quarter of 2022-23 saw Bristol Water receive particularly low satisfaction scores from the under 30s age group in the perception measure CMeX, in particular in relation to the taste and quality of tap water. We commissioned further research with this age group, including those who were not yet bill-payers which showed young customers do not know much about their tap water, and are also misinformed about water hardness. We have used insights from this research to shape our engagement with customers on the topic of water quality, in particular at events with our Water Bar where we are talking to many younger and future customers about using tap over bottled water.

Our recent Affordability and Acceptability research shows that future customers are overwhelmingly supportive of our plans. While they aren't particularly optimistic about their future financial outlook, given the current economic climate, they prefer an investment approach that means bill increases start sooner and therefore are spread across different generations of bill-payers.





## 7. Fair and Affordable Bills for Current and Future Generations continued

### Overall, as we listen to customers and communities, we know that we need to:

- Empower customers as a socially responsible business
- Strive for environmental leadership
- Support the economy
- Support local communities
- Be a trusted company.

We need to continue to modernise so that the water system is one that future generations can be proud of.

We need to think about future generations as much as our current customers today – ensuring that today's service is not at the expense of tomorrow.

We have translated what we have heard from customers into actionable insight – underpinning what we do and how we do it.

### Customer top priorities

Customers' top priorities reflect the importance of water and wastewater investment.

We know customers want high quality water – from the water in your tap to the water at your favourite beach. We know that customers worry that there will not be enough water in the future given climate change, and as more houses are built, and that the growth in tourism is not sustainable.

We know customers want to make the most of our region by enjoying the green spaces and spending time at a favourite beach or river.

**“In the West Country we rely a lot on tourism and when tourists come down here, they expect a certain level of bathing water; it improves the environment, but with the tourist industry, that is a massive factor for the South West.”**

Male, SEG ABC1, Aged 46+

Our annual customer priority surveys show us that concerns about climate change and the environment have become more important in recent years.

The issue of our reliance on storm overflows has been widely covered by the media. We agree this practice is unacceptable today, particularly where it causes pollution or stops people going to the beach. It is an area where the majority of customers would like us to accelerate investment to fix the problem and protect bathing waters in particular.

For more detail on the findings from these studies see our Engaging customers and communities report.



### Understanding environmental and social values

To update our core valuation evidence we have undertaken technical willingness to pay studies and triangulated their findings against wider valuation evidence to ensure that our planning reflects the social and environmental value that our investments deliver to the region and beyond. When making choices between the timing and scope of different potential improvements, we can weigh up the costs and benefits using our set of monetary values that are attributed to each of the 150 aspects of performance and service that we use to assess any solution.

Our WTP research has helped us to understand the benefits of investment and the maximum bill increases customers are willing to pay for improvement to service and the environment. Testing these values with customers ensures we can prioritise improvements, apply cost benefit principles to our plans, and ensure

## 7. Fair and Affordable Bills for Current and Future Generations continued

we understand the overall envelope of bill increases customers will be willing to pay.

The research shows that overall appetite for bills to increase to deliver more outcomes has increased since PR19. The willingness to pay for specific service changes has stayed broadly similar to levels at PR19, with minor ups and downs only, confirming that customers do expect to see more outcomes from any increased bill.

Highlights from the research include:

- **Sewer flooding** – internal and external sewer floodings remain a high priority for customers with WTP at similar levels to PR19, reflecting that customers continue to receive sector leading performance but this is an area where failures are seen as particularly egregious and we need to at least maintain the current performance
- **Bathing water quality** – similar to incidents of sewer flooding, bathing water quality remains a high priority for customers, with levels of WTP that have remained similar to PR19
- **Pollution incidents** – pollution is a growing area of importance, and we have seen slight WTP increases since PR19. Pollution is seen as a broad umbrella for wastewater, environmental performance and storm overflows
- **Supply interruptions** – WTP has increased compared to PR19, largely driven by non-households who value any interruptions to supply highly
- **Water quality** – WTP has slightly lowered reflecting how good customers tend to find service and that most customers want to see their service maintained and that we already provide a good service in this area
- **Water resources** – WTP to reduce leakage has continued to be high. The WTP to avoid hosepipe bans has reduced, as customers have experienced this in 2022 and found it mostly manageable, and do not have high WTP to improve the frequency from the current level of once every c.20 years.

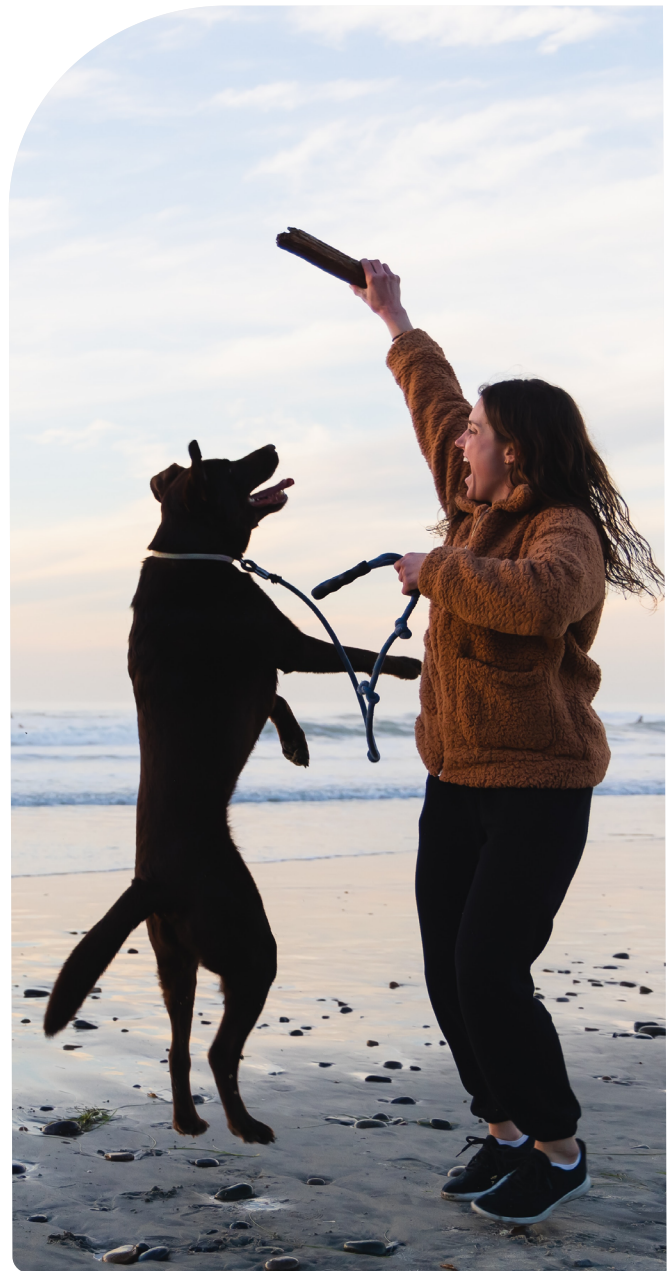
**I think it just makes sense to target areas of concern. I mean, that's just a sensible use of money isn't it? If there's a storm overflow which always overflows, then you want to spend your investment there and just make sure it doesn't happen again."**

Male, SEG ABC1, Aged 18-45

## A fair and balanced plan for all

**Our customers tell us that our plan focuses on the right things and is good for future generations.**

We have listened and responded to our customers to ensure we have planned the pace of change that they want to see.





## 7. Fair and Affordable Bills for Current and Future Generations *continued*

### Refining our plan to ensure it is fair and affordable for current and future generations.

We have undertaken multiple rounds of customer testing as we have developed and refined our proposals to ensure that both our plan and long term delivery strategy are likely to be fair and affordable for both current and future customers.

We have tested alternative options for the components of our plans that our customers told us are the most important through the priorities phase of research. Customer engagement projects include:

Project	Approach	Purpose
DWMP - Preferences and Testing	Qualitative/deliberative	Develop plan based on customer views
WINEP - Priorities and testing	Qualitative/deliberative	Develop plan based on customer views
WRMP - Metering and alternative supply options (Compulsory metering BW)	Qualitative/deliberative	Develop plan based on customer views
WRMP - Non household need and options	Qualitative/deliberative	Develop plan based on customer views
WRMP - Views on desalination versus other options	Qualitative/deliberative	Develop plan based on customer views
WRMP - Drought management (testing BRL plan)	Qualitative/deliberative	Develop plan based on customer views
WRMP - Testing water efficiency messaging	Qualitative/deliberative	Develop plan based on customer views
Smarter healthier homes (lead, water efficiency, metering, charging)	Qualitative/deliberative	Develop plan based on customer views
Net zero	Qualitative/deliberative	Develop plan based on customer views
Post event research - Survey on TUBS and Stop the Drop	Quantitative survey	Understand the impact of events on customers
Post event survey - Survey on Cold Snap 2022	Quantitative survey	Understand the impact of events on customers
Outcomes framework	Qualitative/deliberative	Understand what outcomes and performance commitments are needed to reflect local factors

We have tested our overall developing plans for PR24 and our long-term delivery strategy with customers to ensure that they view our proposals as fair and affordable to current and future customers. Projects include:

Project	Approach	Purpose
AAT - Ofwat methodology - Deliberative	Qualitative/deliberative	Test the £3.2bn revised plan
AAT - Ofwat methodology - Survey	Quantitative survey	Test the £3.2bn revised plan
Alternative business plan testing and long term plans	Qualitative/deliberative	Testing sequencing and phasing of our PR24 plan and long term delivery strategy
Your water your say - First meeting	Qualitative/deliberative	Ofwat mandated event
WaterShare+ Customer testing event	Qualitative/deliberative	Session ran on behalf of WS+ to test views of customers, to explore findings of AAT
Company own acceptability testing	Quantitative survey	Retesting so that we can compare to PR19 and address AAT findings £2.8bn plan - IN PROGRESS
Isles of Scilly testing	Qualitative/deliberative	Test plan meets customer needs

## 7. Fair and Affordable Bills for Current and Future Generations *continued*

We have undertaken a comprehensive programme of customer research to ensure that customer views inform our proposals for delivery, affordability and outcome delivery incentives. Projects include:

Project	Approach	Purpose
Social tariff research SWW	Quantitative survey	To understand appetite to support social tariffs
Social tariff research BRL and BW (testing with Wessex)	Quantitative survey	To understand appetite to support social tariffs
Understanding behaviours - Water efficiency co-creation workshops	Qualitative/deliberative	Support delivery of our plans and strategies, recognising customers have a role
Understanding behaviours - Sewer misuse	Quant survey	Support delivery of our plans and strategies, recognising customers have a role
WUnderstanding behaviours - Save Every Drop	Qualitative/deliberative	Support delivery of our plans and strategies, recognising customers have a role
Outcomes framework	Qualitative/deliberative	Understand what outcomes and performance commitments are needed to reflect local factors
Outcome Delivery Incentives	Quantitative survey	To develop incentive ranges based on 'top-down' customer views

These high-quality customer research projects have enabled us to hear and respond to our customers views on all aspects of the plan, including views on how and when statutory requirements are best delivered. Key statutory requirements are the outputs specified by government that form the targets in our Water Resource Management Plans and Drainage and WasteWater Management Plans. We have undertaken dedicated customer engagement on how and when to deliver all significant aspects of our plan.

We have heard that intergenerational fairness is a key priority of our customers who want to ensure that they pass on a resilient infrastructure to the next generation. They do not want to see short term cuts in investment at the expense of future generations, viewing this as a false economy.<sup>10</sup>

**“I have a young son and there are concerns with climate change and how that's going to affect our future generations and how the impact we are having on the environment now is going to affect them.”**

SWW Cornwall, 20-45

Our customers think our plan is good for future generations – this is the biggest reason customers gave for supporting our proposed plan in our qualitative

Affordability and Acceptability research, where we were able to dig deep and explore in depth with customers to understand their views about our proposals<sup>11</sup>.

As the independent synthesis of our customer engagement findings by experts Frontier Economics shows, our current customers are clear that they want us to pass on a resilient healthy infrastructure to future customers. They do not want short term cuts in investment that allow the assets to deteriorate, even if service was maintained, as they feel this will impact on service and increase costs in the longer term.<sup>12</sup> That is why our plans commit to continuing to drive stretching performance levels in relation to the health of our assets, driving continual improvement at no additional cost.

### **Our extensive engagement on how and when statutory requirements are best delivered**

We have engaged meaningfully with our customers to understand their views on improved outcomes for customers, communities and the environment including their views on how and when statutory requirements are best delivered.

Building on our qualitative research phase, our dedicated consultations on the key investment areas are a vital step in developing our plans and ensuring that we have engaged meaningfully to understand their views of how and when statutory requirements are best delivered. These formal consultations set out

<sup>10</sup> Outcomes framework research

<sup>11</sup> AAT Qual report reference

<sup>12</sup> Frontier economics, synthesis & ICS Consulting Performance Commitments and Outcome Delivery Incentives: Customer Research, April 2023

## Case study: Focus on Drainage and Wastewater Management (DWMP)

### WHAT HAVE WE HEARD?

Customers and stakeholders have an important role in shaping our plans.

We want to engage all customers to ensure everyone can hear about our plans and share their views. The DWMP consultation gave us a formal way of hearing from a wide range of our customers, stakeholders and our regulators about our plans for drainage and wastewater investment.

We asked consultees what their priorities were for our investment in our drainage and wastewater network and were especially keen to hear their views on how we strike the right balance between nature-based solutions and partnership working and whether we've got the right balance between prioritisation and the pace of change.


#### WHAT WE HAVE LEARNED

We're grateful to everyone that took the time to engage with our DWMP consultation and provide us with feedback on our draft plan. The key themes we heard were around:


- Balancing our investment choices
- Ensuring we deliver an affordable plan that delivers steady improvement
- Demonstrating environmental leadership through the pace and types of solutions we deliver
- Helping our customers to understand our plan
- Detailing our approach to adaptive planning including how this approach will support risk management
- Storm overflows – providing a robust and detailed plan for storm overflows including a timeline.

#### YOUR FEEDBACK


- PRIORITY 1**




Customers rank tackling the impacts of climate change as the greatest challenge for the network
- PRIORITY 2**




Customers view coastal bathing waters as the highest priority for investment; this reflects the high use of beaches by our customers and the importance of tourism to our economy
- PRIORITY 3**




Customers would like the DWMP to be balanced, addressing both storm overflow spills and flooding
- PRIORITY 4**



Customers like the idea of working with nature to reduce or slow how quickly water enters the drains. They think the best option is to include nature-based and engineering solutions, rather than make the existing system store more water
- PRIORITY 5**



Over 90% agreed or strongly agreed that a step change in the level of investment is necessary to protect the environment
- PRIORITY 6**



Customers want us to prioritise the most impactful investment such as those at beaches to deliver environmental improvements affordably

“Putting money into prevention rather than just mopping up what has happened, being proactive.”  
South West Water customer

“We all want a greener world.”  
South West Water customer

“Reducing storm overflows is the biggest issue as we live in South Hams and it's a big issue for us.”  
South West Water customer

#### DID YOU KNOW?

We're working hard to help everyone understand storm overflows and how they operate. We understand that the way they operate is **no longer acceptable to customers** and our DWMP sets out a **plan for radical change and environmental improvements.**

#### HOW THIS HAS SHAPED OUR PLAN

You can find out about how your feedback has shaped our plan in our Statement of Response [here](#).

In June 2022 we published our draft Drainage and Wastewater Management Plan (DWMP) and began a 12-week consultation to gain feedback on our plan from customers, stakeholders and regulators. We engaged with our customers through a variety of routes to gather their views on our draft DWMP. Our customer feedback was gathered from emails to our DWMP mailbox, completion of an online survey and attendance at DWMP specific customer focus groups. We've also shared our plans, along with feedback from customers, stakeholders and our regulators with our independent advisory WaterShare+ Panel to enable customer challenge.

Just a few of the dedicated engagement projects that have underpinned our DWMP and ensured that we have meaningfully reflected their views in our plan include:

**Testing DWMP priorities and preferences (May 2022)** – we engaged with customer focus groups to test our DWMP, to ensure our plans are in line with their views. This enabled us to understand the right pace and scale for investments, confirm the ambition for partnership working, and gain assurance from customers that our plans focus on the right things. This showed that our plans are focusing on the right topics. Feedback included the following:

- Customers recognise we cannot achieve this alone, and partnership working is a must – customers see there is a need especially to get

### Case study: Focus on Drainage and Wastewater Management (DWMP) continued

developers on board as new housing developments are seen to be a problem across the region affecting all infrastructure and essential services

- Base maintenance scenarios alone are not acceptable and there needs to be a step change in investment
- With the current cost of living crisis, large bill increases that reduce affordability would be an issue at this time – and plans need to be mindful that they start when we will likely just be exiting a difficult economic period
- Nature-based solutions were popular with attendees, but they also recognised that they would not be quick to deliver outcomes.

**WINEP focus groups (October 2022 to January 2023)** – this research was designed to review our WINEP proposals, particularly with regard to storm overflows, river quality monitoring, bioresources, and nutrient reductions. Support was greatest for investment to reduce storm overflows and the least for river quality monitoring. that they start when we will likely just be exiting a difficult economic period

**Staycation (March 2023 to May 2023)** – this large national survey of 2000 visitors to the region showed the views of tourists that come to the region. This showed that more than 8 in 10 visitors say their families enjoy the use of coastal bathing waters when they come to the South West, compared to 37% who say they enjoy rivers and inland waters. Almost all visitors say it's either quite or very important that the beaches in the South West have good or excellent quality coastal water, and one third agree that it is not fair that those local to Cornwall and Devon pay all of the costs to maintain beaches which those holidaying in the area benefit from.

what we have heard from our customers together with our initial view of how we plan to deliver the statutory requirements in a way that provides best value for our customers. These consultations provide an opportunity for customers to review and challenge our plans.

Our public consultations set out:

- Challenges facing us in the investment and service area (eg water resources resilience)
- Regulatory and statutory requirements
- What we have heard from our customers and stakeholders, together with
- Our draft plans to respond to the challenges and statutory requirements given what our customers and stakeholders tell us they want.

We have undertaken these dedicated consultations on key components of our plans, which include our Drainage and Wastewater Management Plan and our Water Resources Management Plan. Our final public documents clearly set out how we have listened to our customers and stakeholders. We have published the findings from these consultations, including a clear Statement of response, setting out what we have heard and how we have refined our plans to take on board customers views on the draft plan.

### Our Long-Term Delivery Strategies (LTDS)

Our long term plans reflect future goals and targets, and the pressures that water companies need to be ready to adapt to, such as climate change, population growth, and changing customer expectations. These plans are a vital part of ensuring that we right decisions at the right time, and our PR24 plan has been set in the context of our long term plans.

Our analyses allow us to understand the scale of the challenges we face over the long-term. We need to respond to changing weather patterns associated with climate change, the impact of over half a million more people living in our region by 2050, and rising expectations on the role that we play in the environment. At the same time we need to meet long-term targets and objectives for the sector set by government, including the Environment Act 2021.

## 7. Fair and Affordable Bills for Current and Future Generations continued

Based on these analyses we can expect a significant increase in investment and we have already doubled investment since 2015. We have used the findings from our customer engagement to ensure that this scale of investment is sequenced in line with our customers preferences.

We have used our long-term planning tools to explore the sequencing and pace of investment over the next 25 years to meet targets, to reflect the urgency of improvements and the need to keep bill impacts as low as possible and balance of intergenerational fairness. Our scenario modelling has enabled us to do this against the backdrop of a range of different possible future scenarios, to ensure our planning is resilient to a range of likely possible 'futures'.

In order to deliver our customers preferences for a smooth plan (see Section 6 above) we have challenged plans and sequencing to make investments over the next 25 years as smooth as possible. We have considered the impacts on outcomes and bills of different strategies. We have profiled investments in line with what we have heard from customers that they want:

- Where the priorities research tells us customers want to see benefits now and
- Reflecting our customers views on intergenerational fairness and affordability – aiming to smooth our investment programme where possible.

Our journey to understand what customers want over the long term from 2025 onwards commenced in 2021. We undertook a range of testing with customers around potential future strategies to shape our plans in our Developing Future Long-Term Strategies (Qualitative/deliberative research) to understand customer views of the most important long term challenges and investments shaping our long term delivery strategy and PR24 proposals.

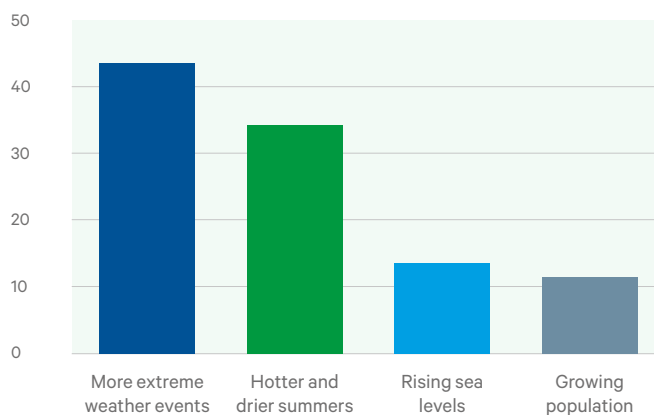
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**“During the summer period when we get a lot of holiday makers coming down into Cornwall and Devon, and places like that. So that puts bigger stress on the water supply.”**

Male, Aged 65+, SEG ABC1, South West Water

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**Challenges facing SWW that will have the biggest impact on services**



We have continued to engage customers on priorities and the sequencing of investment as we have developed and refined our plans, including specific research to inform our LTDS in our Alternative business plan testing and long term plans (Qualitative/deliberative research) This customer research undertaken in May 2023, tested a range of alternative long term business plans. Customers told us that growing numbers of people living in and visiting the region is the biggest issue that the region faces, followed closely by the hotter, drier summers that we will experience due to climate change.

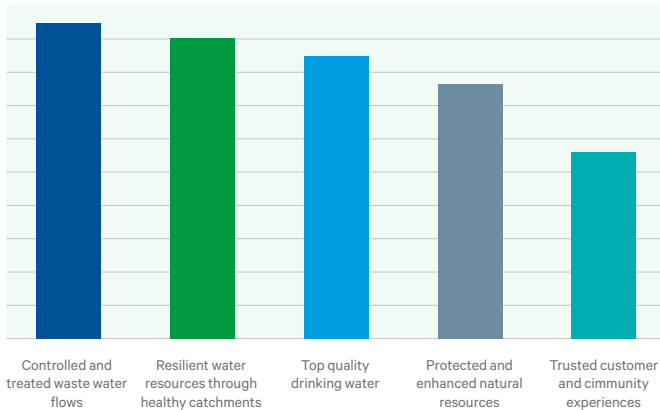
These have the biggest impact on the services we provide and customers told us that we need to invest in our infrastructure to meet these future challenges. We have reflected our customers view that priorities for improvements in our long term plans for improvements to wastewater discharges and water resources are ranked as the most urgent areas of investment by accelerating new water sources and new reservoirs in our WRMP, and putting forward plans to address storm overflow discharges by 2040.

We have heard that our customers consider environmental improvements that directly impact their locality and experience (such as local beaches and local habitats) are more urgent for us to deliver than wider environmental improvements, that should be driven at least in part by national or global programmes (such as net zero). We have reflected this in our plans to prioritise improvements to storm overflows where we have heard they matter most to our customers.



## 7. Fair and Affordable Bills for Current and Future Generations continued

### Speed of improvements



The findings of our deliberative research in May 2023 are that the majority of customers support our proposals. Customers told us that they feel our plans have the right pace of investment and prioritisation across different service level outcomes. Overall, customers told us they prefer a medium to fast pace of improvement in our LTDS, with an early focus first on storm overflows and water resources.

In order to maintain affordability we have selected investments to accelerate through PR24 that reflect our customers views – focusing on storm overflows and water resources.

**“I’m quite happy with the proposed plan. It seems quite reasonable and it’s somewhere between medium and faster, roughly. So hopefully they will be able to get the ball rolling on these things without too much of a medium jump.”**

Female, 18-45

**“We regard the Plan to be a reasonable balance of what is legally required, and customer based local priorities, based on a clear ‘golden thread’ back to well evidenced comprehensive large scale research into what customers want and what is affordable.”**

WaterShare+ Panel

### Independent assurance

We have commissioned independent assurance from experts Jacobs to review how we have responded to the findings from our customers engagement in developing our plans. We have shared our developing plans with our WaterShare+ Panel as part of our customer challenge process.

This independent review challenges and assurance enables us to be confident that the findings from our customer engagement has flowed through into our plans.

### Summary

We are confident that we have met Ofwat’s Quality and Ambition tests in this area.

Our plan clearly

- ✓ Demonstrates that we have engaged meaningfully with our customers to understand:
- ✓ Their priorities for improved outcomes for our customers, communities and the environment for 2025-30 and beyond; and
- ✓ Their views of how and when statutory requirements are best delivered, ie the outputs specified in WRMPs and the WINEP or NEP.

Our plan and long-term delivery strategy clearly:

- ✓ Demonstrates that our proposals are likely to be fair and affordable for both current and future customers.

**“I feel there is a real appetite for change in the South West. We have more water scarcity than other areas, therefore more impetus for change.”**

BW Bristol, 45-70



## 8. Our Affordability and Acceptability Testing

This section sets out our evidence for Ofwat’s test that:

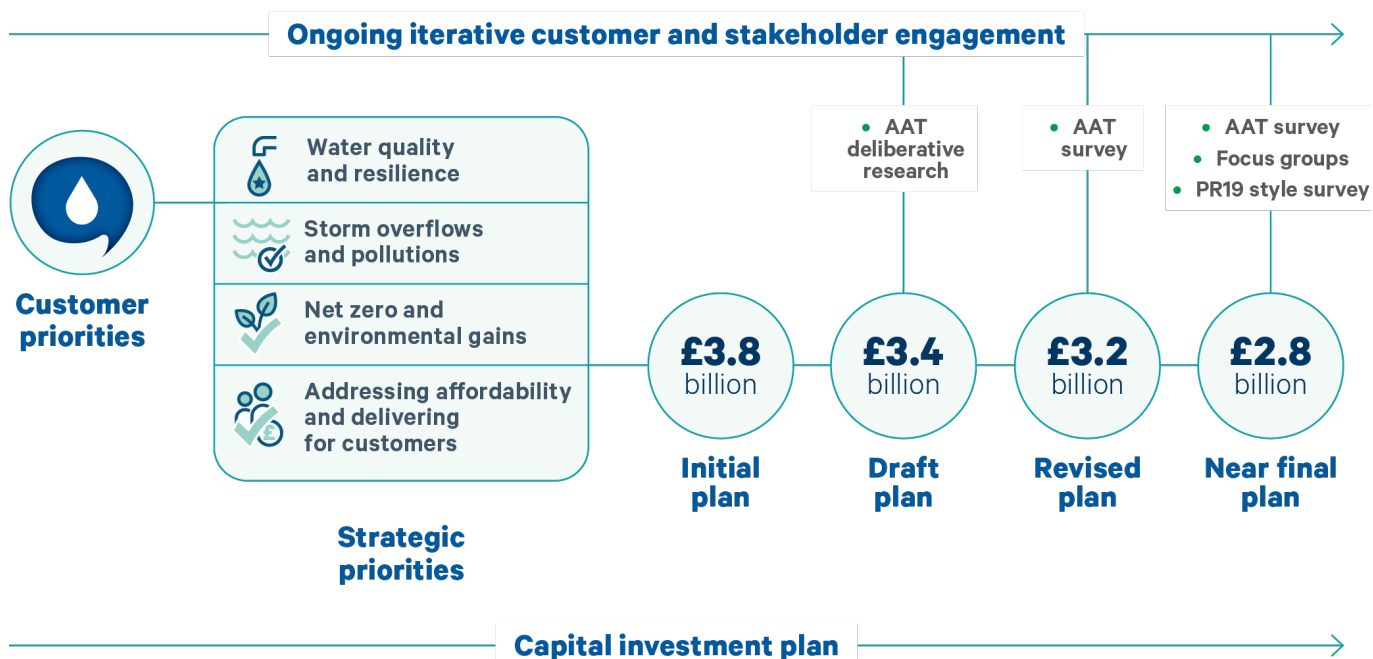
The company plan provides sufficient and convincing evidence that we have followed Ofwat’s guidance for testing customers’ views of the affordability and acceptability of our proposals.

We also demonstrate that our final proposals are clearly supported by a strong majority of our customers.

We have undertaken a programme of Acceptability and Affordability testing (AAT) with our customers to help us refine our plan. We have used a mix of qualitative and quantitative research techniques in the projects that form our iterative AAT programme. This AAT research has formed a key component to Phase 3 - understanding balance and Phase 4 - Ensuring affordability of our overall PR24 customer engagement programme.

Our enhanced AAT programme has included customer research specified in detail by Ofwat (on our draft and revised plans) to ensure consistency and comparability of results across all water companies. We have designed these qualitative and quantitative customer research projects to ensure that we have followed Ofwat’s guidance. We have also gone beyond Ofwat’s requirements and undertaken more extensive AAT as we have refined our plan.

Each component of our AAT customer research has been used to inform the next project – and helped us to challenge the basis for investment, the value for money provided by individual investments, and the costs and timing of our activities. We have placed an emphasis on understanding the views of those who are or are at risk of struggling to pay or in vulnerable circumstances.



## 8. Our Affordability and Acceptability Testing continued

We also undertook research to dig deeper to understand customer preferences around the pace of investment within our Long-Term Delivery Strategy. This qualitative customer research placed PR24 firmly in the context of our Long-Term Delivery Strategy to understand customer views on the pace of delivery of outcomes and bill impacts over 25 years.

We then refreshed the Ofwat mandated survey for household customers in the south west region for our near final plan and undertook more detailed testing of the final plan with households in the south west region in a format aligned to our PR19 and PR14 acceptability research. This enhanced testing enabled us to understand the level of customer support for a wider range of outcomes of our plan than allowed within the Ofwat specified projects.

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### **“It provides a greater base of local customer evidence.”**

Our independent WaterShare+ Customer advisory panel has supported our approach

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### **Our required AAT research complies with Ofwat guidance**

We set out below how we have carefully followed Ofwat guidance for the required AAT research. See Appendix A1 for more detailed assurance against the Ofwat requirements provided by our expert partner Blue Marble.

### **Our required Qualitative AAT research complies with Ofwat guidance**

#### **Our research is fit for purpose:**

- The Ofwat guidance was open about the use of online or face to face methods. We employed both approaches in order to maximise the inclusiveness of our engagement
- Face to face deliberative events with household customers (including some customers in vulnerable circumstances) and future customers recognising the act of deliberating is more effective face to face, allowed for observers, and we were able to include digitally excluded consumers
- Online for harder to reach samples, particularly non household customers, and those with a health vulnerability for whom the ability to participate from home (with support of a career/family member) is best practice.
- Thorough cognitive testing was carried out on all materials to ensure they were easily comprehended and neutrally balanced
- All research was conducted by moderators trained to MRS standards. Moderators regularly checked participants comprehension of materials before moving on to the next topic
- At the end of all focus groups, participants rated their experience. Feedback was overwhelmingly positive.

The amount of time spent in deliberative discussions with participants and achieved sample exceeds Ofwat’s minimum recommendations. Sample achieved below by our expert research partner, Blue Marble:

## 8. Our Affordability and Acceptability Testing continued

	South West Water	Bristol Water	Bournemouth Water
Minimum number	98	68	n/a
Achieved	99	70	40
<b>* = free find (remainder opt-in, recruited using compant database)</b>	<b>Number of participants</b>	<b>(target number)</b>	
<b>Cognitive depths</b> – 45-60 minutes, online, speed of age, gender, S EG – optional, no target numbers	6	6	6
<b>Face-to-face deliberative events</b> – 3-hour events with 16-24 participants per event x 7 SWW: Truro, Exeter, Newquay and Barnstaple Bristol Water: Weston super Mare and Bristol Bournemouth Water: Bournemouth	Future* 8 (8) Economically vulnerable* 5 (4) Household 52 (48) Social Tarrif 0 (4)	Future* 8 (8) Economically vulnerable* 4 (4) Household 32 (32) Social Tarrif 3 (4)	Future* 8 (8) Economically vulnerable* 3 (4) Household 18 (16) Social Tarrif 3 (4)
<b>Online depths with health vulnerable</b> –1 hour	Free find 5 (4) Opt-in 3 (4)	Free find 4 (4) Opt-in 3 (4)	Free find 1 (4) Opt-in 4 (4)
<b>Reconvened online groups with NHH</b> –Micro 1.5 hours + 1.5 hours	18 (18)	12 (12)	3 (6)
<b>Online depths with large NHH</b> –1 hour	8 (8)	4 (4)	0 (4)

Please note: research in Bournemouth Water areas was optional so, technically, no target number. Aimed to achieve numbers set out in guidance for WOCs

Sufficient numbers were achieved to carry out qualitative analysis on all groups. However, recruiting business customers proved extremely difficult, to the extent Blue Marble did not achieve any interviews with large business customers in the Bournemouth Water area. In addition to the sampling methodologies set out in the guidance (using company databases and asking participants to opt-in), Blue Marble also deployed traditional recruitment methods. They engaged several trusted recruitment agencies, posted messages on local social media sites, used snowball recruitment and face-to-face in the local areas (i.e., recruiters going into businesses to try and recruit participants).

- Our expert partner, Blue Marble reports cover:
  1. Acceptability of [each version] of the plan
  2. Affordability of [each version] of the plan
  3. Comparative acceptability and affordability
  4. Views on phasing and inter-generational fairness
  5. How acceptability could be improved
  6. How affordability could be improved
  7. Anomalies within the data/qualitative analysis
  8. Recommendations for the proposed business plan.

### Our research is inclusive:

- We worked with our expert partner Blue Marble to ensure that all customer segments views were well represented (providing a good mix of ethnicity, geographic coverage, households and non-household customers, vulnerable customers, future bill payers, socio-demographics).

### Our research is useful and contextualised:

- We ensured that at the outset of all qualitative research that participants understood the purpose of the research and that their views would inform future investments in a number of key plan enhancements
- Customer insights inform investment decisions which directly impact communities, the service they receive and the wider environment.

### Our research is neutrally designed:

- All questions and supporting materials were cognitively tested for potential bias and carefully reviewed to ensure their tone, amount of content and the structure of the content adhered to Ofwat guidelines:
  1. Context was laid out that explained how we will meet our target and how this will benefit customers
  2. Customers were then presented with information pertaining to the bill impact of each performance commitment.

## 8. Our Affordability and Acceptability Testing continued

3. Proposed business plans included information explaining:
  - a. Why the specific proposal was not already being delivered as part of a performance commitment
  - b. Information to understand the bill increase year-on-year and differentiate it from inflation
  - c. Information about the relationship between the proposed bill and new service level targets shown in the business plan summary for 2030.
4. The background of water company performance was also provided.

### Our research is ethical:

- As set out in Section 5, all qualitative research was conducted in line with Market Research Society guidelines.

### Our research is independently assured:

- Our qualitative research, from sampling to final report was independently challenged by our WaterShare+ panel on behalf of customers. The research has been independently assured by experts Frontier Economics.

### All our research is shared in full with others

- Summaries of all research are published on our website where we encourage feedback from customers.

## Our required Quantitative AAT research complies with Ofwat guidance

### Our research is fit for Purpose:

- We surveyed a representative sample of household and non-household bill payers and exceeded Ofwat's minimum requirements of 500 household bill payers.

### Sample achieved below:

In each area, areas of higher deprivation were to be proportionally higher in the sample than the population, to ensure representation (given lower response rates in these areas) and their relative importance in the research.

Sample was issued in the following proportions:

- 25% from the bottom IMD quintile postcodes for that area (i.e., most deprived)
- 22% from the second quintile
- 20% from the third quintile
- 18% from the fourth quintile
- 15% from the fifth quintile (i.e., least deprived).

Companies were asked to use any evidence they had of response rates to previous surveys in their areas to tailor these proportions to their local circumstances.

Exclusions were to be kept to a minimum, for example, customers who have opted out of marketing communication, but have not explicitly opted out of market research were to be regarded as in scope for the purpose of this survey, as were recent participants in other research.

Within the design framework above, the sample needed to drawn randomly.

Area	Household Survey Target	Achieved	Non-household surveys Target	Achieved
South West Water	500	776	200	207
Bristol Water/Wessex Water	500	597	100	119
Bournemouth Water/Wessex Water	500	592	100	90

## 8. Our Affordability and Acceptability Testing continued

For the non-household sample, guidance is less strict around sampling. It only stated a minimum number for WOCs and WaSCs which we adhered to in our proposal.

- For non-household customers, the minimum requirements of 100 interviews WoCs and 200 WaSCs was also surpassed. A total sample of 416 non household customers was achieved
- Our survey questions and supporting materials followed the prescriptive instructions detailed in Appendix F in Guidance for water companies: testing customers' views of the acceptability and affordability of PR24 business plans
- Our survey followed the prescribed outline structure for both the affordability and acceptability suite of survey questions. The affordability section had the following structure as per Ofwat guidelines:
  - Questions on current financial situation of the household
  - Perceptions of how this might change up to 2030
  - Affordability of current water/sewerage bill
  - Affordability of bill under proposed business plan for the period 2025-2030
  - Impact of bill increases on household finances
- The acceptability section had the following structure, as per Ofwat guidelines:
  - Stimulus material introducing a summary of proposed business plan, including past performance against a list of proposed commitments and bill impact for 2025-2030
  - Acceptability of company plan.
  - Questioning to assess how customers would like to phase the investment beyond the 2025-2030 period.

### Our research is inclusive:

- We ensured that all customer segment views were well represented (including a good mix of ethnicity, geographic coverage, households and non-household customers, vulnerable customers, future bill payers, socio-demographics). We have exceeded Ofwat minimum sample requirements.

### Our research is useful and contextualised:

- At the outset of the research customers were told why their data was being collected and how this would be used
- Customers were also told what to expect when completing the survey and how long this will take
- Clarity was provided on what types of digital device surveys could be completed on
- Customer feedback has been crucial in developing

our investment plans for the next 5 years and beyond. This will directly affect the services customers receive as well as the wider environment.

### Our research is neutrally designed:

- Thorough cognitive testing was carried out on all materials to ensure they were easily comprehended and neutrally balanced
- All questions and supporting materials followed the prescriptive guidelines set out in Appendix F in Ofwat's Guidance for water companies: testing customers' views of the acceptability and affordability of PR24 business plans. This ensures that not only is the questions and supporting materials created with neutrality in mind, but that the data across multiple surveys can be easily compared
- All analysis and conclusions have been independently assessed.

### Our research is ethical:

- As set out in Section 5, all quantitative research was conducted within MRS guidelines
- Participants were provided with reassurance about data protection and confidentiality at the outset of all quantitative surveys.

### Our research is independently assured:

- Every aspect of our quantitative research, from sampling to final report was independently assessed by Frontier Economics and Professor Ken Willis.

### All our research is shared in full with others:

- Summaries of all research are published on our website where we encourage feedback from customers.

## We used the findings from each customer engagement project to challenge our plan

We have developed and refined our proposals to ensure that they reflect the views on the affordability of our proposals of all customers (including those who struggle, or are at risk of struggling, to pay their bills). We developed our investment needs based on asset modelling, legal and regulatory requirements and extensive testing of customer and stakeholder views.

We incorporated outputs from our strategic frameworks (Water Resources Management Plan, Water Industry Environment Programme, Drainage and Wastewater Management Plan and Drinking water quality requirements).

## 8. Our Affordability and Acceptability Testing continued

We built our initial programme bottom up from all the investment needs identified by our investment planners to deliver our statutory requirements and customer priorities. At 3.8bn, we recognised that reflecting earlier phases of customer feedback, this programme would challenge affordability. We undertook a detailed review of our programme to test the urgency of investment, the value for money provided by individual investments and to challenge the costs. This resulted in a net reduction to the programme of £400m and a draft plan that we tested with customers as a next step.

### Research findings: The draft plan - AAT deliberative research & Long term Delivery Strategy

We heard from our customers that they were generally highly supportive of the need for investment and the pace of our proposals, saying the it was a good plan for future generations and focuses on the right things.

69% of customers engaged supported the South West Water draft plan.

The main reasons customers gave were:

- It is good for future generations (21%)
- The plan focuses on the right things (19%)
- The plan is environmentally friendly (14%)
- The plan will make big improvements (13%)

The main reasons customers gave for not supporting our draft plan in the South West were:

- Water companies should pay more from their profits (31%)
- Water company profits are too high (15%)
- The plan doesn't focus on the right things (13%)
- the plan is too expensive (6%)

It is clear from what we heard that the reasons customers didn't support the draft plan were due to concerns about company profits. We also heard in the discussions that customers were concerned about the affordability of the draft plan.

In response we revisited our plan and challenged the investment need down again to £3.2bn. we then tested this revised plan in our quantitative AAT survey.

### Quantitative AAT findings

We heard that the majority of our customers (74%) support this proposed plan. 69% of customers engaged supported the South West Water draft plan.

The main reasons customers gave were:

- It is good for future generations (21%)
- The plan focuses on the right things (19%)
- The plan is environmentally friendly (14%)
- The plan will make big improvements (13%)

The main reasons customers gave for not supporting our draft plan in the South West were:

- Water companies should pay more from their profits (31%)
- Water company profits are too high (15%)
- The plan doesn't focus on the right things (13%)
- the plan is too expensive (6%)

It is clear from what we heard that the reasons customers didn't support the draft plan were due to concerns about company profits. We also heard in the discussions that customers were concerned about the affordability of the draft plan.

We also heard that customers were still conscious of the impact on their bills. We heard that they want to know that water companies are paying their fair share. Customers who did not support the plan didn't do so because they didn't like the plan itself, but because they believe companies' profits are too high or companies should pay for service improvements. This is why we are working hard to drive increased efficiency and ensure we the outcomes we deliver are value for money.

Overall, across South West, Bristol and Bournemouth and across household and non-household customers we heard that the main reasons for not accepting combined water and wate water plans were:

- Company profits are too high (23%)
- Companies should pay for service improvements (19%)
- The bill increases are too expensive (17%)

This is why we are working hard to drive increased efficiency and ensure the outcomes we deliver value for money.

Recognising remaining customer concerns about affordability (with 46% of customers feeling it could be difficult to afford) we challenged our programme down again to our near final plan of £2.8bn and tested this again though further quantitative and qualitative research. Clearly going beyond the Ofwat requirements. This final round of engagement helped us better understand the relationship between our customers views of affordability and acceptability.



## 8. Our Affordability and Acceptability Testing continued

### Enhanced testing

Our additional testing enabled us to understand the support for the outcomes in our plan in more detail. The outcomes from our plan will boost the economy, enhance the environment and protect public health. We heard that customers recognise those benefits. There is near universal agreement that the priorities are the right priorities and levels of support for the key initiatives average over 90%.

We heard in our enhanced testing that our actions to reduce forecast bill impacts had increased affordability from 46% to 57%. Although affordability levels rose significantly on average for our final plan, affordability for struggling and vulnerable households remains of concern. That is why our plan includes extra help to improve affordability for our customers to deliver zero water poverty through our affordability toolkit, the rollout of smart metering and water efficiency advice, and through new tariffs that will meaningfully support customer bill reductions. We set these out in the next sections.

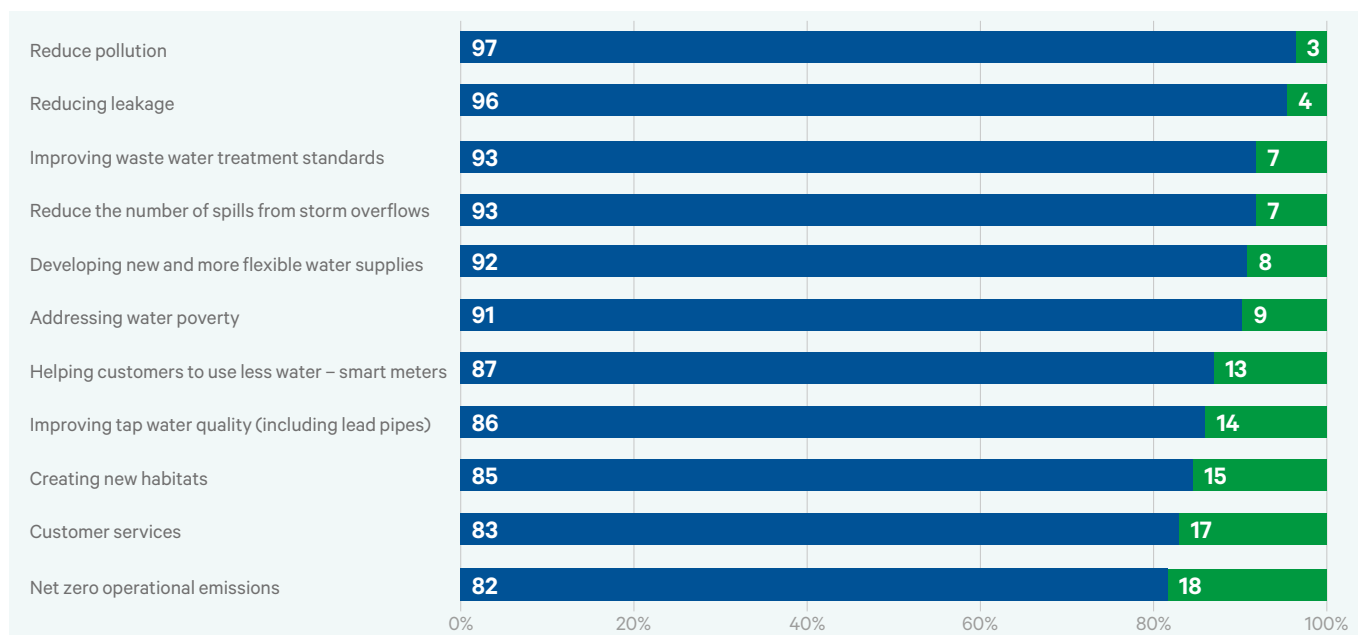
We also heard that acceptability levels remained at 74% despite the increase in affordability. That is why we have also introduced new policies around dividends and executive remuneration, and ensured that we have a plan that is financeable – as we look to address concerns around financial performance.

**By addressing all of the concerns raised, we know that we have a plan that delivers for customers and communities.**

**“The majority of the ideas are needed for the future so invest now, with the hope that bills will go down once the investment has worked?”**

Household customer Truro

### Support for the proposed elements of our plan



■ Agree with proposed change ■ Don't agree with proposed change

## 9. An Affordable Plan for All

This section sets out our evidence for the tests on enhancing affordability, and how we have met these Ofwat Ambition tests:

- ✓ Our plan provides evidence demonstrating ambition to further enhance affordability overall (over and above ensuring value for money).
- ✓ Our plan provides evidence demonstrating ambition through evidence of high value and innovative proposals to support customers, such as:
  - voluntarily sharing outperformance
  - making other contributions from investors, or
  - delivering charging innovation

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### Ofwat's Ambition Assessment: Enhancing affordability tests

### How we have met these

The company's plan provides evidence demonstrating ambition to further enhance affordability overall (over and above ensuring value for money)



We set out in this document how we are planning to enhance the affordability for all of our customers through our 5 stepped approach:

- Step 1: Prioritise and phase investment
- Step 2: Deliver the best value plan
- Step 3: Charge affordable and fair bills
- Step 4: Support water efficiency through smart metering, putting customers in control of their bill
- Step 5: Offer our largest ever package of support.

Our strategy for delivering for customers (Serve, Conserve, Care, Share) demonstrates how we will provide further support over and above value for money.

The company's plan provides evidence demonstrating ambition to further enhance affordability for future customers.



Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.

We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. We have also consulted with younger members of the population – our future customers – to understand their perceptions of the affordability of our services and in turn inform our plans.

We have used this feedback to consider how the cost of investment and outcomes should be shared between current and future customers to ensure fairness across generations – as such we believe our plan balances our statutory obligations and stakeholder requirements with our customers' needs whilst remaining affordable.

The company's plan provides evidence demonstrating ambition through evidence of high value and innovative proposals to support customers, such as:

- voluntarily sharing outperformance
- making other contributions from investors, or
- delivering charging innovation.

Please give specific references for each proposal submitted.



Our WaterShare+ incentive scheme allows customers to own a share in our parent company, Pennon Group, and therefore their local water company.

1 in 14 of our customers are now shareholders, giving them not only a say but a financial stake in our plans. We now have more customer-shareholders than investor-shareholders.

We set out in this document how we are planning to pilot innovative new methods for charging customers to provide fair charging for all and how we have set ourselves an ambition target to get to 1 in 10 customers as holding shares in their local water company.

## 9. An Affordable Plan for All continued

### Enhancing affordability overall

Over the last 30 years, we have invested more than £11 billion in our regions, innovating to deliver world-class drinking water, cleaner safer bathing beaches, and more reliable services. To date over 100,000 customers benefit from our broad range of affordability initiatives, and we work hard to deliver bills that remain affordable.

We understand that, more than ever, we must strike the right balance between the level of investment now versus the future, the level of returns to shareholders to continue to attract investment, and affordability of our bills for customers.

We have developed an ambitious plan for the next 25 years, and the first five year phase is designed to accelerate delivery in the areas which matter most to customers, whilst keeping bill increases to a minimum at a time when the cost of living is at a 15 year high. As a listed business, we have strict policies around dividends and bonuses – so customers can be assured that payments are only made when we deliver on our commitments. Dividend payments provide a sustainable level of return to our investors and allow us to continue raising the funds we need to invest in the future.

Responding to the major challenges that we face today, together with meeting higher environmental legal requirements, will require unprecedented levels of investment in our region to achieve a transformation of the way that we work and the systems that we operate within.

We are acutely aware of the affordability challenges that this will create for many, as well as a challenge to our ability to finance this level of investment. We have therefore considered the smoothing of investment as well as the profile of the bill alongside our wider affordability plans.

We are working hard - in collaboration with our regulators, customers and stakeholders - to find ways to minimise the level of bill increase required. Bills are being kept below inflation and, for the vast majority of our customers, bills are lower today than they were 10 years ago in real terms.

Our WaterShare+ scheme will continue to give customers shares in our parent company or money off their bills, reducing bills where customers feel they need it, and we will continue our approach to look for innovative ways to incentive water efficiency, whilst keeping bills low, such as Stop the Drop.

Our WaterShare+ scheme will continue to enable customers to own shares in our parent company or money off their bills where customers feel they need it, and we will continue to incentivise water efficiency, whilst keeping bills low, through innovative initiatives such as Stop the Drop.

Through innovative charging that ensures customers feel charges are fair and are fully cost reflective, we will ensure customers recognise bills reflect the pressures of their region. We are piloting tariffs to five customers a choice of tariffs that support them, whilst also rolling out smart meters to put customers in control.

In parallel, we will ramp up our support for vulnerable customers. We have developed a data tool that allows us to proactively enrol customers on to our schemes and out of water poverty. By 2030 we expect to be helping around 110,000 customers through our social tariffs.

To develop our plans, we have listened to the feedback, insight and challenge of more than 250,000 of our customers and have built into our plans what is important to everyone. Our plans reflect change in the areas customers and communities want.

Through innovative charging that ensure customers feel changes are fair, and are fully cost reflective, we will ensure customers recognise bills reflect the pressure of the new region. We are piloting tariffs that support them, whilst also rolling out smart meters to put customers in control of their bill. In this section we explain how we meet the Ambition assessment tests to enhance affordability over and above supporting those struggling to pay and ensuring value for money. These are addressed through our five stepped approach to keep bills low:

- 1** Prioritise and phase investment to reflect what customers think is important.
- 2** Deliver the best value plan that is at the frontier of efficiency in our sector.
- 3** Charge fairly for the services we offer.
- 4** Support water efficiency and smart metering to put customers in control of their bills.
- 5** Offer our largest ever package of support for those who are struggling to pay.

## 9. An Affordable Plan for All continued

### Step 1. Prioritise and phase investment to reflect what customers think is important

The benefits of our investments can last for generations, so the timing of our investment programme means there is a question about who pays for the work – whether it is the current or future generation of bill payers. We have engaged with these groups to understand their different concerns and priorities and have taken into account the balance

between investing now to deliver benefits sooner, with an increasing impact on bills, or phasing investment into the future to impact future bills.

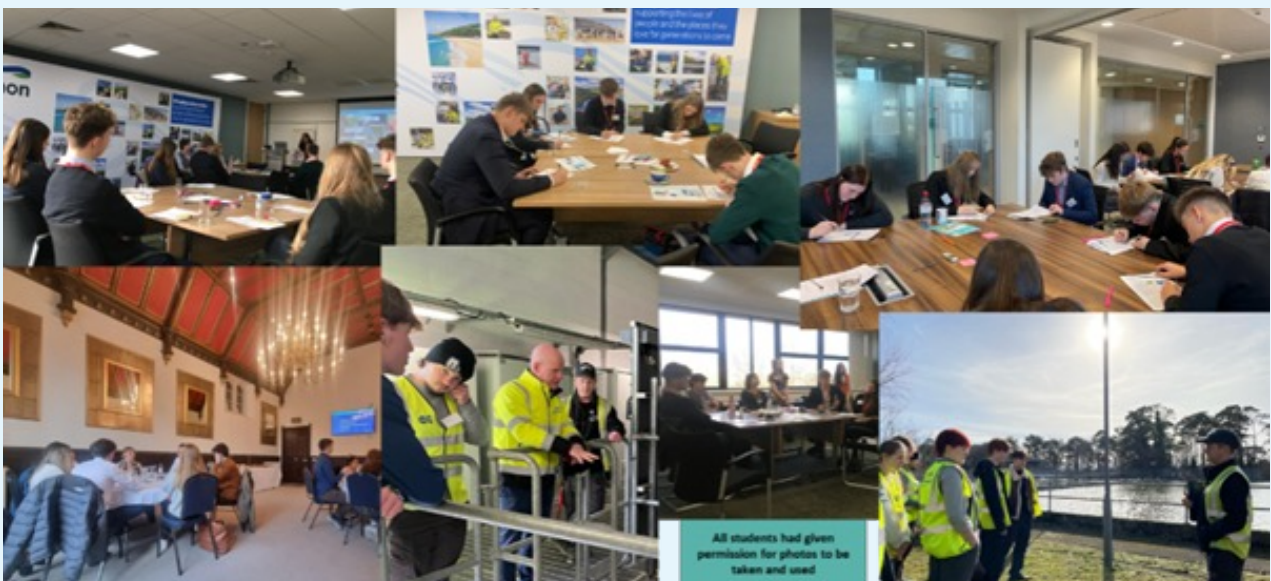
Affordability remains a concern, which is why we have been selective in which investments we accelerate through the period 2025-30 and which have been deferred.

### Meeting Ofwat's Ambition test to further enhance affordability for future customers

We have heard that intergenerational fairness is a key priority of our customers, who want to pass on a resilient infrastructure to the next generation. Our research and engagement shows that customers and stakeholders do not want to see short-term cuts in investment at the expense of future generations, viewing this as a false economy. They believe we need to act now, especially around bathing water quality, and this is therefore reflected in our plan.

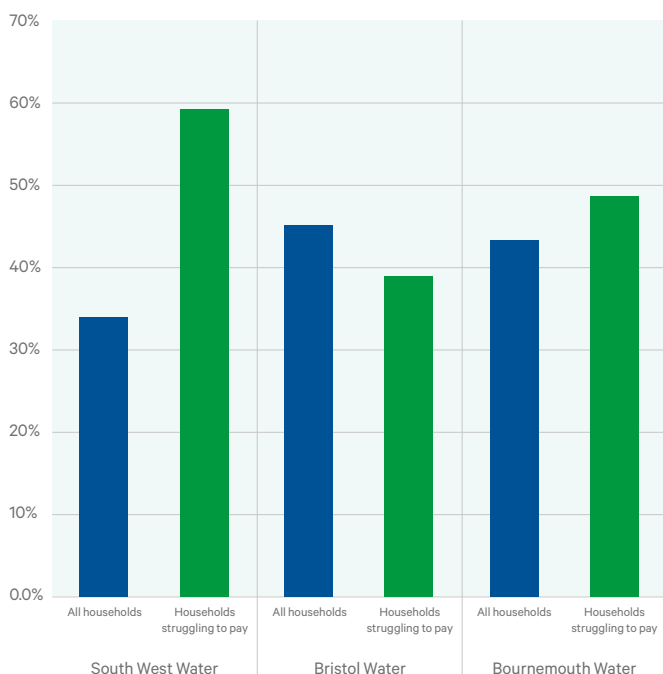
Our Affordability and Acceptability testing shows that 73% of households feeling able to answer the question prefer an increase in bills to start sooner, spreading increases across different generations of bill-payers. This compares to 27% preferring an increase in bills starting later, putting more of the increases onto younger and future bill-payers. This support for investment now is clear across all regions and segments, with support for starting sooner amongst those struggling to pay at 76%.

Our customers think our plan is good for future generations – in fact, this is the biggest reason customers gave for supporting our proposed plan in our qualitative Affordability and Acceptability research, where we were able to dig deep and explore in-depth with customers to understand their views about our proposals.<sup>13</sup>



## 9. An Affordable Plan for All continued

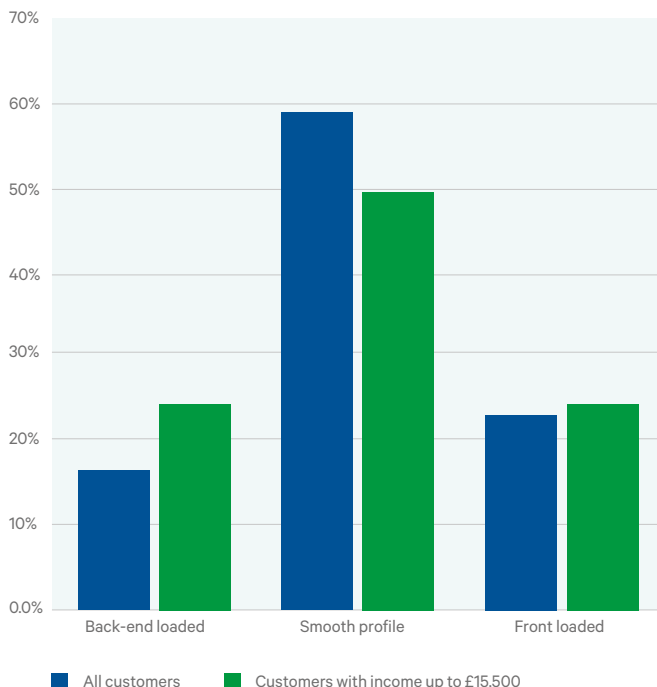
**% Preferred starting sooner, spreading bill increases across different generations**



We have made difficult decisions about the work we need to do and how far and fast we need to do it in order to reflect our customers preferences and balance affordability. For example, our teams are passionate about ensuring we minimise the water wasted through leakage across our regions. In the Bristol Water area, our low leakage levels are at the frontier of performance across the sector, and as we bring leakage levels down, the time taken to find and fix leaks becomes harder and gains become more expensive to make. To manage the impact of this on bills, we are setting a target of 4% reduction for leakage, compared with a higher target of 15% in South West Water, where we feel we can efficiently deliver more to target industry leading leakage levels across our region to less than 10% of the water we produce.

The timing and phasing of investment within the five-year plan also impacts how much we charge. When we have asked our customers about how they would like the investment to impact the bill 59% of customers have said that they want to see our investment programme smoothly paced. For customers with the lowest incomes, 50% prefer a smooth programme, 25% want this work to be front-ended and 25% back-ended.<sup>14</sup>

**Preferred investment approach by household income**



Following the results of our Affordability and Acceptability Testing on our near final plan we have taken steps to make the plan more affordable and more acceptable. We have:

- Worked hard with our regulators to identify where investment that legally must be undertaken can be rephased back and still be delivered on time, where customers do not support it right now
- Applied challenging efficiencies to the programme, reflecting that customers are more concerned about profits and dividends – and want us to share the load, especially given the cost of living crisis.

### **Climate change is such as severe threat to humankind”**

Male, Aged 56+, SEG C2, SWW

<sup>14</sup> Source: PR24 Customer Priorities, Verve

### Step 2. Deliver the best value plan that is at the frontier of efficiency in our sector

We work hard everyday to ensure our costs are good value for our customers. We have benchmarked our costs against other companies and subjected them to internal and third party challenge to ensure our costs are as efficient as they can be.

On top of this we have set ourselves a significant forward looking challenge to increase our productivity despite rising costs.

Ensuring our costs are as efficient as they can be and delivering a best value plan at the frontier of efficiency means that we can keep bills low for current and future customers.

More detail on all these activities can be found in Evidence against Ofwat Quality tests - Costs and Efficiency'

- ✓ We believe this planning as well as the smoothing of our investment programme over the longer term, demonstrates the ambition to further enhance affordability for future customers.

### Step 3. Charge affordable and fair bills that reflect costs

- ✓ Our plan provides evidence demonstrating ambition through evidence of high value and innovative proposals to support customers, such as:
  - voluntarily sharing outperformance
  - making other contributions from investors, or
  - delivering charging innovation.

Our bills for South West Water remain lower today, in real terms, than they were a decade ago, and we continue to work hard to ensure we are delivering efficient outcomes for customers.

Our unique approach to affordability has included shareholder support through the following initiatives:

- Our Watershare+ incentive scheme provides an opportunity for customers to own shares in our parent company, Pennon Group plc, or receive a credit to their water bill. This scheme has given over £40m back to customers to March 2023, and will continue to share any outperformance with customers in the future
- Our Stop the Drop campaign in Cornwall gave customers in Cornwall £30 off their bill for reducing their water usage and helping our Colliford reservoir recharge after the hot, dry summer of 2022.

### Meeting Ofwat's Ambition to voluntarily share outperformance and make other contributions from investors'

Our WaterShare+ incentive scheme gave back £40m to customers in March 2023, at a time where the cost of living crisis was impacting many people. Our WaterShare+ incentive model is unique. It allows customers to own shares in our parent company, Pennon Group (giving them a share in their local water company) or giving them a credit on their bill. By becoming a shareholder, customers have a formal say in our operations and can hold our executive team to account. It also increases transparency and openness. We host WaterShare+ meetings where we invite customers to discuss, debate and challenge our executive team on performance.

Thanks to WaterShare+ 1 in 14 of our customers are now shareholders, giving them a vote in the running of our business and ownership of their local water company. We are committed to continuing this scheme, increasing both the number of customers who are shareholders to 1 in 10, as well as the value of existing holdings.

We will continue to share any financial outperformance through WaterShare+ and increase the value of the shares we offer to customers. Moving forward to 2030, the remit of the WaterShare+ Panel will be extended to vote on executive pay and dividend policy.



## Meeting Ofwat's ambition for innovative proposals to support customers and share outperformance - Stop the Drop

In the 2022 drought we used our Stop the Drop campaign to help improve water efficiency which in turn saved metered customers money off their bill, we enhanced this our Stop the Drop incentive scheme.

Stop the Drop - As part of a drive to increase water efficiency and protect our resource in the South West Water region during the 2002 drought we launched a first of its kind customer incentive scheme. In November where we asked everyone in Cornwall to come together to help Stop The Drop in reservoir levels. We provided an Incentive offering a £30 off bills if Colliford Reservoir reached 30% storage capacity by 31 December 2022., from a starting point of 15%. The campaign showed that customers reduced their household consumption by an average of 5% during the campaign.

Customers collective efforts helped increase Colliford to 30%, and as a result all our household customers in Cornwall received a credit on their bill. Using our online customer panel, we undertook a post event research survey<sup>[1]</sup>. Most customers surveyed were aware of the water saving measures they could make and were already using some water saving devices in their homes. This shows that the messaging around Stop the Drop was effective for customers. We have already used this Insight to continue our water efficiency campaigns.



"I really liked the reward for 'saving' water for Cornish reservoirs recently. There was local advertising that if residents of Cornwall were able to collectively restore an adequate level of Colliford lake, if we could bring it up to the required level, everyone would get a financial reward. And I think it was like £30 or £40 or so, and that was nice."

Female, 18-45, South West Water

Our plans set out how we will continue to use schemes similar to Stop the Drop up to 2030 whenever appropriate. Demonstrating our innovative approach to sharing outperformance we have ensured that our Water Resources Management Plan has a sharp focus on helping customers save water and promoting efficient water use. Water efficiency benefits the environment and enables households and businesses to save money – directly sharing the benefits through reduced bills.

Water efficiency also keeps future bills down by reducing the need for increased water supply investments as the population rises. So, by helping our customers save water we are directly sharing the benefits of outperformance – our Stop the Drop initiative demonstrates our innovative approach to sharing outperformance immediately through the £30 bill rebate. Taking these lessons through into our water efficiency plans enables us to share longer term outperformance with customers by reducing the need for increased water supply investments as the population rises.

## 9. An Affordable Plan for All continued

### **Our plans for progressive, innovative charging**

We need to invest to meet our customer and stakeholder expectations, but there is a cost to this investment, and we need to charge fairly for it – both to protect our customers and to provide the right incentives.

So, the way we charge needs to be more progressive – modernising tariffs, improving cost reflectivity, sending the right price signals to those who use capacity at peak times and who need to contribute to the solution (to demonstrate the value of water). This is a cornerstone of our future plans incentivising careful use, ensuring affordable water for life, for all.

If we get this right, then we will reduce some of the future pressures to further increase capacity. This will help reduce costs and bills for all. We can also help reduce the impact on average bills for many customers in 2025-2030.

Our bills are based on tariffs and charges across our customer base. We aim to make charges fair and reflective of the costs to provide our services. Customers have told us they feel they are paying a premium for the high peak demand we experience from summer visitors. They've also said they understand using tariffs to incentivise water efficiency could help customers to use less water and make bills more affordable.

We are looking at how we can use charges to better reflect the costs and investment we are incurring so that bills are fair for customers. We will run pilot schemes to understand what works well and what customers consider to be fair. During these pilots, we will ask all customers to consider:

**Environmental Tariffs** - which reflect the higher cost of peak summer demand, and encourage customers to use less water in the summer months, but provide discounts over the winter when there is less pressure on water resources.

**Rebalancing of charges** – to reflect some of the unique challenges we face as a region, and ensure the costs are spread fairly across the right customers; for example, those associated with increasing waste water investment is reflected fairly across those who use surface water drainage and waste water services, and that the costs of investing in additional capacity in the summer months is reflected in properties which may not be occupied all year round.

We want customers to feel their bill is fair, and they have choice in how they are charged - as they would do in other sectors. We will be looking at how we engage with customers and communities to test and learn from trials of new charges to build a refreshed suite of traffic that is appropriate to today's challenges.

We also recognise that customers are anxious that new tariffs will not benefit them, and are reluctant to change from what they know. We will look to engage with both individual customers and communities as part of the process to reassure, explain and support them, providing choice rather than enforcing change. We will also engage with those communities that are asking for change to work with them to ensure our tariffs and charges reflect their input and respond to their concerns and challenges around our existing position.

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**“It should be environmental, we should be trying to use less water. It should be the more water you use there should be an incremental increase that way”**

Higher social grade

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**We will also ensure we reflect fair charges across our different customer segments, whether households, businesses or developers.**

Trials will commence in charging year 2024/25 to understand the impact on water efficiency behaviour and affordability and we will look to roll out progressive charges depending on the results of these trials.

- ✓ We believe this demonstrates the ambition to further enhance affordability through high value and innovative proposals to support customers.
- ✓ Our plan provides evidence demonstrating ambition to further enhance affordability overall (over and above ensuring value for money).

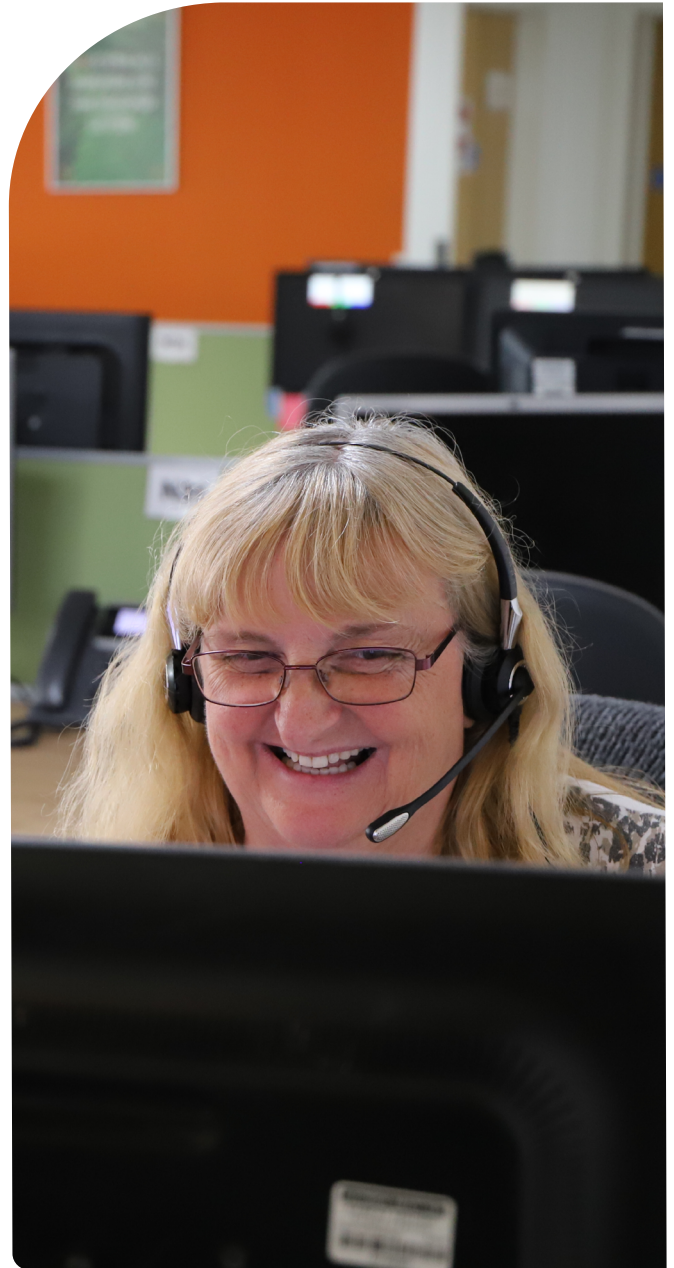
## 9. An Affordable Plan for All continued

We are committed to delivering excellence in customer service and community engagement. With bills increasing, we must be sure that our customers recognise that our service represents value for money. As such our customer service and experience must always be reliable, consistent and inclusive.

We have built a customer experience strategy that is focused on ensuring we provide this service. At its heart, we have undertaken to:

- **Serve** – provide excellent customer service to all our customers, supported by effortless, automated customer journeys
- **Conserve** – work with our customers to help care for the environment, leading behaviour change
- **Care** – supporting all our customers and ensure inclusive, consistent services
- **Share** – build trust by proudly showing who we are and what we are doing. Working with customers, communities and partners through purposeful engagement to learn.

Our vision for this strategy is set out in Addressing Affordability and Delivering for Customers.



## 9. An Affordable Plan for All continued

### Step 4 Support water efficiency and smart metering to put customers in control of their bills.

We know that customers want bills that are not just fair but also accurate. Metering is the key to charging accurate bills as well as supporting customers with understanding their water usage.

We are starting to roll out smart meters to all of our customers over the next 15 years. While existing meters provide periodic information on usage, smart meters go much further and provide regular, detailed information about water consumption.

This helps customers understand their water use, supports them to only use the water they need and, as a result, puts them in control of their bills.

Our experience over the periods of drought in 2022 and 2023 demonstrated how important the environment is to customers, highlighted the role everyone can play in protecting it, and showed that customers respond where they can see that lowering water consumption leads to lower bills.

Our customer research into smart metering also told us that:

- The majority of customers expressed positivity towards smart meters
- Customers agreed that they deliver more accurate billing, help to detect leaks and put customers in control of their own usage
- Smart meters show how much customers are spending and help to reduce consumption
- As a result, smart meters are beneficial to both customers and us.

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**“Smarter meters would be a great one to go ahead with and identifying leaks so that you can report it yourself”**

SSW Cornwall, 20-45

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We have been installing AMR meters - first generation smart meters - since 2015, and are now moving to install AMI meters - that provide more information and data to customers directly - since 2022. We are on track to have over 350,000 smart meters installed by 2025. We have already started to roll out smart metering in North Devon and Cornwall, and are looking to extend this across all our region over the next 1 years, with a commitment to deliver half a million smart meters across our region by 2030.

All new meters across all areas will be smart meters. Our business customers will be included in this programme, helping them and our retailers have accurate and up-to-date information of water usage and possible leaks.

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Area	Smart Metering programme to start	Expected completion
Bournemouth	2025	2030
Colliford	2025	2035
Roadford	2025	2035
Wimbleball	2025	2035
Bristol	2025	2040

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### Step 5 Offering our largest ever package of support to those who are struggling to pay

Through our holistic affordability toolkit, innovative data suite and partnerships we are on track to achieve our commitment to have 0% of customers in Water Poverty by 2025.

But, with increases in bills, conscious that our region faces low-income levels, we are going further to make sure customers get the help and support they need and are doubling down on our commitment and have set ourselves the target of continuing to have 0% of customers in Water Poverty across all of the regions we serve by 2030.

More about step 5 and our ambitious and our largest ever affordability support plan is in the next section.

# 10. An Affordable Plan for All and Support for Those who Need it

This section provides the evidence demonstrating how we have met the tests on enhancing affordability:

## Quality Test

- ✓ Our plan includes supporting customers to pay their bills using social tariffs, auto-enrolment and community outreach programmes to raise awareness.

## Ambition Test

- ✓ Our plan provides evidence demonstrating ambition to further enhance affordability for residential customers struggling to pay.

This section addresses the Ofwat quality tests for supporting customers through social tariffs and other measures and covers our plan for step 5 in detail. For more information see our Customer Care Strategy which includes the full detail of how we will deliver our ambitious programme to enhance affordability over the 2025-30 period.

From our detailed analysis of our region, we understand that our customers may be at greater risk of financial vulnerability. This results from data which shows our region has;

- Higher percentage of customers that are 65+ than other regions
- Lower net annual household income than the England average. It is £26,113.70 in the South West compared to £28,248 in England
- High numbers of households at risk of falling below and acceptable standard of living, with the region being the 2nd highest level of average debt in the UK

This indicates that affordability of our bills is critical across our customer base, but that we also need to ensure that we identify and support those that may otherwise fall into water poverty.

## What our customer research tells us

We have used customer research to understand our customer views and satisfaction with the help we provide to make their bill affordable. We use a range of insights covering: understanding the value for money, awareness of our schemes, the service received from being on a scheme and customer views for social tariffs.

Value for money is measured both by our own surveys and by CCW through the annual CCWater Matters survey:

- For our customers in South West Water and Bournemouth Water, the measure has increased year on year since 2019/20, as taken from the annual tracking survey we commission to monitor customer views of our service and performance
- The annual tracking survey for the Bristol Water region has seen a declining trend over the same period from 76% to 68%

## “No one should be struggling with water bills.”

Female, 18-45

We have built into our plans the need to address the challenges we face, from population growth and increased demand to the changing climate and its impact on the performance of our operations. However, while we need to demonstrate change, we also need to balance this with keeping water bills are affordable for all.

As explained in section 9, to help balance these priorities, we have taken a five-step approach:





## 10. An Affordable Plan for All and Support for Those who Need it continued

- The CCW survey of the same measure taken in 2023 told us that the value of money was rated as 67% by our customers in South West Water and Bournemouth Water
- The CCW survey in the Bristol Water area scored 80%, was higher than the industry average of 78%.<sup>18</sup>

We are hearing that the support we offer is good, but that we need to do more to help raise awareness with those who need it but do not know that they can access it. We are resolving this by proactively auto-enrolling customers onto tariffs that will remove them from water poverty without the need to identify, apply and receive financial support.

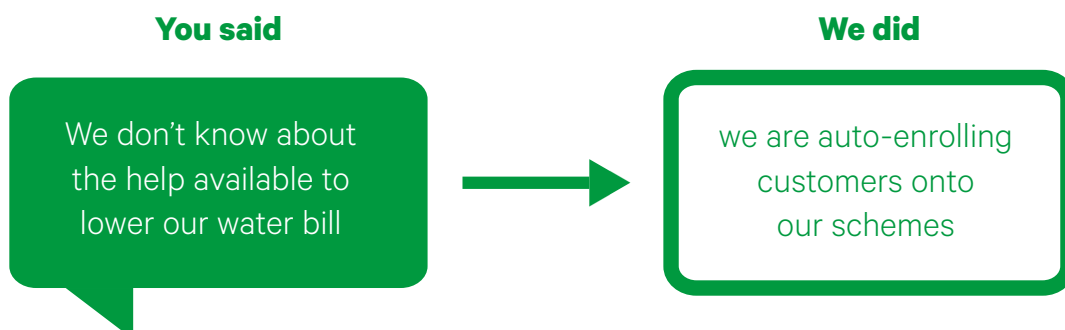
We also consider how we will improve awareness more generally of support we offer through our focus areas approach which uses data, community outreach programmes, partnerships and better customer journeys to make the service we offer easier for those who need to find and access it.

**“I don’t think anyone wants to see their bills going up at all, but I think if something’s really worthwhile then I think people would accept it, but it’s got to be something that doesn’t seem like a minor issue.”**

Male, SEG ABC1, Aged 18-45

Cross subsidies are an important component of providing support to customers who need extra help. They result in customers who can afford to pay for their water services, paying a small additional amount through their bill, to support those who cannot pay. During 2023, research has been carried out to obtain updated customer views on their willingness to contribute to a cross subsidy through their water bill. The research found that our customers continue to support this contribution, which is key to being able to keep all of our customers out of water poverty.

Area	Mean Willingness to Contribute per year
South West Water (Waste & Water bill)	£22.45
Bristol Water (Water only bill)	£11.65
Bournemouth Water (Water only bill)	£10.60





## Our progress to date

In our previous 5-year plan, we stated our industry leading ambition to eradicate water poverty by 2025. This was set for South West Water and Bournemouth Water, with a similar target independently set by Bristol, to achieve 0% in water poverty. We also set our focus on ensuring affordable bills for all.

Our bills for South West Water remain lower today, in real terms, than they were a decade ago, and we continue to work hard to ensure we are delivering efficient outcomes for customers. Our unique approach to affordability has included shareholder support through the following initiatives:

- Our Watershare+ incentive scheme provides an opportunity for customers to own shares in our parent company, Pennon Group plc, or receive a credit to their water bill. This scheme has given over £38m back to customers to March 2023, and will continue to share any outperformance with customers in the future
- Our Stop the Drop campaign in Cornwall gave customers in Cornwall £30 off their bill for reducing their water usage and helping our Colliford reservoir recharge after the hot, dry summer of 2022.

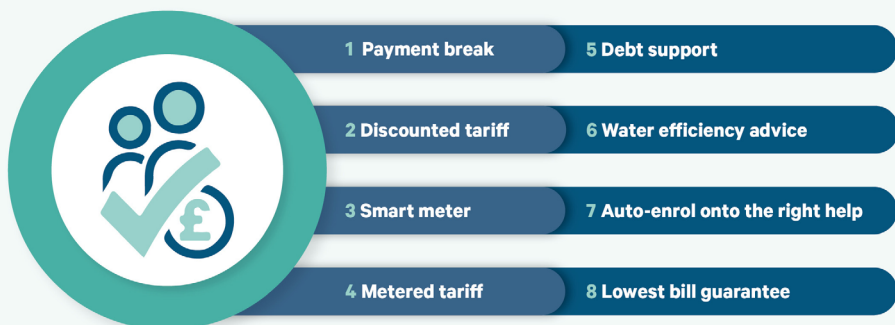
To achieve our target of eradicating water poverty, we have worked with CACI and ICS to develop a water poverty model, supported by an extensive suite of data, which allows us to identify to high levels of probability at a customer level those who are in Water Poverty, and therefore in need of our support.

Using this tool, we have started to auto-enrol customers onto support tariffs, where we have identified that they are in water poverty. In the South West Water area we have already auto enrolled 8,000 customers onto our WaterCare tariff with more customers are set to benefit over the next two years, where we forecast that 55,000 metered (or assessed charge) customers will be in receipt of support.

Customers in our South West Water region currently receive a £50 contribution from the government towards their water services and 88% of customers strongly believe this contribution should continue. With this level of support from customers, and the material difference it makes to affordability, we have assumed for the purpose of our water poverty modelling that the contribution will continue to 2030. This has a consequential impact on the level of assistance and support assumed in our dealing.

Our affordability toolkit offers a range of support measures to reduce water bills for customers who are struggling to pay and need extra support to keep them out of water poverty. It includes a range of help such as switching to a metered tariff, payment breaks, water efficiency advice and home visits, discounted tariffs for customers who qualify and help with debt. By 2025 we will be helping 87,066 customers out of water poverty by discounted bill.

## Our Affordability Toolkit



### Our water poverty case study

#### Data-led innovation

- We have partnered with CACI with the shared challenge to build an accurate, granular and up to date view of income, housing cost and equivalisation
- Working collaboratively, we have been able to develop a street level view of most recent and scaled bespoke equivalised income data at six- and seven-digit post code level (c12 properties) – the narrowest view that can be achieved
- We have used granular charging values applied to each customer's individual circumstances and current annualised consumption
- This has been coupled with a model developed by ICS which projects incomes and housing costs. The indexing is based on the March 2023 OBR Economic Outlook up to 2027-28 and is then supplemented in the final two years by time series modelling:
- To bring all of the data together we have developed a bespoke model which allows us to refresh and produces visual outputs of customers and their characteristics
- This has allowed us to identify, to a high level of probability, individual customers who are in water poverty and their characteristics
- This method, which allows for regular updates and annual re-basing of equivalised income, allows us to identify changes of use and circumstances, identify customers who may have recently fallen into water poverty and those who may no longer need our support
- The model has also been developed to calculate where a customer, based on occupancy would benefit from a meter and whether metering would bring the customer out of Water Poverty.
- The model also includes water efficiency scenario modelling which tells us where a potential 5% annualised efficiency could bring or prevent a customer falling into Water Poverty. This allows us to target water audits and free water saving devices.

#### We are able to use this method to model and arrive at a granular view of water poverty to 2030

- We have used granular charging values applied to each customer's individual circumstances and current consumption (including the Bristol supply area)
- This has been coupled with a model developed by ICS which projects incomes and housing costs (mortgaged/no mortgage, private or social rent) to 2030 using OBR forecasts. These can be adjusted as or if the forecasts change
- The SUP 15 PR24 tables allow companies to calculate water poverty based on their own data and methodology where this may be more granular:
- In addition to our approach we have set out the following areas where our method differs and why including:
  - Our use of the AHC method of equivalisation
  - So that it is fair for single service customers we have used ratios based on SWW dual 2025-30 bills
    - 2% for Water only, 3% for Waste only and, 5% for dual service customers (vs. Ofwat 2.5% Water and 2.5% Clean).

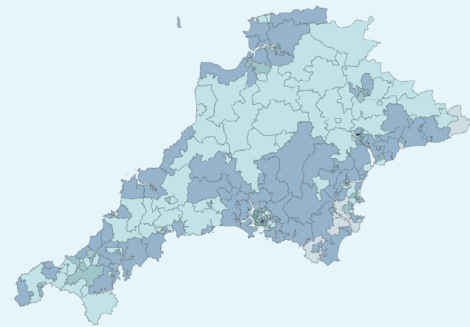
### What does the model tell us?

- Who is likely to be in Water Poverty and where they are both regionally down to a customer level
- Their characteristics (age, occupancy, income, charging method and much more)
- If they had a meter whether based on average occupancy consumption would be brought out of water poverty and/or
- If they are on a meter and if they could make a small efficiency saving of 5% whether they would likely be brought out of water poverty
- From this we are able to calculate the support required for those who remain in water poverty at an individual and overall level
- This informs the cross subsidy, helps support our progressive charging ambition and allows us to produce and cost a detailed plan and develop the appropriate toolkit to maintain our industry leading aim to eradicate Water Poverty.

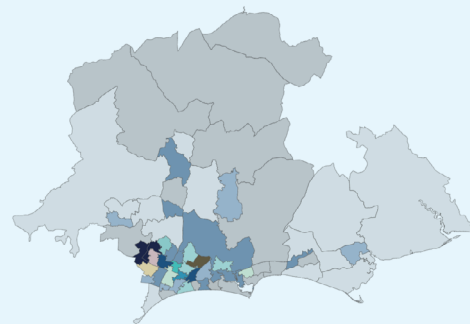
### Outputs

- The outputs are subject to further iterations and final external assurance.

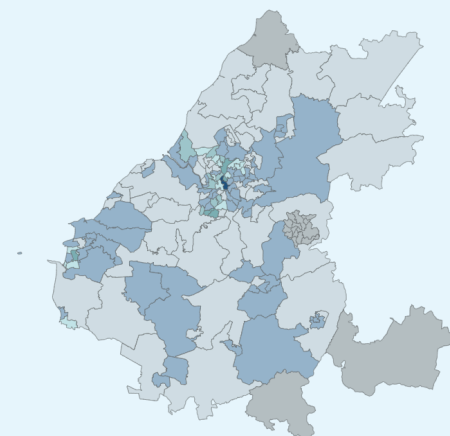
### South West Water



### Bournemouth Water



### Bristol Water



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**“Affordability is a significant concern for many sections of our community, the WaterShare+ Panel strongly support the company’s ongoing and unique business plan commitment to eliminating water poverty. Meeting this has involved industry leading support over 2019 to 2024 and has clearly helped to mitigate the cost of living crisis for customers. I strongly welcome the company decision to repeat this commitment in the new Business Plan – a greater challenge given the proposed bill increases.”**

Lord Matthew Taylor, Chair of the WaterShare+ Panel

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## 10. An Affordable Plan for All and Support for Those who Need it continued

Support to remove customers from Water Poverty	Number of customers helped by 2025	Number of customers helped by 2030
Water efficiency support	1,080	2,267
Metering	2,279	17,328
WaterSure	24,637	33,277
Social tariff schemes	62,429	76,404
<b>Total</b>	<b>90,425</b>	<b>129,276</b>

We evolved our strategy to use the Water Poverty Tool to help identify customers at risk of water poverty and then started direct communication with them. In addition, a data share with the Department for Work and Pensions (DWP) started, through this we have been registering eligible customers directly onto our schemes. We will continue to listen to our partners, evolve our process and customer journeys alongside our data tool to support all customers at risk and in water poverty as the bills increase over 2025-30.

Our modelling has also helped us understand that to eradicate Water Poverty for South West Water in 2025, a further c6,000 unmeasured customers will need to be brought out of Water Poverty. These customers are some of the hardest to reach and often most vulnerable. They may not be able to apply for a meter, often as they may not be in control of the decision if they rent from private landlords, and for others, switching to a meter may not be sufficient to bring them out of Water Poverty.

In response to this challenge, we are working to introduce a one year only social tariff which can be applied to unmeasured customers so we can realise our ambition and achieve our associated ODI in the final year of the current AMP, as well as giving ourselves the opportunity to engage with these customers to understand how we best support them into the long term.

The model, our methodology and the use of auto enrolment has been seen as a robust and innovative approach by industry and energy peers who believe this type of modelling to be a cross-sector first. We are looking to share this widely to ensure others benefit from understanding and considering our approach.

### Case study: Partnership work in the Debt Sector, helping customers in the Bristol Water area get help lowering their bill

Bristol Water has achieved the target of 0% of customers in water poverty for the last two years. We have provided over £200,000 of funding to our debt partners in the Bristol Water region. Our partners have registered 2,340 customers directly onto our social tariff schemes, at the whilst also providing them debt advice on all their financial matters. During the early part of the cost of living crisis our debt partners made us aware of the challenges the sector was facing, in particular regarding capacity to serve all of their clients.

### **Assurance Statement by Dr. Scott Reid, Technical Director, ICS Consulting**

ICS Consulting have supported South West Water and more widely the water industry with defining and monitoring water poverty for over 10 years. We currently manage the delivery of South West Water's quarterly Affordability Tracking survey and analysis of this data is used to monitor the company's performance against its affordability Performance Commitment.

The monitoring of water bill affordability requires reliable and credible data on household circumstances. For this reason, until now, all industry wide efforts to measure affordability have relied heavily on external sample data on household incomes and financial circumstances. It also requires the ability to understand the relationship between the household distribution of incomes and water bills within each company area. The most recent example of this being the commendable industry work undertaken by CEPA on behalf of Water UK – CEPA, Quantitative analysis of water poverty in England Wales, Final Report for Water UK, March 2021. This work presented a top-down analysis of water poverty using a combination of simulation methods and income data available from ONS at the Middle-Layer Super Output Area (MSOA). These top-down approaches, however, only go so far particularly if the objective is to identify and implement practical interventions that can support a water affordability strategy. Since 2020-21 ICS have tracked the affordability position at South West Water using a random sampling methodology with 800 households sampled annually. This has provided actual data on bills and incomes for households in the South West Water area, but like all sampling approaches comes with its own limits in terms of sampling and measurement errors.

For these reasons, South West Water's development of its Water Poverty Tool and the associated data is a notable landmark for the water industry in its efforts to better understand the extent of water poverty, how it might be changing and critically using the insights provided by the data to support customers when and where it is needed most.

We have worked closely with South West Water to validate the income data-sets provided by the data-supplier CACI. We have benchmarked in particular the income data and water poverty estimates against other external data sources and models so that South West Water can have confidence in the data quality. We have also clarified the definitions of household income and its equivalisation to ensure that the data is consistent with industry definitions of water poverty. The quality and granularity of the data now available to South West Water we regard as industry leading.

Cross referencing this income data with actual billing data is another key feature of the Water Poverty tool. This data development significantly enhances South West Water's ability to understand water poverty at a granular level (down to post-code level) and also provides actionable intelligence that can be used to target affordability support. The innovation of auto-enrolment is perhaps the first tangible benefit of the water poverty tool in action.

Finally, we have worked with South West Water to extend the ability of the tool to assess the forecast affordability impacts and plans for the AMP8 business planning period (2025 to 2030 period). This means that the AMP8 business plan at South West Water can be developed with a full understanding of what the plan means for water poverty and affordability.

## Our plans for the future

We are acutely aware that increases to water bills, whilst critical to ensuring we are investing in our region and delivering the service our customers need and want, remain a concern for customers. As such, we remain committed to ensuring we support all those customers who are at risk of being in water poverty across our region.

Our modelling tells us that we can expect to see the number of customers in water poverty to increase in the coming years. Without any support through our affordability toolkit, our modelling currently forecasts there will be 92,174 in 2025 increasing to 129,276 by 2030, given increasing housing costs, lower income and rising water bills.

Customers in our South West Water region currently receive a £50 contribution from the government towards their water services and 88% of customers strongly believe this contribution should continue. With this level of support from customers, and the material difference it makes to affordability, we have assumed for the purpose of our water poverty modelling that the contribution will continue to 2030. This has a consequential impact on the level of assistance and support assumed in our dealing.

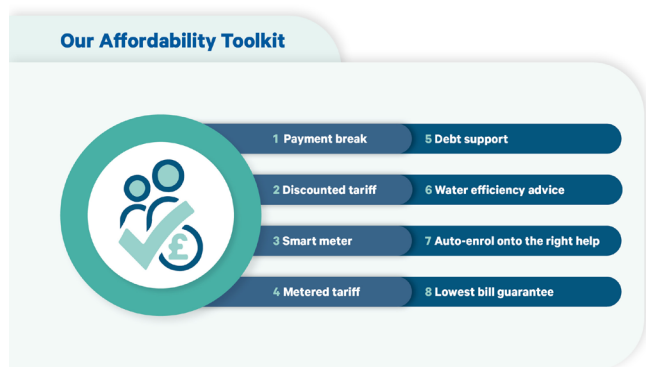
Support to remove customers from Water Poverty	Bristol Water Number of customers forecast to help by 2030	South West Water & Bournemouth Water customers forecast to help by 2030	Total across all brands
Water efficiency support	1,251	1,016	2,267
Metering	1,611	15,717	17,328
WaterSure	4,186	29,091	33,277
Social tariff schemes	25,549	50,855	76,404
<b>Total</b>	<b>32,597</b>	<b>96,679</b>	<b>129,276</b>

We are committing to maintaining our ambition to ensure we achieve 0% water poverty in our region by 2030, allowing us to ensure we are supporting all those customers who need it.



## 10. An affordable plan for all and support for those who need it continued

Our strategy focuses our plans on ensuring we have the right support for those who need it due to financial vulnerability; this also builds on our approach to water efficiency and smart metering.



Our affordability toolkit will form the basis of our approach, but we have refreshed it, learning from our work in 2020-2023, to ensure it reflects the needs of our customers, best practice, and our wider plan. Changes include:

- Smart metering to help customers use only the water they need – but we know some customers may limit the water they use beyond this, if they are worried about bills. We will therefore also proactively consider this by using our data to flag low users. We will then proactively contact them to talk through their usage and provide advice on their bill
- Customer side leakage identification (through smart meters) and support to help fix leaks, with additional support for those on support tariffs and priority services. We provide a tailored free leak repair service depending on the individual customer needs, fixing leaks at no cost to the our most financially vulnerable customers. We are expecting to provide 7,502 of help in this way over 2025-30, a growth of 3%
- Ensuring our social tariffs are tailored to meet our customer needs. We offer a variety of social tariff schemes across our brands. We will review, consider and evolve the support we offer, with the goal to consolidate where we can. We will be reviewing the best of all the options we offer, listening to our customer insight on what we can improve to ensure our customers receive the most effective help and support package

- We will use our industry leading water poverty data tool to auto enrol customers out of water poverty and onto the best help for them. This enables us to proactively help customers before they ask for it.

In summary, from 2020-2030 we will have seen a growth of customers on a discounted tariff with a growth in total financial support of 135% to £208.6m over the period 2025-30. This is in addition to the help provided by our wider affordability toolkit and in step 2 of our 5 point plan:

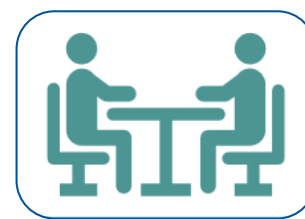
- £47m to customers since 2020 for the WaterShare+ Incentive scheme and £7.6m for the water efficiency incentive scheme. We are planning to continue these up to 2030.

We will use our focus areas for delivering additional support to those customers who need it with their bill. The focus areas are:

- Using data wisely
- Growing partnerships
- Community engagement
- Improving the customer journey.



**Using data wisely**



**Growing partnerships**



**Community engagement**



**Improving the customer journey**

## 10. An affordable plan for all and support for those who need it continued

Support Measure (2022-23 prices)		2019-2030	2020-25	2025-30
Number of customers on support tariffs	Nr	44,653	87,066	109,681
Financial Assistance from Support Tariffs	£m		£72.8	£167.7
Financial Assistance from Debt Support Schemes	£m		£9.7	£18.8
Benefit Entitlement Checks	£m		£1.5	£0.5
Targeted Lowest Bill Guarantee and Water Efficiency - Lifting Customers out of Water Poverty	£m		£4.7	£21.6
<b>Affordability Toolkit – Total Financial Value of Support and Savings</b>	<b>£m</b>		<b>£88.7</b>	<b>£208.6</b>
Community and Water Efficiency Funds	£m		£0.9	£2.0
WaterShare+ and Stop the Drop Incentive	£m		£66.9	£41.8
<b>Total value of support and savings</b>	<b>£m</b>		<b>£156.50</b>	<b>£252.40</b>

Under the focus area **Using data wisely** we will deliver our commitment to auto enrol customers onto our discounted tariffs and out of water poverty as we have explained in our response to the test. Our strategy includes plans for supporting customers to pay their bills using social tariffs and other methods.

We will use our Water Poverty Tool to inform us which customers need to reduce their water usage to be removed from water poverty, and for those above the water poverty line, but are income deprived. We will proactively contact these customers with water efficiency advice, we will use the data to show at a community level where we can add value with our community outreach programme with games and face to face advice on saving water.

We will use the water poverty tool to understand which customers would be removed from water poverty by moving to a metered tariff. This will also support customers who are at risk of moving into water poverty. For both, we will ensure that our meter option programme and communications are directed to these customers. In the Bournemouth Water region, we will be starting a compulsory metering programme in 2024. We will use this data to ensure that those customers who are struggling to pay the most and would save money through a meter are prioritised with installing their meter.

Our water poverty tool will be updated quarterly, in addition to helping customers out of water poverty we will use it to look at customers who are at risk of water poverty. This data will be reviewed at a community level and underpin our decision-making for the new initiatives we do in the community, equally for our new partnerships.

## 10. An affordable plan for all and support for those who need it continued

This approach will be targeted to providing financial assistance, water efficiency and metering advice to customers who are outside of water poverty, but who may still be income deprived. Through our partnership and community work, we hear from the community on how we can improve the customer experience, the services and help offered. Therefore, it is important to maintain and grow these, we see the change between 2025-30 being that we can use this data to target more efficiently where we focus our help, to ensure that we have good coverage to the areas most needed.

For our focus area **Growing Partnerships** we will hold annual workshops to share our future plans and take on our partners feedback on our forward strategy and performance against our current commitments. We will use our data to support having effective partnerships across our region. We will use our water poverty tool to cross reference areas and communities that would benefit from establishing new partnerships to help reach the community so customers who are struggling to pay are hearing about all the help we have in our affordability toolkit.

We will ensure we work towards good coverage of partnerships in the areas our data shows are most deprived and need the additional support. We will ask our partners to help share case studies with us on our website and literature, either from our partners or if appropriate their clients.

For our focus area **Community Engagement**, we will continue to evolve our approach, using a range of channels, with targeted messaging to those who need it, and working with partners to help raise awareness.

This will be built on the how we have adapted our support in the community through the COVID pandemic where we introduced online community engagement to our face our face approach, as a result we established new partnerships, like the Village Agents, who could help provide help with the water bill to customers in rural communities who were digitally excluded.

Looking ahead to 2030, we want to be resilient for the economic challenges we may face. Using our data tool and the knowledge of our customer demographics gives us the opportunity to efficiently target our community activities to the most needed areas.

We will ensure where we are in a community for an event, for example a WaterShare+ Panel meeting, or a WaterFit pop up event, if it is an area that is also income deprived that we support with clear messages from our affordability toolkit. We will use our water poverty tool to show us which communities will benefit most from our 'Drop in' events in the community to promote metering. We have started these in the Bristol Water area in 2023, targeting areas where there are low levels of meter penetration. We will now combine this with data on customers struggling or at risk of struggling to pay.

In our analysis on the demographics of our region, we identified that we need to visit communities that are rural, have high levels of digitally excluded customers and older people. We will target our engagement activities to reach these customer groups and ensure that we make it accessible to understand the help we have on offer.

For our focus area **Improving the Customer Journey** we will be reviewing and updating our customer journeys to incorporate the changes for our plans for 2025-2030. This will benefit all of our customers and their customer experience, there are a number of specific improvements we have identified to help improve the customer journey for those customers who need additional support with their bill.

- ✓ We will be expanding our smart metering programme, we will consider how we promote water efficiency help and our wider affordability toolkit for customers who are trying to lower their water bill
- ✓ We will increase the water audits across all of our brands, providing tailored help for customers saving water
- ✓ We are confident that we meet Ofwat's quality test demonstrating our plan supports customers to pay their bills through social tariffs and other methods In the Bournemouth Water region, we will be introducing compulsory metering. We will put meters in first to those who need a meter to be taken out of water poverty. We will create a customer journey to address worries that customers have about having a meter, water efficiency advice
- ✓ Enhance our systems and digital platforms to ensure improved customer experience, supported by clear, accurate and timely information and bills for customers; we are planning to upgrade our billing and CRM systems which will enable better

## 10. An affordable plan for all and support for those who need it continued

- communications and engagement with customers
- ✓ We will look to incentivise our customers with schemes we have trialled in the past, for example our KickStart scheme, which incentivises disengaged unmeasured customers who have a debt on their on their account. The scheme would be to incentivise them financially when a meter has been fitted or if a meter can't be fitted on to assessed charges. Following engagement with the customer we will support the customer to ensure they get the support they need. We will plan to make this routine and across all of our regions by 2030.
  - ✓ We are confident that we meet Ofwat's quality test demonstrating our plan supports customers to pay their bills through social tariffs and other methods Our Customer Care strategy covers further detail on the Enhancement Case for Affordability Our plan provides evidence demonstrating ambition to further enhance affordability for residential customers struggling to pay.

### Paying Fair Guidelines

In 2022, Ofwat issued the Paying Fair Guidelines for the water industry. Extensive work was undertaken to review gaps in our service compared with the guidelines and implement the changes needed.

Across our areas we have a small number of guidelines that we currently have alternative approaches but we are continuing to review how we can improve our service against them.

The areas of focus are:

- Use of Credit Reference Agencies (1.32 – 1.35)
- Customer testimonies (4.2)
- Displaying financial support on envelopes (1.20 and 5.4)
- Make it easy for relatives to close or amend the accounts of a loved one who dies (2.17).

Of the seven principles where our approach differs to that set out in the guidelines, four relate to the use of best practice when using Credit Reference agencies. Our overarching approach is to have a direct, strong, tailored and personal relationship with our customers who may be struggling to pay their bill. This is even more important when set against the backdrop of the current cost of living crisis. As a result, we have deliberately chosen not to work with Credit Reference agencies as we feel their involvement can cause pressure for customers, particularly where any action we take can negatively impact credit scores.

Instead of using Credit Reference agencies to help identify customers who are in need of our support we have utilised our data to build a suite of early warning indicators that allow us to make proactive early intervention to prevent customers falling into debt. Our extensive and innovative suite of internal and external data not only allows us to make proactive early intervention but also informs our plans, targets our support and community presence and allows us to identify at a customer level those who are in Water Poverty, are in most need of our support and can be the hardest to reach. This is at the forefront of our ambition to eradicate Water Poverty by 2025 and again to 2030.

We believe that the endorsement of credible and respected charities, agencies, and partners who we work with is more powerful should a customer not feel comfortable in contacting us directly. We are working with our partners to explore opportunities where we can share studies which may further encourage customers who need additional support to reach out to us. The careful way in which we have constructed our customer journeys and the language and channels we use to engage with customers encourages direct contact with us without the need for personal endorsements. In addition, we feel that where a customer is struggling with debt this is sensitive and private and the use of personal testimonies on our own literature would not align to the overall integrity of our approach.

We do not display financial support on envelopes as this does not align with our overarching approach of providing tailored, targeted engagement with individual customers, to build trust with all our customers. Information on envelopes could be visible to family members, or third parties which could lead to embarrassment and cause further detriment to a customer's well being and impact our trusted relationship with our customers.

In the Bristol Water region, we identified 6 principles where we could improve further, these are dependent on our new billing system.

For our full response please see the Ofwat website\*.

We will ensure these action plans are part of our continues learning, adapted both from water and other sectors.

\*How water companies are committing to Paying Fair – our compliance assessment – Ofwat

# 11. Customer Challenge

This section sets out how we have exceeded Ofwat's standards for customer challenge.

## Ofwat's standards for customer challenge

Ofwat has set out eight standards for water companies to meet to ensure customers and their representatives are able to challenge companies' ongoing performance, business plans and long-term delivery strategies. By exceeding Ofwat's standards we have ensured that our customers and stakeholders can have confidence that our plans accurately reflect their preferences.



### Standards for high quality customer challenge\*

#### Independence:

The people involved in customer challenge, and the process of challenge, are independent of the company.

It is of primary importance that the mechanism for customer challenge is truly independent of the company and ensures that the company listens to representative voices. This means that challenge solutions should:

- Be at arm's length from the company, with no restrictions or expectations placed on it which would compromise its independence. Any conflicts of interest or links between the source of the challenge and the company should be clearly explained and justified
- Minimise company contribution to, and review of, any outputs from the customer challenge before it is shared publicly. The public sharing of all outputs from the customer challenge is a key requirement of companies, to ensure transparency. Companies should check for factual accuracy of outputs but should avoid any undue influence.

#### Board accountability:

The company board is accountable for having in place a mechanism for, and listening to, customer challenge.

Company boards should be able to demonstrate how business plans and wider decision-making take account of matters that are important to customers, including those highlighted through the customer challenge process.

#### Ongoing:

Customer challenge is ongoing, addressing both development and delivery of business plans. Companies should be able to provide evidence of welcoming and responding to challenges on their day-to-day performance as well as during the development of their business plans for price reviews and long-term delivery strategies.

### Summary of how we have met the standard

The WaterShare+ Panel enables direct customer challenge managed by the independent Panel as well as challenge by the advisors to the Panel. The Panel members are fully independent from the company. No restrictions or expectations are placed on the panel that would compromise their independence.

The WaterShare+ Advisory Panel Chair, Lord Matthew Taylor is an independent figure from the region with a track record in championing customer issues. The Chair has been appointed using an open and transparent recruitment process and acts as an individual and not as a representative of a particular organisation or group of customers. Following the merger with Bristol Water, Peaches Golding OBE acts as a new deputy chair and independent chair of the Bristol Water Customer Challenge Panel. The remainder of the panel is recruited by the chair and vice chair, who ensure a mix of skills and experience and includes a further four members who are also independent.

Appointments are made at the South West Water Customer AGM which is a public meeting. Our customers are able to vote in this process.

To ensure an arms-length approach the panel is supported by expert advisors who are representatives from regulators and statutory bodies. The panel has also received external independent assurance and peer reviews from Frontier Economics on the overall research and engagement programme and Professor Ken Willis on the valuation and willingness to pay studies and outputs. Together the opportunity for our customers to attend public meeting this ensures that the panel receive information from multiple sources.

The Panel has produced an independent report which has not been subject to company challenge, and which is being published in full. The Panel has an independent report writer to support their work to ensure that reports are prepared without support or undue influence from the company. The Panel report includes a challenge log. Minutes of the public meetings from the panel are published on our website.

The Panel has direct and unprecedented access to our Board. This includes attendance by the Panel chair and Deputy Chair of the WaterShare+ Group Panel of the South West Water Board to provide an update on customer challenge progress and raise any issue of the PR24 process.

Throughout our programme of engagement our research findings have been shared directly with the board.

PR24 Board papers include analysis of customer research and engagement, making links from customer priorities and expectations to investment.

The WaterShare+ Panel is not just for PR24. The Panel organises regular customer meetings, open to customers to attend, to challenge ongoing performance, unique to the industry. It is an ongoing process, evolved from PR19 and earlier incarnations. The innovative WaterShare+ Panel approach includes seeking customer feedback through regular quarterly public meetings, reviewing on-going performance and the company's approach to sharing customer benefits and sharing customers views on dividends.

The Board has committed to retain an independent WaterShare+ Panel and operation of the WaterShare incentive scheme post 2025 which will continue to provide customers with a stake and a say in our business. The WaterShare+ Panel's scrutiny of the companies current and historic performance as part of their ongoing role has enabled it to understand the companies 2025 baseline performance position and has provided strong grounding for challenging the PR24 plan and long term delivery plan.

\*See PR24 and beyond: Customer engagement policy, Ofwat, February 2022

### Standards for high quality customer challenge\*

#### Informed:

The challenge process is informed by high-quality, comparative information and trends over time.

This includes:

- The company and others providing access to, and explanation of, all relevant and helpful information, data and evidence with which to compare performance with other companies and over time, to enable meaningful and effective challenge
- Information being provided freely by the companies when requested, with nothing deliberately withheld, and no limitations on sharing (unless justified due to customer data protection or commercial sensitivities)
- Those challenging should have the time, resources and expertise to do so effectively.

#### Transparent:

The company is transparent about the nature of challenges raised, the company response to each challenge and the company's relative performance.

Companies should be able to demonstrate that they have been transparent with customers about their relative performance levels by using information with definitions wherever possible that are consistent across the industry. Companies should be able to provide evidence to demonstrate how they are listening to customers. This should include:

- An explanation of how evaluations of different business plan options have taken account of customer views, with a focus on the options which provide the greatest benefit for customers and the environment
- Timely publication of evidence of customer views gathered through research or engagement exercises (with consideration of customer data protection and commercial sensitivities)
- A published record of all challenges raised by customers or their representatives
- Published evidence of the company's responses to these challenges, including reasons for why no action is required
- Clear identification of areas of disagreement.

#### Representative:

Challenge comes from a representative range of customers and is open to all relevant local or national stakeholders. The challenge process should ensure that the company takes into account the views and experiences of the broad range of customers they are serving.

This could include experienced, technical specialists in customer research and water and wastewater services, and members of the general public (customers). Customer challenge should make sure that the views of the range of end user customers (including household, business, hard to reach, vulnerable and future customers) are understood by the company and taken account of in decisionmaking. Insight provided by intermediate customers (for example, business retailers) should also be considered.

### Summary of how we have met the standard

The WaterShare+ Panel has held fortnightly meetings with the company during PR24 planning. Quarterly Watershare Panel meetings with customers are informed by high quality information prepared at the request of the advisory panel. Information is provided transparently by the company a week in advance of the meeting. The panel members ensure they have adequate time and resources to provide effective challenge.

The Panel has set up two sub groups to scrutinise our PR24 plans in detail. They are also supported by expert advisors who are representatives from regulators and statutory bodies who support the provision of high-quality information. Comparative information has been provided in line with industry guidance and with external sources referenced where appropriate.

The WaterShare+ Panel have been able to draw upon advice from representatives from the Environment Agency, CC Water and Natural England. These advisors have challenged and reviewed reports at the request of the panel.

Direct customer challenge meetings are held in public, both virtually and in person.

The WaterShare Panel report transparently sets out their challenges and the company's response. Customer engagement and customer challenge processes have both involved clear, easy to understand explanations of business plan options. All challenges raised have been addressed by the company. The Panel has reviewed and challenged the engagement programme, key individual engagement projects (such as the Acceptability and Affordability Testing, ODI engagement) and advised on synthesis, use in shaping the business plan and publication of evidence of customer views gathered

Comparative information and performance levels have been consistently made available to customers throughout the process to enable informed and meaningful engagement. We also regularly published summaries of our research findings on our website to ensure transparency.

Our extensive engagement programme as set out in section 7 shows how customer have been involved in shaping our strategies and options. Our line-of-sight document demonstrates how these views have shaped our proposals and our enhancement cases detail how our customer values for social and environmental benefits have informed the selection of solutions to develop our balanced plan.

The panel report clearly sets out challenges raised and responses.

The WaterShare+ Panel is an independent challenge Panel of customer, business, and social representatives. They have a range of experience from engineering in the sector, business planning, operations, customer vulnerability, social welfare and include representatives experienced with political, economic, and social challenges. The advisors to the Panel include CCW, the Environment Agency and Natural England. Any customer can attend public meetings of the panel to contribute to the challenge process.

The WaterShare+ Panel reviewed and challenged the refreshed segmentation strategy to ensure that the views of the full range of customers (including household, business, hard to reach vulnerable and future customers) are understood and taken into account in company planning. The panel has reviewed and challenged the company synthesis of 'what matters most' and how this has been used to inform planning.

The process has been supplemented by independent external experts - Frontier Economics who have produced a synthesis of our research and Professor Ken Willis who has peer reviewed the triangulated environmental and social values to ensure that they are suitable for use and representative.

Our phased engagement plan has feedback and challenge through iterative research that enables challenge of proposals and validation of findings. This has included playing back research and synthesis findings to customers combined with more direct challenges to the plan through the AAT and Your Water Your Say and our playbacks.



## 11. Customer Challenge continued

### Standards for high quality customer challenge\*

#### Comprehensive:

Challenge is focused on the full range of areas where customers can have meaningful views, including:

- water and wastewater services (where applicable to the company);
- customer services;
- significant investment (large one-off schemes);
- performance levels; and
- bill impacts.

Challenge should focus on important and material or urgent issues which companies should incorporate into their business plans and long-term delivery strategies for price reviews or wider decision-making.

#### Timely:

Customers are able to challenge on a timely basis, with companies responding within a reasonable time period. Companies' challenge arrangements should allow sufficient time for effective challenge.

### Summary of how we have met the standard

The WaterShare+ Panel challenge has been comprehensive. As set out in the WaterShare+ Panel report, challenge has covered water and wastewater services, customer services, performance and bill impacts. Focus has been on the most material and urgent issues for the region including bathing beaches, storm overflows and bill impacts/affordability.

Our Your Water Your Say sessions and business plan testing focused on options where customers could meaningfully influence. For example, pace of delivering ambitions and associated bill profiles.

Our ongoing customer challenge process enables timely challenge and response, with the WaterShare+ Panel sub groups have meetings every two weeks during the PR24 planning process.

Our phased research including Your Water Your Say consultations enabled customers to provide feedback and challenge in a timely manner.

\*See PR24 and beyond: Customer engagement policy, Ofwat, February 2022

## Our innovative WaterShare+ model for customer challenge

Our customer challenge starts with our customers themselves. Through our innovative WaterShare+ incentive model (established in December 2013) customers own their own piece of our organisation through shares in our parent company, Pennon Group, and can also come along to talk and challenge us through our open WaterShare+ Meetings, whether they are co-owners or not. 1 in 14 of our customers are now shareholders, giving them not only a say but a financial stake in our plans. We now have more customers as shareholders than investor-shareholders.

We have already seen our relationship with customers change as a result of the introduction of our innovative WaterShare+ scheme. This has delivered a transparent and consultative framework (via an independent WaterShare+ Panel), enabling a more holistic and transparent view of our performance, how benefits are accrued in a proportionate way, and giving legitimacy to outperformance. Our independent WaterShare+ Panel hold the meetings, review how we are performing against our plans and hear from customers about their local priorities.

We believe this has been a major step to greater transparency and openness with our customers, a fundamental requirement for all providers of essential public services. WaterShare has been a central theme for all of our engagement with South West Water customers for the last ten years.

## Fresh views and challenges from the WaterShare+ Panel

We take input from our customers extremely seriously as we develop our plans for the future. In previous price reviews, Ofwat required companies to have an independent customer challenge group (ICG) to:

- Challenge the quality of the customer engagement process
- Challenge how well the company's proposed outcomes and incentives reflect its customer engagement, customers' views and their priorities
- Provide an independent report to accompany the company's business plans.

At PR19, this function was successfully fulfilled by the WaterFuture Panel and the Customer Challenge Panel for South West Water and Bristol Water respectively. Despite Ofwat no longer prescribing a formal role for ICGs at PR24, we value an independent Panel and the support, challenge and perspective they bring to the business planning process including customer engagement. We have found the challenge provided by WaterShare+ on behalf of customers over the past decade to be extremely helpful to stretch our thinking.

## 11. Customer Challenge continued

Our existing WaterShare+ Panel was well placed to pick up this role for PR24, having integrated with the Bristol Water Challenge Panel following statutory licence transfer in 2023.

Our Panel consists of members of our local communities, who bring a wealth of experience from the roles they have in our communities and work on previous price reviews. The Panel consists of an independent chair, Lord Matthew Taylor, and following the merger with Bristol Water, a new deputy chair, Peaches Golding OBE. Nick Buckland, Carole Theobald, Richard Lacey and Anthony Denham make up the rest of the esteemed Panel.

Both the South West Water and Bristol Water panels remain in place to continue to oversee and scrutinise their performance and delivery of operational outcomes for their respective customer groups. The Panel members understand the uniqueness of our region – the topography, the mix of urban and rural communities, the proximity to water courses, the geology, the demographics and the swing from a permanent residency of around 3 million to spikes of over around 10 million including the tourist visitors. This knowledge brings new perspectives and will ensure our plans focus on what matters for our region.

Moreover, members of the Panel share our passion in championing the needs of our customers across the Greater South West. This customer advocacy is critical to our future success in developing a business plan for PR24 that is grounded in stakeholder and customer priority feedback. The Panel provides a strong challenge and voice of the customer into the PR24 process. They have been supported by dedicated resources within SWW to help them navigate the process along with access to trusted special advisors from the EA, CCW and Natural England. By grounding the business plan and the Panel's work in evidence and customer research, we will have a local plan that reflects the needs of our customers, communities and environment.

**For this plan we extended the role of our WaterShare+ Panel to challenge our approach to customer engagement and to ensure that the plan reflects the outcome of that engagement.**

### The purpose of the Panel is:

- To boost customer engagement and feedback to help inform the Panel's assessment and response on the Company's performance
- To champion the interests and needs of customers by providing an independent view on the delivery of the Company's business plan, including its performance commitments and Board pledges.

The Panel has a wide remit and has fulfilled a number of functions including:

- Seeking customer feedback by holding quarterly meetings in public. The public meetings enable any customer to effectively join the Panel for the day and directly challenge the company's Chief Executive Officer and members of its executive leadership team on its performance and strategy
- Monitoring and reviewing progress on the company's PR19 performance commitments and undertaking 'deep dives' into specific areas of challenge, such as the company's environmental performance, review of its action plan following Ofwat's assessment of performance under its Water Company Performance Report 2021/22 and its response to the 2022 drought
- Reviewing the company's approach to sharing customer benefit, including the timing of sharing any net gain, and that it has been accurately assessed
- Sharing views on behalf of customers on the company's dividend policy and any proposed changes

Providing an annual performance report statement and overview of the Panel's activities and assessment of the company's performance.

In particular, the panel has provided stretching challenge on behalf of customers on

- The quality of our customer engagement; and
- The extent to which the results of this engagement are driving decision making and are reflected in our plan.

In addition to the review and challenges made by the panel throughout the PR24 process, the panel has received external independent assurance and peer reviews from Frontier Economics on the overall research and engagement programme and Professor Ken Willis on the valuation and willingness to pay studies and outputs. Both provided assurance that the work undertaken by the company can be relied upon for inclusion in the PR24 business plan.

## Conclusions from the panel

- The panel considers that the volume of engagement and research undertaken by the company has been extensive and designed to obtain a wide range of views from customers about both the company's longer term strategy (2050 Vision) and its PR24 Business Plan

The panel considers that in producing its PR24 Business Plan, the company has listened to the views of its customers and incorporated these into its plans. The Panel is also satisfied that the company's Business Plan:

- Provides sufficient and convincing evidence that its customer engagement activities more than meet Ofwat's standards for research, challenge, and assurance
- Explains how it has taken account of views on the affordability of its proposals for all customers, including for those who struggle, or at risk of struggling, to pay their bills.
- Demonstrates how its proposals are likely to be fair and affordable for both current and future customers. The Panel is satisfied that the Long-Term Delivery Strategy is based on sound customer engagement which reflects the preferences of the company's region.

Overall, we are confident that we have met and exceeded Ofwat's customer challenge standards.

**“The WaterShare+ Panel have concluded that the Business Plan reflects evidenced customer priorities for investment, properly mitigates bill impacts on those least able to afford them and has around three quarters evidenced customer acceptability for it. I can therefore confirm based on all the evidence that the WaterShare+ Panel consider it represents the best value investment for customers and the environment while remaining affordable through the proposed increases to the company's social tariff and support schemes, continued incentive outperformance sharing with customers and progressive charging innovations.”**

Lord Matthew Taylor, Chair of the WaterShare+ Panel

## Responding to challenges from the WaterShare+ Panel

The Water Share+ Panel has reviewed and challenged our plan throughout the development including the proposed service and bill impacts. This has included reviewing:

- The company's willingness to pay programme to assess valuations
- The development of the company's outcomes contained in its Business Plan and the investment programme for 2025-2030
- The overlap between base and enhancement expenditure in 2025 – 2030
- The basis of the company's headline efficiency assumptions.

The WaterShare+ Panel is satisfied that:

- The Plan is accessible and follows a clear structure
- The company's PR24 Business Plan is fully consistent with the long-term delivery strategy and the company presents a single adaptive strategy, rather than multiple alternate plans
- The company has obtained appropriate third-party assurance of its customer research, its annual performance against its non-financial regulatory commitments and the key drivers of its enhancement investment programme.

**“We have understood the make-up of the proposed investment programme through its development and are satisfied that the company has challenged itself robustly to deliver its future investment efficiently in order to make bills more affordable.”**

WaterShare+ Panel report

## WaterShare+



## 11. Customer Challenge continued

To enable informed challenge the panel has set up two sub groups to scrutinise our PR24 plans in detail.

The functions of the Water Share+ panel sub groups are:

- Providing independent review and challenge of our customer engagement methodologies to confirm they are appropriate to inform the PR24 Business Plan and that the engagement materials are accessible and easily understood
- Fulfilling the specific Ofwat / CCW requirements on Independent Challenge Groups relating to the independent review and challenge of the company's Affordability and Acceptability testing of the PR24 Business Plan
- Confirming that customers' priorities and needs obtained from the engagement have been considered and taken account of in the development of the PR24 Business Plan
- Reviewing the approach to assessing and understanding customer affordability and whether the PR24 Business Plan includes appropriate measures to help those who may struggle to pay their bills Technical panel
- Providing independent review and challenge of our PR24 investment programme in the context of customers' needs and wishes, regulatory requirements and current and future levels of service and performance
- Reviewing how the company develops any bespoke PCs and ODIs for PR24 and whether these reflect customer wishes
- Reviewing the relationship between the level of investment and the pace of delivery, including the justification of trade-offs due to affordability constraints.

The WaterShare+ Panel's view of how we have responded to challenges is set out in detail of Appendix 4 of their report. Some examples are below.

Challenge	Company response
Panel proposed reviewing draft research materials to provide input before fieldwork was undertaken and requested that outputs be made available for review	Panel provided opportunity to review draft engagement materials with feedback acted upon. Panel observed online customer research sessions. Third party reports made available to the Panel to review, which were complemented by an independent peer review of willingness to pay studies, a synthesis of research and customer priorities and an assessment of the quality of research undertaken.
The company was challenged by the Panel as to when customers would see the regulatory penalties (from AMP7 performance commitments) returned to them	The company confirmed that penalties would be returned to customers in the form of reduced bill rates the following financial year

## Customer feedback and challenge

Our phased customer engagement programme described in Section 7 has been designed with an iterative approach. It has allowed us to integrate and respond to customer feedback and challenge within our business planning process.

It allows us to build our understanding, develop, challenge and refine our offering to meet what customer want.

This feedback loop ranges from synthesising research and testing this through playing back our findings with customers to check their validity to direct challenges to the plan through the Acceptability and Affordability Testing and Your Water Your Say.

**“A key role of the WaterShare+ Panel is to challenge the company to ensure customer views from all regions and segments are taken into account. The Panel has held over 20 meetings with the company, we have posed over 300 information requests and challenges all of which have been documented along with the company's responses. No issues remain outstanding from these. We confirm the company has engaged with us openly and proactively throughout the process, with unprecedented access to documents, company advisors, and the executive.”**

WaterShare+ Panel report

## Case Study: Your Water Your Say

Our Your Water Your Say is a key new initiative that gives customers the opportunity to provide feedback directly to help shape our plans. As per Ofwat guidelines, we provided customers with an opportunity to question and challenge our future plans in a studio-style online meeting that was independently chaired. The chair and South West Water informed customers about our business plan across the following topics: storm overflows, drinking water quality, water resources, Net Zero/ climate change, nature and affordability. A question-and-answer session followed in which customer's questions centred on around four key themes:

1. Affordability and trusted customer service (39.6%)
2. Protecting beaches and rivers (28.6%)
3. Adapting to climate and population challenges (25%)
4. A clean and reliable supply of water (6.8%).

We heard that customers are concerned about the continuing rise of the cost of living and while they understand why dividends are paid, some are displeased that their bills have to rise. Customers generally believe that water companies should be doing all they can to prevent bills rising and need to demonstrate greater transparency on how this is being achieved.

Customers also told us they believe that climate change represents the greatest future challenge to the network and want assurance that the network will be made more resilient to deal with drought and heavy rainfall. They want assurance their water supply will not be impaired in the future and that the environment will also be protected. Customers want to eliminate the use of storm overflows imminently and also support us partnering with local councils to install water butts and other water saving devices.

After we answered all our customers questions, they generally concluded that they support our business plan. The full transcript from the session can be found on our website and insights from the session has also been submitted into a 'You Said, we did' section of our PR24 submission where we outline in greater detail how the challenges raised have been incorporated into our business plan. We are looking forward to heraing more at our next Your Water

Your say event on the 6th November 2023.



# 12. Board Assurance

This section sets out our evidence that: The company board has provided assurance that:

- the company’s customer engagement and research meets the standards for high-quality research and any other relevant statements of best practice and has been used to inform its business plan and long term delivery strategy
- The expenditure proposals are affordable by customers and do not raise bills higher than necessary
- The expenditure proposals reflect customer views and where appropriate are supported by customers.

## Ofwat’s standards for assurance

Ofwat has set out five standards for water company boards to meet to provide assurance of the quality of customer engagement and that customers’ views have been taken account of in business plans and long-term delivery strategies.

This section summarises how we have exceeded Ofwat’s five standards for assurance of the quality and use of customer engagement in business plans and long-term delivery strategies. These actions ensure that our customers and stakeholders can have confidence that our plans accurately reflect their preferences.



### Standards for high quality assurance of customer engagement\*

### Summary of how we have met the standardd

**Independent:**  
Assurance of the quality of customer engagement, and how the companies have used the findings in their business plans and long-term delivery strategies, should be provided independently of the companies with no restrictions on reporting. This means:

- Companies should not input to, or review, the assurance before it is issued, other than to check for factual accuracy
- Assurance should contain clear statements and evidence that the process was conducted independently of the company.

Independent assurance of the quality of customer engagement has been provided by Frontier Economics, and Prof Ken Willis. The company has not reviewed or challenged the assurance other than for factual accuracy. The WaterShare+ advisory Panel have reviewed and advised on the assurance activities and reports.

**Transparent:**  
Companies should share all relevant customer engagement and research evidence to enable whoever is providing assurance to reach a fully informed, independent view of how the company has taken account of customers’ views. Information shared should be factual, objective and comprehensive, not selective or interpreted. This may include data and information from day-to-day operations, and materials related to specific engagement exercises. Companies should be able to demonstrate how they have taken account of evidence from customer engagement. Companies should be able to explain why they have not taken account of evidence from customer engagement or research wherever this is the case.

All research reports have been shared in full with the independent technical assurers and the WaterShare+ Panel, enabling them to reach a fully informed view of how the company has taken account of customer views. Information shared has been factual, objective and comprehensive, not selective or interpreted. The Panel has had direct access to independent experts including Frontier Economics and ICS Consulting. The Engaging Customers and Communities report clearly sets out a ‘line of sight’ demonstrating how customer evidence has been used to shape the plan, including identification of any differences in views and how they have been balanced.

**Expert:**  
Assurance of customer engagement should be undertaken by people or organisations that have relevant expertise and are appropriately resourced to complete the assurance exercise.

Assurance has been undertaken by recognised technical experts. Ken Willis is an internationally leading academic in this area and journal editor. Professional credential are provided in Appendix X



**Standards for high quality assurance of customer engagement\***

**Comprehensive:**  
Assurance needs to assess the extent to which the company’s customer engagement meets the standards for high-quality research and any other relevant statements of best practice, including how it has applied the best practice for triangulation of customer data from alternative sources.

**Board ownership:**  
Company boards should demonstrate oversight of the customer engagement assurance process. This means that company boards:

- Should be shown, and review, evidence from customer engagement and research
- Should develop confidence that company decisions take account of customers’ views, preferences and experiences
- Should satisfy themselves that company business proposals and long-term delivery strategies are based on high quality research and engagement
- Should be prepared to provide a statement that the company’s customer engagement and research meets the standards for high-quality research and any other relevant statements of best practice.

\*See PR24 and beyond: Customer engagement policy, Ofwat, February 2022

Our first class challenge and assurance enables us to be confident that we have delivered:

high quality research and interpreted the findings appropriately in our business planning.

a stretching and ambitious strategy to enhance affordability for current and future customers, supporting those struggling or at risk of struggling to pay.

Our 5 stage approach enables us to be confident that we have exceeded Ofwat’s principles for high quality research, customer challenge and assurance. This 5-stage approach aligns with our integrated assurance framework as set out in our 2023 Annual Report.

1. Self-challenge and assurance
2. Independent technical assurance
3. Expert independent assurance of research process, quality and conclusions
4. Customer review and challenge – WaterShare+ Panel challenge
5. Board Assurance.

**Summary of how we have met the standard**

Our comprehensive assurance has reviewed in detail the engagement programme and projects against Ofwat’s standards for high-quality research and technical best practice. Synthesis of evidence has been undertaken in line with CCWater best practice guidance to enable the widest possible evidence to be incorporated, whilst reflecting its relative robustness.

The Board has taken clear ownership of the customer engagement programme. The PR24 Board sub-committee has provided detailed challenge and oversight. Regular updates have been provided to board to ensure that board is shown and has reviewed evidence from customer engagement and research and reviewed and challenged how customer views and preferences have been responded to in developing the PR24 plan and the Long term Delivery Strategy.

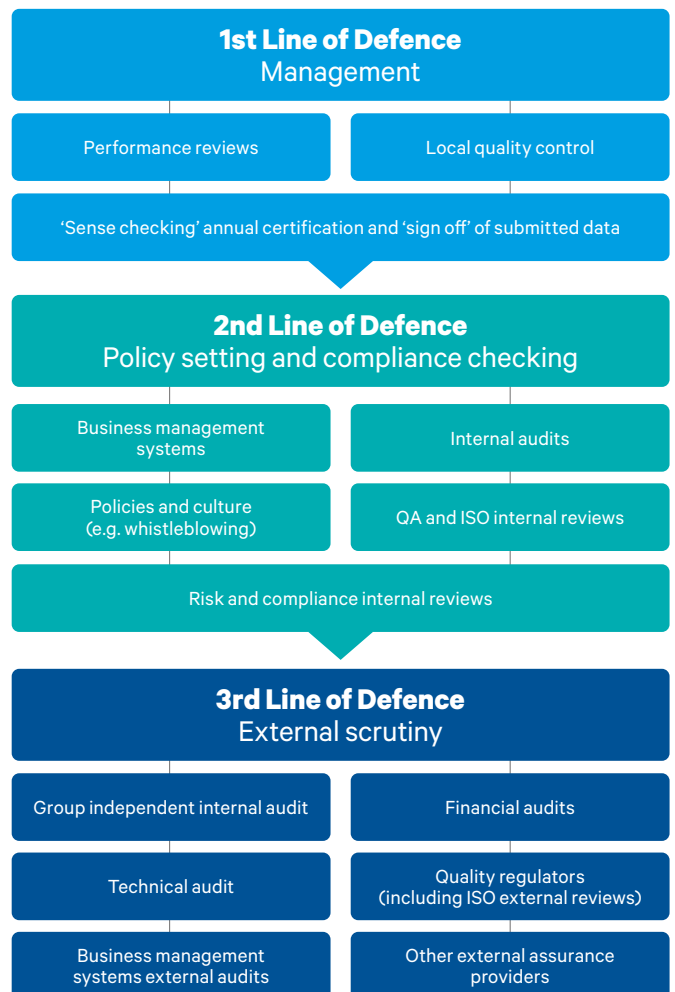


Figure South West Water's Integrated Assurance Framework (Annual report 2023)

## 12. Board Assurance continued

### ✓ End to end self-challenge

We have worked with all our highly experienced research providers to ensure that all our customer engagement and affordability activities exceed Ofwat and CCwater Ambition.

**Engagement** – each research project and the programme as a whole exceeds Ofwat’s principles for high quality engagement. The professional credentials of our expert research partners are set out in Section 13. Summaries of their key approaches to the delivery of Ofwat’s principles are set out in Appendix 3.

**Affordability** – we have undertaken continual cross checks to ensure that our approach and processes align to CCWater good practice and Ofwat paying fair guidance

### ✓ Independent technical peer review and challenge

We have commissioned independent experts to review and technically assure our research to provide the board with assurance that it is fit for purpose.

Leading international academic expert Professor Ken Willis, University of Newcastle, has provided independent technical assurance of our valuation research.

Recognised independent tariff, social tariff and charging experts ICS have undertaken a review of our Affordability data and processes.

For more detail see Sections 5 and 9 of this report.

### ✓ Independent assurance and synthesis

Independent experts Frontier Economics have provided clear assurance that the customer engagement and research meets the standards for high -quality research and that the research findings can be relied upon for inclusion in the PR24 business plan. This included ensuring that insights were gathered at the strategic, tactical and operational level to provide a comprehensive understanding of our customers’ needs and priorities to inform all aspects of our services – from our customer’s long-term priorities for service and bill levels in shaping the overall long-term delivery strategy and the PR24 Business Plan.

Independent experts Jacobs have also provided technical assurance confirmation of the ‘line of sight’ demonstrating how customer engagement findings have informed the proposals in the business plan. For more detail see [Sections 5](#) and [7](#) of this report.

### ✓ Independent customer challenge

Vital customer challenge is provided directly by our customers through our innovative WaterShare+ incentive scheme and through the independent WaterShare+ Panel meetings.

For more detail see Section 10 of this report.

### ✓ Board accountability

Our overall customer engagement strategy is closely overseen by our Board, and this is no different to the engagement undertaken specifically for our PR24 Business Plan. Initially our Board reviewed, challenged and ultimately approved the customer engagement strategy and PR24 plan at the PR24 Sub Committee at the start of the PR24 process. Our Board has been involved throughout all of the engagement with customers to hear first hand customer views.

This has included regular attendance and involvement in:

- Customer focus groups
- Stakeholder workshops
- WaterShare + meetings
- Review of post event surveys from customers
- Customer co-creation workshops
- Your Water Your Say customer engagement sessions.

The Chair of the WaterShare+ Panel has attended the PR24 Board Sub Committee to provide an update on progress and any issues. This provides a backstop that ensures customers views are heard at Board. The Board has committed to retain an independent WaterShare+ Panel and operation of the WaterShare Framework post 2025 which will continue to provide customers with a stake and a say in our business.

As well as regular progress updates at each meeting, key PR24 Board sub committee meetings Include:

- 18th May 2022 - the committee debated at length the scope of customer and stakeholder consultations and reviewed and debated the size and scope of the plan areas across all operational areas

## 12. Board Assurance continued

- 29th March 2023 - direct feedback session from WaterShare+ Chair and Vice Chair of Panel. Considerable time was given to the WaterShare+ Panel have put in considerable time in feeding back customer engagement
- 17th May 2023 - detailed customer engagement update
- 19th July 2023 - reflections of the WaterShare+ Panel.

The Board has provided the following statement as part of the overall Board Assurance:

“That the board provides assurance that the company’s customer engagement and research meets the standards for high-quality research and any other relevant statements of best practice and has been used to inform its business plan and long-term delivery strategy”.

It is the view of the Board that Delivering high quality engagement and exceeding Ofwat’s expectations, we have clearly gone beyond Ofwat’s Quality Assessment

Tests for customer engagement, affordability, and acceptability.

### ✓ **Affordability**

The board has provided the following statement as part of the overall board Assurance:

The board has challenged and satisfied itself that:

- The full implication of the 2025-30 business plan for customers was considered and that the plan achieves value for money; and
- The long-term delivery strategy protects customers’ ability to pay their water bill over the long term and delivers fairness between what existing customers will pay and what is paid for by future customers.

Tariffs (both wholesale and household retail) have been developed to ensure that all elements are cost reflective and that the differential between tariffs in the original South West Water area and the Bournemouth Water area are maintained.

### **South West Water’s Integrated Assurance Framework Elements Utilised**

1st Line	2nd Line	3rd Line
<ul style="list-style-type: none"> <li>• Executive ODI Group oversight</li> <li>• PR24 Steering Group</li> <li>• Programme Office control</li> <li>• Extensive review of progressive charging options.</li> </ul>	<p>2nd Line</p> <ul style="list-style-type: none"> <li>• Internal reviews and analysis of customer research</li> <li>• Detailed expert modelling of billing impacts and options (ICS).</li> </ul>	<ul style="list-style-type: none"> <li>• Oversight of customer engagement by independent CCG</li> <li>• KPMG third party assurance of financial data tables including tariff and charges related data tables</li> <li>• Sub group chair reports.</li> </ul>

### **Board scrutiny of area**

The Board has scrutinised both internal outputs and reports concerning affordability and the package to ensure that financial support is provided when necessary, customers are empowered and behavioural change is encouraged

### **Assurance findings summary**

**RAG**

The full implication of the 2025-30 business plan for customers was considered and the plan achieves value for money.

●

The long-term delivery strategy protects customers’ ability to pay their water bill over the long term and delivers fairness between what existing customer will pay and what is paid for by future customers.

●

For more information on Board assurance see Right Deal right Now: Data information and assurance.

**Overall, we are confident that we have met and exceeded Ofwat’s assurance standards for customer engagement.**

## 13. Professional Credentials of Third Parties

### ICS Consulting

ICS Consulting was established in 2000 and specialises in providing consultancy and support services to infrastructure businesses and regulators in the UK, Europe and Middle East.

#### ICS expertise covers:

- Customer and stakeholder engagement
- Regulatory economics, covering policy analysis and development
- Economics analysis, including assessing monetary benefits of investment and cost-benefit analysis
- Investment appraisal and optimisation, covering the design and implementation of bespoke asset management systems
- Tariffs and affordability, covering tariff design, modelling and distributional analysis.

#### ICS is highly experienced in all aspects of the regulatory and business planning processes in the water industry and supports a number of key periodic review activities, namely:

- Customer research (priorities, valuation, acceptability testing)
- Regulatory analyses (outcomes and incentives design)
- Tariffs and Affordability (progressive charges design, affordability modelling and targeting)
- Investment optimisation and business plan development (cost benefit analyses, scenario planning, business case development)
- Risk assessment (risk appraisal and assessment).

ICS is a company partner of the Market Research Society (MRS). ICS engagement research adheres to the MRS Code of Conduct and ISO 20252, the international standard for market, opinion and social research and General Data Protection Regulation (GDPR). The ICS team includes former academics and maintains close ties to latest academic developments and have provided advice to the Independent Walker Review of Charging for Household Water and Sewerage Services.

### Verve

Verve is a full-service global market research and online customer community specialist with sector expertise in Utilities, Retail, Financial Services, Transport, Technology, FMCG, Healthcare, Media & Entertainment.

Verve have been delivering critical insights to regulated organisations for well over a decade, with numerous clients in the water, energy and telecoms sectors. Verve have worked with five UK water companies across the last two price review periods. Verve is an MRS Company Partner and is fully ISO27001 certified.

#### Verve's research specialisms include:

- Customer research with household and business audiences
- Customer research with under-represented audiences such as those in vulnerable circumstances, young people, non-English speakers
- External stakeholder research
- Research to inform and test strategies and regulatory business plans
- Customer experience/customer journey and touchpoint research
- Valuation and trade-off research - stated/revealed preference, conjoint
- Customer segmentation and a full range of advanced analytics
- Behavioural change intervention development and evaluation.

### Turquoise

Turquoise have over 30 years' experience within the water industry. Beyond an extensive project portfolio within the industry, Turquoise have been involved in, and completed research for every single price review since privatisation.

Turquoise work for a number of water companies in England and Scotland, conducting both qualitative and quantitative methodologies.

### 13. Professional Credentials of Third Parties continued

#### Professional Accreditation and Standards

Turquoise takes its Professional Standards very seriously. The organisation is a member of, and has accreditation to, the following Professional Bodies.

- The Market Research Society (MRS)
- Mark Harvey – Certified Member of the MRS (CMRS)
- Mark is also a member of AQR, The Association of Qualitative Researchers and an NLP Practitioner.
- Lisa Ollerenshaw – Associate Member of the MRS (AMRS)
- The British Healthcare Business Intelligence Association (BHBI). All staff participating in research within, and for, the Pharmaceutical Industry, must undergo a BHBI training program before being allowed to undertake research in this area. This training is repeated and updated annually.

Individual certificates are provided after completion of the training. These are provided, as a matter of course to each Client, prior to commencement of any project.

- The World Association of Opinion and Marketing Research Professionals (ESOMAR), formerly known as the European Society for Opinion and Marketing Research (ESOMAR). Our membership of ESOMAR reflects our experience as an organisation.

Turquoise is also registered with the Information Commissioners Office (ICO) for data protection and abide by all the principles of the ICO with regards to handling of data. All data must comply with regulations on data protection and data security especially in the light of the GDPR changes.

All staff undergo training for data protection and data handling.

As members of these organisations, Turquoise are experienced in following best practice and the codes of conduct set by both industry and government.

#### Blue Marble

Blue Marble Research is an award-winning social and market research agency. Blue Marble conduct research that has a positive impact on the world.

Blue Marble Research Ltd was established in 2007. Blue Marble conduct market research that has a strong emphasis on providing clear direction to their clients. After all, it is the solutions, opportunities and planning implications that make well-designed research commercially and strategically valuable.

As a small agency with a strong track record in quality and innovation, Blue Marble are delighted to continue to expand their team across England. Blue Marble are multidisciplinary, using the full suite of research methodologies. They are also always exploring new techniques and/or partnerships in a quest for fresh insight.

Blue Marble's business is about understanding the difference between what people say and what they do; understanding behaviour and how to change it; and bringing clarity to the complex web of rational and emotional considerations that we all juggle as we make choices both as consumers and citizens.

Blue Marble work across a wide range of sectors (utilities, transport, food & retail) and provide a wide range of services, including policy and regulation research, community and stakeholder engagement, new product development, segmentation and communications and branding research.

Blue Marble are a Company Partner of the MRS (Market Research Society) and were highly commended at the MRS Awards 2021 for their research, produced in collaboration with CCW, into the kitchen sink habits of households in England and Wales.

## DJS Research

DJS Research is a full-service market research agency delivering data collection and insight services to clients across consumer and B2B markets across the private, public and third sectors. DJS Research offer both qualitative and quantitative research services.

The company is an employee-owned business which was set-up in 2001 and has grown every year since. Based in Strines, Cheshire, DJS Research now employs more than 70 permanent staff, along with a team of 200 telephone interviewers (all from the local area). DJS Research also has a UK wide network of face-to-face interviewers and online panel capabilities and so is well placed to cover all research methodologies.

Market Research within the water sector is something which DJS Research has vast experience of. They work with regulatory and consumer bodies, water wholesalers and retailers and other companies servicing the water sector.

water companies on their business plans and water resource management plans. They have worked in collaboration with their clients to ensure their research is robust, representative, relevant and innovative. Their research has covered key business planning pieces such as customer priorities, willingness to pay, ODIs and Acceptability research, as well as more bespoke pieces. DJS Research has vast experience in the areas of customer satisfaction and experience, resilience, water efficiency, sewer misuse, occupancy surveys, visitor satisfaction, trackers, branding, communications and segmentation.

During PR14 and PR19 DJS Research enjoyed working on range of interesting resilience related projects. These included specific large-scale investment programmes, as well as resilience and asset health.

DJS Research have access to an in-house statistician ensuring that data is robust with researchers suitably advised on statistical techniques that may benefit projects and advise provided to ensure robust sample sizes are achieved that stand up to scrutiny.

DJS Research is an MRS Company Partner, an ESOMAR member and is Cyber Essentials certified. DJS Research has taken the MRS Net Zero Pledge.





### Future Focus

Future Focus Research is a UK Market and Social Research company in England and Wales with offices in Bristol and Cardiff. Established in 1983 Future Focus have over 40 years' experience working with Public and Private sector organisations. Future Focus have a team of skilled researchers, experienced across diverse sectors and research methods, with particular expertise in working with Water Companies. Future Focus Research work across a number of sectors including Utilities, National and Local Government, Housing/Tenant Association, Tourism Organisations, Retail, Charities, NHS/ Local Health Boards, Education and Advertising / Marketing agencies.

Future Focus offer the following research methods – telephone surveys, face-to-face surveys, online surveys, depth interviews and focus groups, and would always provide advice and guidance on the best method, or combination of methods to meet client objectives.

Future Focus have worked with Bristol Water since 2009 and currently undertake an annual programme of research consisting of a Customer Satisfaction Survey (telephone), a PSR Survey (telephone), Local Community Stakeholder Survey (online and telephone) and a Stakeholder Survey (depth interviews and online).

All research conducted by Future Focus Research is conducted in accordance with the MRS Code of Conduct and the Interviewer Quality Control Scheme (IQCS). Future Focus pride themselves on conducting research to the highest standards and will always ensure that their research processes protect against distortion and bias in the interpretation of findings.

### eftec

Economics for the Environment Consultancy (eftec) was established in 1992 and is a leading environmental economics consultancy in the UK and Europe. Services are provided in four principal areas:

- Economic valuation - including primary research using revealed preference and stated preference methods

- Policy and project appraisal - cost-benefit analysis, cost effectiveness analysis, impact assessments, socio-economic assessments, natural capital accounting
- Design and evaluation of policy instruments - taxes, tradable permits, voluntary agreements, payments for ecosystem services and other financial instruments for nature
- Training and guidance – including bespoke training courses and guidance handbooks for students, economists and non-economists in public and private sectors.

eftec's work in the water sector supports clients with a broad range of strategic planning requirements concerning the water environment and wider aspects of the water industry and its regulation. This includes applying the core economic valuation expertise to the design and implementation of primary research concerning customer preferences, priorities and values, the results of which inform options appraisal and investment planning activities of water companies. Examples include: (i) quantifying customer preferences for use in the best value planning frameworks promoted by the Environment Agency that underpin the development of both water resource management plans (WRMP) and drainage and wastewater management plans (DWMP); as well as (ii) quantifying customer willingness to pay to support for investment cases that form Business Plan submissions as part of the regulatory price review process overseen by Ofwat. This research involves engagement with multiple stakeholders, including the regulators (Ofwat and Environment Agency) and customer representative groups (CCW, Independent Customer Challenge Groups), NGOs and local planning authorities.

### Frontier Economics

With more than 400 consulting staff and associates across its offices in Europe, Frontier Economics Limited specialises in applying the highest quality economic techniques and analysis to business and public policy issues. They work globally for senior decision-makers in the private sector and government, including leading businesses and international financial institutions.

### 13. Professional Credentials of Third Parties continued

Frontier Economics has a strong track record across utilities including water, energy, telecommunications and transport covering issues across regulation, competition, market design and functioning, strategy and policy analysis and design.

The Frontier Economics water team helps its UK clients find solutions across regulatory price controls and helps design and apply regulation that delivers for customers now and in the future, with work ranging from strategic advice to sophisticated modelling approaches. They also combine their expertise in economics with psychology to advise on, design and interpret insightful and robust customer research.

#### Professor Ken Willis

Professor Ken Willis is Emeritus Professor of Economics of the Environment at Newcastle University. He is also Director for the Centre for Research in Environmental Appraisal & Management; and Editor of the Journal of Environmental Planning and Management. Professor Ken Willis is one of the prominent economists in the world in environmental and customer valuation methods. His research interests include environmental benefit estimation techniques such as travel-cost models, hedonic price models, contingent valuation methods, stated preference or choice experiment methods, and contingent ranking techniques. He has directed and worked on dozens of contingent valuation studies with both academic and commercial applications. This has included stated preference (choice experiment) studies which have covered a wide variety of issues from air pollution, bathing water, biodiversity, conservation areas, cultural heritage, earthquake risk mitigation, electricity supply interruptions, environmentally sensitive areas, fishing, forests, green belts, historic buildings, recreation values of waterbodies, landscape, low flow alleviation in rivers, property attributes, quarries, SSSI, traffic calming schemes, utility networks, waiting time for social housing, waste disposal, water quality, and wildlife preservation. Professor Ken Willis has applied his extensive knowledge in the UK and worldwide. He has a successful track record in supporting water companies customer valuation programmes since PR04.

#### Jacobs

Jacobs U.K. Limited has been appointed as one of South West Water's core technical assurance partner for Annual Reporting as well as the PR24 process. Jacobs, and its predecessor companies has global experience in strategic business planning and regulation for water companies. Jacobs and through its predecessor companies CH2M and Halcrow Management Sciences Limited has been a leading provider of technical assurance services to the UK water industry since privatisation in 1989.

Jacobs's independence enables them to provide a candid and confidential service to operators, regulators, governments and banks. Their personnel all have regulatory, water and wastewater engineering, contractual and economics backgrounds and have specialist expertise in all aspects of utility regulation, diagnosis and performance assessment. With this capability, Jacobs offers a detailed appreciation of the major themes related to effective regulation with a particular emphasis on technical assurance of information through methodology and process review.


Despite changes in the regulatory environment in 2012 to a lighter-touch, risk-based, self-assurance reporting regime, South West Water, along with most companies, opted to secure the services of experienced independent technical advisors to provide assurance to its senior management, Board of Directors and parent company. This provides additional comfort of the company's continuing stewardship of these essential services, ensures customer's preferences are well considered, secures a more predictable outcome to the business planning process, helps retain suitable credit ratings and access to capital, and improve shareholder value.

Throughout the PR24 process, Jacobs have been working in partnership with South West Water to help ensure that its business plan submission receives suitable levels of independent assurance such that the senior and executive management, Board of Directors and in turn, the customer challenge groups, Ofwat and other stakeholders can be confident about the foundation of the information presented. The Jacobs team is led by Graham Hindley who is a Chartered Civil Engineer of over 25 years' experience.



# Ofwat's Quality & Ambition Assessment Tests

This document is part of the overall business plan providing key information about our proposals. Delivering high quality engagement and exceeding Ofwat's expectations, we have clearly gone beyond Ofwat's Quality Assessment Tests for customer engagement, affordability, and acceptability.


## Quality Test Area: Minimum expectations for Customer Engagement, affordability and acceptability.

Ofwat's Quality Assessment Test Area	How we have met these	Further evidence can be found in
<p>The company's plan provides sufficient and convincing evidence that our customer engagement activities meet Ofwat's standards for research, challenge and assurance.</p>	<p> We set out in this document how we have worked carefully with our research partners to ensure that every aspect of our customer engagement research exceeds Ofwat's standards for high quality research, challenge and assurance.</p> <p>We have built Ofwat's tests into the development of our research programme and projects. We have carefully designed our programme of research to ensure that each piece of research uses thoroughly tested engaging materials to enable meaningful engagement. Each research project has a clear practical purpose and is timed to enable customer views to inform our plans.</p> <p>Our overall programme seeks to reach every one of our customers, focusing on quality rather than quantity and synthesises insight together with evidence from our wider day to day interactions with our customers to shape our plans.</p>	<ul style="list-style-type: none"> <li>• Section 5 of this document</li> <li>• Frontier Economics assurance report</li> <li>• Peer review from Prof Ken Willis</li> <li>• Self Assurance Appendix of this document</li> <li>• WaterShare+ report</li> <li>• Board assurance report</li> <li>• Engaging customers and Communities report.</li> </ul>
<p>The company's plan explains how we have taken account of views on the affordability of our proposals for all customers, including for those who struggle, or are at risk of struggling, to pay their bills.</p>	<p> We have carefully considered the views on affordability of all our customers, including those who struggle or are at risk of struggling to pay their bills.</p> <p>We developed a rigorous sampling and segmentation strategy and followed Ofwat/CCW's AAT guidance to enable us to ensure we have listened to those who struggle or are at risk of struggling to pay their bills.</p> <p>We have ensured that the views of those struggling or at risk of struggling to pay their bills have shaped our plans. Our research demonstrates that those struggling to pay support our action to invest now. The views of those struggling or at risk of struggling to pay have been particularly helpful in shaping our affordability and progressive tariffs work to ensure zero water poverty.</p>	<ul style="list-style-type: none"> <li>• Section 6 of this document</li> <li>• Segmentation strategy</li> <li>• AAT research</li> <li>• Engaging customers and Communities report.</li> </ul>
<p>The company's plan and long-term delivery strategy demonstrates that our proposals are likely to be fair and affordable for both current and future customers.</p>	<p> We have tested the bill impacts of alternative options for our plan and long term delivery strategy with both current and future customers.</p> <p>We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.</p> <p>We have heard that intergenerational fairness is a key priority of our customers who want to ensure that they pass on a resilient infrastructure to the next generation. They do not want to see short term cuts in investment at the expense of future generations, viewing this as a false economy.</p>	<ul style="list-style-type: none"> <li>• Section 7 of this document</li> <li>• Long Term Delivery Strategy</li> <li>• AAT research report</li> <li>• Engaging customers and Communities report.</li> </ul>





## Quality Test Area: Minimum expectations for Customer Engagement, affordability and acceptability.

Ofwat's Quality Assessment Test Area	How we have met these	Further evidence can be found in
<p>The company's plan provides sufficient and convincing evidence that we have followed our guidance for testing customers' views of the affordability and acceptability of our proposals.</p>	<p> We have designed our AAT research carefully to ensure that we have followed the Ofwat/CC guidance for testing customers views on the affordability and acceptability of our proposals.</p> <p>We shared materials with WaterShare+ customer panel and incorporated their feedback in the final materials.</p> <p>We have gone further than required by Ofwat's guidance and have undertaken additional affordability and acceptability testing as our plan has evolved in response to evolving government requirements.</p>	<ul style="list-style-type: none"> <li>• Section 8 of this document</li> <li>• Appendix A1 of this document</li> <li>• AAT research report</li> <li>• WaterShare+ report</li> <li>• Board assurance report.</li> </ul>
<p>The company's plan includes plans for supporting customers to pay their bills using social tariffs and other methods.</p>	<p> Our Customer Care Strategy ensures our customers who need help paying their bill receive it and we achieve our goal of eradicating water poverty.</p> <p>Due to the increase in bills, progressive charging forms a core component of our plan.</p>	<ul style="list-style-type: none"> <li>• Section 9 of this document</li> <li>• Customer Care Strategy.</li> </ul>

## Ambition Test Area: Engagement

Ofwat's Ambition Assessment: Enhancing affordability tests	How we have met these	Further evidence can be found in
<p>The company's plan demonstrates that they have engaged meaningfully with our customers to understand:</p> <ul style="list-style-type: none"> <li>• their priorities for improved outcomes for our customers, communities and the environment for 2025-30 and beyond; and</li> <li>• their views of how and when statutory requirements are best delivered, ie the outputs specified in WRMPs and the WINEP or NEP.</li> </ul>	<p> Our engagement programme has included meaningful ongoing tracking and bespoke PR24 research to understand customer priorities.</p> <p>We have undertaken dedicated customer research into the key areas of investment to understand customer views on how and when statutory requirements are best delivered.</p> <p>We have used a range of techniques in the timely research programme, for example WaterFit and DWMP focus groups explored views including around solutions in depth and our Second stage WTP coastal and river pollution study provided representative quantitative views on the benefits of alternative options. This was supplemented by direct public consultation and our AAT research.</p> <p>All research methods and stimulus builds on previous research and best practice guidance and customer feedback ensures it is meaningful.</p>	<ul style="list-style-type: none"> <li>• Section 7 of this document</li> <li>• Long term Delivery Strategy</li> <li>• Engaging customers and Communities report</li> <li>• AAT research report</li> <li>• DWMP</li> <li>• WRMP</li> <li>• Spotlight on our priorities documents</li> <li>• Enhancement business cases.</li> </ul>

## Ambition Test Area: Enhancing Affordability

Ofwat's Ambition Assessment: Enhancing affordability tests	How we have met these	Further evidence can be found in
<p>The company's plan provides evidence demonstrating ambition to further enhance affordability for residential customers struggling to pay.</p>	<p> Our 4 pillared approach is our plan for ensuring customers who need help paying their bill receive it and we achieve our goal of eradicating water poverty.</p> <p>Our innovative Water Poverty Tool enables us to continue to auto enrol our customers in water poverty straight onto the best tariff for them, without them needing to contact us.</p> <p>We share outperformance with customers via our innovative WaterShare+ model enabling customers to choose either share ownership or credit on their bills.</p>	<ul style="list-style-type: none"> <li>• Section 9 of this document</li> <li>• Customer Care Strategy.</li> </ul>
<p>The company's plan provides evidence demonstrating ambition through evidence of high value and innovative proposals to support customers, such as:</p> <ul style="list-style-type: none"> <li>• voluntarily sharing outperformance</li> <li>• making other contributions from investors, or</li> <li>• delivering charging innovation.</li> </ul>	<p> Our WaterShare+ incentive scheme allows customers to own a share in our parent company, Pennon Group, and therefore their local water company.</p> <p>1 in 14 of our customers are now shareholders, giving them not only a say but a financial stake in our plans. We now have more customer-shareholders than investor-shareholders.</p>	<ul style="list-style-type: none"> <li>• Section 9 of this document</li> <li>• Customer Care Strategy.</li> </ul>
<p>Please give specific references for each proposal submitted.</p>	<p>We set out in this document how we are planning to pilot innovative new methods for charging customers to provide fair charging for all and how we have set ourselves an ambition target to get to 1 in 10 customers as holding shares in their local water company.</p>	
<p>The company's plan provides evidence demonstrating ambition to further enhance affordability overall (over and above ensuring value for money).</p>	<p> We set out in this document how we are planning to enhance the affordability for all of our customers through our 5 stepped approach:</p> <ul style="list-style-type: none"> <li>• Step 1: Prioritise and phase investment</li> <li>• Step 2: Deliver the best value plan</li> <li>• Step 3: Charge affordable and fair bills</li> <li>• Step 4: Support water efficiency through smart metering, putting customers in control of their bill</li> <li>• Step 5: Offer our largest ever package of support.</li> </ul>	<ul style="list-style-type: none"> <li>• Section 7 of this document</li> <li>• Customer Care Strategy.</li> </ul>
<p>The company's plan provides evidence demonstrating ambition to further enhance affordability for future customers.</p>	<p> Our programme of research has carefully synthesised and incorporated the preferences of both current and future customers around pace and scale of investment to ensure that our proposals are fair and affordable to both groups.</p> <p>We shared best practice across our regions by extending our innovative Youth Board from Bristol to our other regions. We have also consulted with younger members of the population – our future customers – to understand their perceptions of the affordability of our services and in turn inform our plans.</p> <p>We have used this feedback to consider how the cost of investment and outcomes should be shared between current and future customers to ensure fairness across generations – as such we believe our plan balances our statutory obligations and stakeholder requirements with our customers' needs whilst remaining affordable.</p>	<ul style="list-style-type: none"> <li>• Section 7 of this document</li> <li>• Customer Care Strategy.</li> </ul>







# A1. PR24 Acceptability and Affordability Testing

## PR24 Acceptability & Affordability Testing: Meeting Ofwat Guidance

South west Water

### Background

In previous Price Reviews, water companies have undertaken their own Acceptability Testing with customers on the final plan. For PR24, however, Ofwat – with CCW – issued detailed guidance for plan testing, with a prescribed method for Acceptability & Affordability Testing (AAT). The aim of adopting a uniform approach was to enable clearer comparison of how customers of each water company respond to individual business plans and the impact on their bills

Throughout the research to date we have followed the Ofwat/CCW guidance<sup>1</sup> and made iterations to materials and approaches following several instances of new or updated guidelines from Ofwat.

In this document we have set out how we have ensured that AAT work for South West Water, Bristol Water and Bournemouth Water not only adheres to Ofwat guidance but also its research principles (as set out in its guidance for PR24 Customer Engagement<sup>2</sup>). It is also important to note that the main AAT qualitative and quantitative research formed part of a wider programme that South West Water carried out. Additional survey work was undertaken for South West Water (a revised version of AAT, and a mirror version of the main AAT survey but with a different bill profile) as well as further qualitative work. Due to time pressures, the additional quantitative was carried out using only customer sample for which we had email addresses, only included household customers and the overall base sizes were slightly smaller. The purpose was, however, not to provide input into official reporting but rather to strengthen the internal evidence base around household customers' views on South West Water's plans.

Please note that the Bournemouth Water was not a requirement under the guidance but added to the research to ensure customers' voices were heard in all regions. Minimum numbers did not, however, apply to Bournemouth Water.

### Wider context of results

The customer engagement for this plan, including the affordability and acceptability testing has been undertaken during a challenging period for the water industry and customers. The reputation of the water sector has experienced an erosion of trust with some customers and communities which is observed not only in media headlines, but also in our own continuous monitoring of customers' views and some bespoke research projects. Most customers continue to report high satisfaction with the services we provide, but many are very worried about their finances and household budgets are increasingly squeezed with the cost-of-living crisis. Customers are naturally concerned about the affordability of water bills now and in the future. Both the qualitative and quantitative stages of the AAT were carried out based on the best-known level of investment at the time. Since then, it has been reduced.

The affordability and acceptability results are lower than those seen in previous price reviews. It should be remembered that they are set within the context of the challenges the water industry is facing with regard to customer perception and the ongoing pressures on household finances from the cost-of-living crisis.

### Qualitative Stage

#### Methodology & considerations

Overall, the AAT guidance is very prescriptive. There are, however, several considerations that we needed to factor into the proposed design.

**Methodology:** The guidance was open about the use of online or face to face methods. We deployed mixed methods with the following rationale:

- Face to face for deliberative events with household (including some vulnerable) and future customers

## A1. PR24 Acceptability and Affordability Testing continued

because the act of deliberating is more effective face to face; it also allowed for observers; and we were able to include digitally excluded consumers

- Online for harder to reach samples, particularly non household customers, and those with a health vulnerability for whom the ability to participate from home (with support of a career/family member) tends to work best.

**Deliberative session & focus group length:** We based our approach on the minimum length required - 3 hours - on the understanding that South West Water weren't considering testing an additional plan over and above a 'must do' and a 'preferred' plan, and that the discretionary elements were limited to the prescribed six. For focus groups, deployed for NHH audiences, we broke it down into two 1.5-hour sessions to maintain an element of deliberation and reflection after the first, information heavy session.

**Minimum sample sizes:** The guidance was clear on the minimum expectations to allow for sub-group analysis, with some flexibility on how to incorporate e.g. low income or other vulnerable customer segments. In our approach we pegged sample decisions based on the minimum requirement for WaSCs or WOCs. We only went above the minimums where it was expedient to do so. This included, for example, instances where group sizes didn't divide naturally to the minimum number required. This applied only to the micro NHH sample.

**Sample sizes achieved:** Although sufficient numbers were achieved to carry out qualitative analysis on all groups, we did not achieve the target number in all areas. Recruiting business customers proved extremely difficult, to the extent we did not achieve any interviews with large business customers in the Bournemouth Water area. In addition to the sampling methodologies set out in the guidance (using company databases and asking participants to opt-in), we also deployed traditional recruitment methods. We engaged several trusted recruitment agencies, posted messages on local social media sites, used snowball recruitment and face-to-face in the local areas (ie, recruiters going into businesses to try and recruit participants).

### What we also found (across all regions):

- We received enough 'opt-ins' to achieve HH samples
- We saw higher levels of no-shows/replacements among vulnerable audiences
- We found that NHH (all free find) were very unwilling to participate – esp. in SWW region
- Overall, sample numbers were largely met (however it required a protracted mop up activity, which extended fieldwork considerably)
- Feedback scores for BRL and BW regions show around a third to three quarters of respondents give 8 or more out of 10 for satisfaction with the research experience
- For SWW, around three quarters (75/104) respondents gave a score of 8 or above out of 10 for their satisfaction with the research experience.

	South West Water	Bristol Water	Bournemouth Water
Minimum number	98	68	n/a
Achieved	99	70	40
<b>* = free find (remainder opt-in, recruited using compant database)</b>	<b>Number of participants</b>	<b>(target number)</b>	
<b>Cognitive depths</b> – 45-60 minutes, online, speed of age, gender, S EG – optional, no target numbers	6	6	6
<b>Face-to-face deliberative events</b> – 3-hour events with 16-24 participants per event x 7 SWW: Truro, Exeter, Newquay and Barnstaple Bristol Water: Weston super Mare and Bristol Bournemouth Water: Bournemouth	Future* 8 (8) Economically vulnerable* 5 (4) Household 52 (48) Social Tarrif 0 (4)	Future* 8 (8) Economically vulnerable* 4 (4) Household 32 (32) Social Tarrif 3 (4)	Future* 8 (8) Economically vulnerable* 3 (4) Household 18 (16) Social Tarrif 3 (4)
<b>Online depths with health vulnerable</b> –1 hour	Free find 5 (4) Opt-in 3 (4)	Free find 4 (4) Opt-in 3 (4)	Free find 1 (4) Opt-in 4 (4)
<b>Reconvened online groups with NHH</b> –Micro 1.5 hours + 1.5 hours	18 (18)	12 (12)	3 (6)
<b>Online depths with large NHH</b> –1 hour	8 (8)	4 (4)	0 (4)

Please note: research in Bournemouth Water areas was optional so, technically, no target number. Aimed to achieve numbers set out in guidance for WOCs

## A1. PR24 Acceptability and Affordability Testing continued

**Sample recruitment:** The guidance stated that water companies should invite customers to participate in the research following an email and letter despatch. We agreed that Blue Marble, working with our fieldwork agency, would manage the letter/email despatch, using a database of customers provided by Pennon Group. The letters and emails encouraged customers to sign up for the workshops, by registering through a link or a phone number. As per the guidance, all customers for whom the companies possessed an email address were sent an email, all others were sent a letter. Final selection of participants was based on a combination of overall number of registrations and quotas set to achieve a spread of customers.

**Piloting and cognitive testing:** We drafted a timetable to allow for the materials to be cognitively tested. We felt this was especially important for the pre-read material and the plan on a page. We used depth interviews for this as we needed to understand comprehension issues at an individual level (and these can be masked in the group environment). Few changes were made to materials after the initial cognitive testing. This was partly due to there not being much scope for change as all materials and discussion guides needed to adhere to the Ofwat guidance. This stage did highlight that some of the wording around commitments could be clearer, and generally some wording could be made easier to understand, within the guidance framework.

Overall, participants felt a lot of the materials were clear, even if there was information that was new to them. We made small tweaks to clarify more clearly what a South West Water customer bill pays for where participants were unsure what some of the labels meant. We edited the long-term goals for South West Water to ensure a minimal amount of jargon. Some participants struggled to understand the performance charts, but these were the area with least scope for change. The main pain points in the development of the materials were the plan on a page, as well as slides around phasing of investments. These were eventually developed collaboratively between Blue Marble and several of the water company clients involved.

**Capacity for a second qualitative 'dip':** Should fundamental issues emerge in the mainstage fieldwork we included provision to revise the materials and get further customer feedback prior to the quantitative stage. It was felt this was not needed but, in line with the guidance, we did make a provision in our proposal.

**Accessibility:** There were several considerations relating to making the research accessible for all. These included:

- a) Minimising the amount of complex stimulus material as this could act as barrier to participation – and following guidelines from e.g. British Dyslexia Association. We took time to ensure stimuli were as accessible as possible, for example:
  - Plain English
  - Not using italics
  - Using high contrast
  - Only using 'sans serif' fonts
  - Incorporating 8 cognitive depth interviews ahead of the pilot stage.
- b) We asked participants in advance whether they had any specific communication needs – and if so, what would be useful (we also made clear there is time and budget to support this). Bespoke support could have included:
  - Sharing email or hard-copy materials in advance for those with mental health or neurodiversity needs, or high-contrast copies for certain visual impairments
  - Providing agendas and questions in advance, to give participants time to prepare in a way which suits them
  - Technical support to practice using Zoom (for the online samples)
  - An incentive for carers or supporters to take part
  - Working with interpreters for participants who speak English as an additional language.

## Addressing Ofwat's Research Principles

### **1. Useful & contextualised: research should have practical relevance. It should be clear why the research has been undertaken, to what it will contribute and how.**

This forms part of the PR24 research requirement, and we followed the guidance throughout. All respondents were pre-placed with a detailed pre-read to contextualise their contribution to the research. Some people find it easier to listen to information rather than read it. For example, those with learning difficulties can have challenges in reading (e.g. those living with dyslexia) or remembering 'basic' facts (e.g. those living with dyscalculia). To help make the pre-task more accessible, we offered an audio-recorded version of the pre-task information. This 'talked' people through the information.

### **2. Fit for purpose: the research sample and methodology should be appropriate for the research objectives.**

We followed Ofwat guidance followed throughout to ensure both the research sample and methodology were fit for purpose. We challenged some elements of the guidance (around visual presentations of performance, for instance) where we felt improvements could be made. Respondents in the main understood the materials and engaged with the process: feedback scores from the events testify to this.

### **3. Neutrally designed: research should be designed and delivered in a way that is neutral and free from bias.**

This was achieved through a combination of cognitive testing, ICG feedback on qualitative stimulus pack, following Ofwat's guidance on wording of key elements in the materials and discussion guides. All research materials, fieldwork and analysis were organised by Blue Marble and a senior team of Market Research Society accredited researchers.

### **4. Inclusive: research should include different audiences and socio-demographics, considering local or regional or national populations, business customers and business retailers.**

This was achieved and maximised through a range of measurements, partly based on Ofwat's guidance, partly based on Blue Marble's extensive experience in this field.

- The opt-in approach to large invitation mail out meant the research was 'open to all'
- Locations were arranged to be no further than 5 miles from all invitees – and all venues accessible
- Where needed we accommodated for carers/ support to be included in the events
- Pre-read materials provided with audio recording
- Post tasks available online and via paper
- Specific segments supported with free find recruitment (health and economically vulnerable).

We did everything we could to encourage NHH customers, they were reluctant to participate, and recruitment was very difficult. While we achieved almost all target numbers in the end it meant significant extension to fieldwork, especially in the South West Water region. These findings reiterate Blue Marble's conclusions in the 2020 research on 'Meaningful Engagement' – new ways of engaging NHH need to be adopted by the industry.

A detailed overview of the achieved sample by area is shown on the next page.

## Bournemouth Water

### Sample profile – who we spoke to

1

**Total sample achieved = 41**



- Household sample achieved = 18/16**
- **SEG:** 3 x AB, 4 x C1C2, 7 x DE
  - **Age:** 6 x under 45, 8 x over 45
  - **Gender:** 10 x F, 8 x M
  - **Metering:** 6 x metered, 8 x unmetered
  - **Recruitment:** 14 x list opt ins, 4 x extras (free find?)



- Future customer sample achieved = 8/8**
- **SEG:** 8 x C1C2
  - **Age:** 8 x 18-30
  - **Gender:** 4 x F, 4 x M
  - **Recruitment:** 8 x free find



- Non-household sample achieved = 3/10**
- **Size:** 3 x micro NHH
  - **Examples of business type include:** restaurant, recruitment, transport
  - **Usage type:** 2 x domestic, 1 x domestic and non-domestic
  - **Usage volume:** 3 x low spend
  - **Recruitment:** 3 x free find

**Total number of opt-ins: 81**



- Health vulnerable sample achieved = 6/8**
- **Age:** 2 x under 45, 4 x over 45
  - **Gender:** 3 x F, 3 x M
  - **Metering:** 4 x metered, 2 x unmetered
  - **PSR status:** 5 x on or eligible for PSR
  - **Examples of vulnerability include:** physical health conditions, mental health problems
  - **Recruitment:** 5 x list opt ins, 1 x free find



- Economically vulnerable sample achieved = 6/8**
- **Age:** 1 x under 45, 5 x over 45
  - **Gender:** 4 x F, 2 x M
  - **Metering:** 4 x metered, 2 x unmetered
  - **Social tariff:** 1 x ST, 2 x eligible for ST, 3 x don't know
  - **Recruitment:** 3 x free find, 3 x flagged social tariff



## Bristol Water

### Sample profile – who we spoke to

4

**Total sample achieved = 62/64**

*Top up group of 4 participants to be completed w/c 15 June*



- Household sample achieved = 25/24**
- **SEG:** 5 x AB, 13 x C1C2, 6 x DE, 1 x unknown
  - **Age:** 11 x under 45, 13 x over 45, 1 x unknown
  - **Gender:** 10 x F, 15 x M
  - **Metering:** 11 x metered, 10 x unmetered, 4 x don't know
  - **Recruitment:** 24 x list opt ins, 1 x free find



- Future customer sample achieved = 8/8**
- **SEG:** 1 x AB, 6 x C1C2, 1 x DE
  - **Age:** 8 x 18-30
  - **Gender:** 4 x F, 4 x M
  - **Recruitment:** 8 x free find



- Non-household sample achieved = 16/16**
- **Size:** 12 x micro NHH, 4 x larger NHH (over 10 employees)
  - **Examples of business type include:** consultancies, accountants, hairdressers
  - **Usage type:** 11 x domestic, 5 x non-domestic
  - **Usage volume:** 8 x low spend, 8 x high spend
  - **Recruitment:** 16 x free find

**Total number of opt-ins: 147**



- Health vulnerable sample achieved = 7/8**
- **Age:** 1 x under 45, 6 x over 45
  - **Gender:** 5 x F, 2 x M
  - **Metering:** 3 x metered, 4 x unmetered
  - **PSR status:** 7 x on or eligible for PSR
  - **Examples of vulnerability include:** mental health problems, physical health conditions
  - **Recruitment:** 3 x list opt ins, 4 x free find




- Economically vulnerable sample achieved = 7/8**
- **Age:** 3 x under 45, 4 x over 45
  - **Gender:** 3 x F, 4 x M
  - **Metering:** 4 x metered, 3 x unmetered
  - **Social tariff:** 1 x ST, 3 x eligible for ST, 3 x don't know
  - **Recruitment:** 6 x free find, 1 x list opt in



## South West Water


Sample profile – who we spoke to
4

**Total sample achieved = 99**




**Household sample achieved =52/48**

- **SEG:** 9 x AB, 28 x C1C2, 10 x DE, 7 x unknown
- **Age:** 16 x under 45, 31 x over 45, 7 x unknown
- **Gender:** 25 x F, 28 x M, 1 x unknown
- **Metering:** 31 x metered, 7 x unmetered, 16 x don't know
- **Recruitment:** 47 x list opt ins, 7 x extras



**Economically vulnerable sample achieved 5/8**


- **Age:** 3 x under 45, 3 x over 45
- **Gender:** 2 x F, 3 x M
- **Metering:** 3 x metered 2 x unmetered
- **Social tariff:** 0 x ST, 5 x eligible for ST
- **Recruitment:** 5 x free find



**Health vulnerable sample achieved =8/8**


- **Age:** 2 x under 45, 6 x over 45
- **Gender:** 6 x F, 2 x M
- **Metering:** 6 x metered 2 x unmetered
- **PSR status:** 3 x on PSR, 3 x not, 2 unsure
- **Examples of vulnerability include:** Chronic fatigue, limited mobility, chronic pain
- **Recruitment:** 3 X list opt ins 5 X free find

**Total number of responding to invitation letter: c240 opted in to participate**




**Future customer sample achieved =8/8**

- **SEG:** 4 x C1C2
- **Age:** 4 x 18-30
- **Gender:** 3 x F, 1 x M
- **Recruitment:** 4 x free find



**Non-household sample achieved =26/26**

- **Size:** 18 x Micro NHH, 7 x larger NHH (over 10 employees)
- **Examples of business type include:** Construction, leisure, hospitality, manufacturing, retail, tourism
- **Usage type:** 16 x domestic, 7 x non-domestic
- **Usage volume:** 8 x low spend, 17 x high spend



BLUE MARBLE

**5. Continual: companies’ research programmes should be continual, enabling day-to-day insight gathering, as well as specific and relevant research for informing business plans and long-term delivery strategies.**

Insights gathered from both the quantitative and qualitative research informed our business plan. Customer feedback from both these strands of research was also taken on board to ensure we continue to present information neutrally.

**6. Shared in full with others: research findings should be published and shared in full, as early as possible with as wide an audience as possible.**

This element is for South West Water to action and ensure it is carried out. Again, it is not a requirement specific only to AAT. The research materials were shared with the WaterShare+ panel and some changes followed from that. Details can be found in section 5 of this document.

**7. Ethical: research should be conducted in line with the ethical standards of a widely recognised research body – such as the Market Research Society or the Social Research Association.**

Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble’s employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.

**8. Independently assured**

All of this research was independently assured by Frontier Economics and professor Ken Willis.

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## Quantitative Stage

Like the qualitative stage, the guidance from Ofwat around the quantitative stage was prescriptive.

### Methodology & considerations

#### Household Customers

The guidance from Ofwat was predicated on a ‘push to web’ method. This meant that the initial contact with customers was made by email where possible, but by letter where an email address was not available. This mirrored the approach taken for the qualitative research recruitment.

The email included a link to the online survey. The letter also included a link to the online survey but also an option to request a paper copy of the survey. Ofwat also suggested that a face-to-face element should be included to maximise the opportunity for vulnerable and seldom-heard customers to take part. In close consultation with our fieldwork partners (QRS) and client teams, we concluded that the mix of web, push to web and postal options would suffice to pick up these specific customers groups. Therefore, we did not include a face-to-face option in our proposal. We ensured, however, that, in the event that any face-to-face interviews were determined to be necessary (for example if a customer requested a face-to-face interview as the only mode of data collection that enabled them to participate), our fieldwork partners were able to offer this. There were no requests for this.

#### Non-Household Customers

For non-household customers the guidance was less strict and left it very much up to agencies and water companies to decide what the best approach is. Our recommendation was to deploy a mixed method ‘push to web’ approach. The approach was, however, slightly different to household customers. As acknowledged by Ofwat in the guidance, the introduction of the retail market has made it difficult for the water companies in England to survey their non-household customers. The sample was therefore sourced differently and that required a slightly different approach to fieldwork. Reliable and robust online business panels are scarce, and our approach was based on a combination of telephone push-to-web and an online business panel.

#### Sample sizes

Ofwat guidance was clear where it concerned minimum sample sizes with the aim of allowing for sub-group analysis. In line with our proposed approach for the qualitative stage, we stuck to the minimum sample sizes for each company. This means we used WaSC minimums for South West Water customers and the WoC minimums for Bristol Water and Bournemouth Water customers.

Similar to the qualitative stage, achieving a sufficient number of non-household completes was difficult. Having used 6 different providers of sample (see next section) we had achieved the required number in Bristol Water and South West Water. The last route open to us would have been to email out to all waster retailers active in the Bournemouth Water region to ask them to circulate a link to the survey.

Area	Household Survey Target	Achieved	Non-household surveys Target	Achieved
South West Water	500	776	200	207
Bristol Water/Wessex Water	500	597	100	119
Bournemouth Water/Wessex Water	500	592	100	90

### Sample Sources

In a departure from previous years, but in line with the qualitative research, sample for household customers was drawn from company customers lists. For non-households a range of sample sources was used. Sample was purchased from Dun & Bradstreet to aid the push to web CATI element of the study. This, however, did not provide very fruitful and the vast majority of completed surveys with non-household customers was achieved through a collection of online panel providers. The panels that were used for the quantitative stage were:

- Dynata
- Bilendi
- Pure Spectrum
- Walr
- Mindforce.

### Sampling strategy

In addition to minimum sample sizes, Ofwat also offered guidance on how the household sample should be drawn with a view to oversampling in areas of high(er) deprivation to counter the expected lower response rates in those areas. Sample was drawn by South West Water (for the South West Water area only), and by Pelican (the joint venture billing company for Bristol Water and Wessex Water) for the Bristol Water & Bournemouth Water areas. As opposed to the qualitative stage, future bill-payers were not included in the quantitative research.

The sample was drawn as follows:

- The number of customers in the sample was proportional to each geographical area, where areas are in a different part of the country or have a different water-wastewater combination
- In each area, areas of higher deprivation were to be proportionally higher in the sample than the population, to ensure representation (given lower response rates in these areas) and their relative importance in the research
- Sample was issued in the following proportions:
  - 25% from the bottom IMD quintile postcodes for that area (i.e. most deprived)
  - 22% from the second quintile
  - 20% from the third quintile
  - 18% from the fourth quintile
  - 15% from the fifth quintile (i.e. least deprived)

- Companies were asked to use any evidence they had of response rates to previous surveys in their areas to tailor these proportions to their local circumstances
- Exclusions were to be kept to a minimum, for example, customers who have opted out of marketing communication, but have not explicitly opted out of market research were to be regarded as in scope for the purpose of this survey, as were recent participants in other research
- Within the design framework above, the sample needed to be drawn randomly.

For the non-household sample, guidance is less strict around sampling. It only stated a minimum number for WOCs and WaSCs which we adhered to in our proposal.

### Incentives

In line with Ofwat's guidance, participants in the household survey were offered a £5 incentive. For the non-household part of the sample, a £10 incentive was offered. This was, however, raised to £25 as soon as it became clear that the original incentive was insufficient to obtain buy-in from non-household customers.

### Questionnaire length, development, and testing

The questionnaire takes approx 15 minutes to complete.

The questionnaire template was detailed in the Ofwat guidance (Appendix F). For each area the questionnaire was largely the same, except for the stimulus materials and we built in a different algorithm to calculate the bill profile chart that customers are to be shown. We used the Ofwat template to build the bespoke questionnaires per water company.

There is, however, one area where the final survey questionnaire does not adhere to the latest Ofwat guidance as circulated to us on Friday 8 September. The latest PR24 Steering Group Slides from Ofwat indicate that, where bills are sent separately, affordability should be reported for the water bill only. So, for instance, in the Bournemouth Water / Wessex Water area this means affordability should be reported based on just the water bill from Bournemouth Water. We do not have this data as we followed earlier guidance for our joint projects not to ask the (optional) separate water-only affordability question as the logic in doing so, in our view, was flawed (asking affordability of whole bill then asking affordability of just one part of the bill isn't useful, especially at the very end of

## A1. PR24 Acceptability and Affordability Testing continued

the questionnaire). Instead, we took the much more complex but ultimately more meaningful approach to merge companies' customer data to be able to test whole bill affordability.

### Data Processing & Analysis

Data for all elements of the survey (online, postal, household, and non-household) were collected through the same platform (Forsta) and were combined into single data files for each area.

From this we created data tables (a separate version of each area). In practice this means one version for the Bristol/Wessex area, one version for the Bournemouth/Wessex area and one version for the South West Water area. In addition we created data tables showing South West Water & Bournemouth Water /Wessex Water data and a South West Water dataset, combining all of the data sets.

For closed questions, our analysis included the following:

- Overarching analysis, including the number and proportion of respondents giving each answer to each question.
- Sub-group/cross-tab analysis, including comparisons between the answers given by all the different groups in our sampling. We will highlight statistically significantly different opinions between groups (for instance age or gender).

For open questions, our analysis included the following:

- Thematic analysis of open questions, we will thematically code all open text responses and report on the themes that emerge
- Quantitative summary of issues raised by survey quota.

### Weighting

To report the affordability and acceptability results in % the data has been weighted at three levels:

1. To match to the actual profile of household bill payers within each of the three supply areas for the following dimensions
  - a. Gender (using targets based on information from the ICS PR24 Sampling Strategy Document)
  - b. Age (using targets based on information from the ICS PR24 Sampling Strategy Document)
  - c. Index of multiple deprivation (IMD), using information provided by South West Water.

2. To weight the overall number of household and non-household bill payers within each of the three water supply areas to reflect their respective water use (as specified in guidance from Ofwat)
  - a. Volume of water use of HH and NHH customers
  - b. This used the APR Table 10b for 2022-23, and excludes leakage volumes.
3. To weight the overall customer numbers (household and non-household) to be proportionate for each of the three water supply areas
  - a. Overall customer proportions for Bristol Water and Bournemouth Water versus Wessex Water supply areas (derived from counts of all customers from the water companies' records) for the joint research areas
  - b. Overall customer proportions for Bristol Water/ Wessex Water, Bournemouth Water/Wessex Water and South West Water supply areas (derived from counts of all customers from the water companies' records) in order to provide South West Water (incl Bournemouth) and overall Pennon numbers.

## Addressing Ofwat's Research Principles

**Useful & contextualised: research should have practical relevance. It should be clear why the research has been undertaken, to what it will contribute and how.**

This forms part of the PR24 research requirement, and we followed the guidance throughout.

**Fit for purpose: the research sample and methodology should be appropriate for the research objectives.**

We followed Ofwat guidance followed throughout to ensure both the research sample and methodology were fit for purpose. We challenged some elements of the guidance (around visual presentations of performance, for instance) where we felt improvements could be made.

**Neutrally designed: research should be designed and delivered in a way that is neutral and free from bias.**

This was achieved through a combination of cognitive testing, ICG feedback on stimulus, following Ofwat's guidance on wording of key elements in the materials and discussion guides. All research materials were developed, and research carried out by Blue Marble and a senior team of Market Research Society accredited researchers.

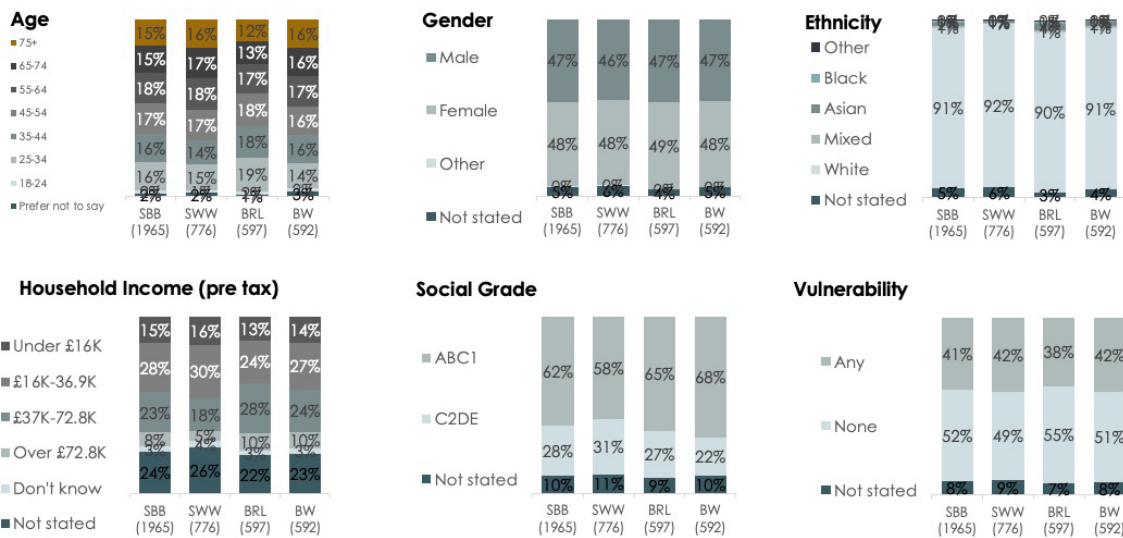
**Inclusive: research should include different audiences and socio-demographics, considering local or regional or national populations, business customers and business retailers.**

A detailed overview of the achieved sample by water company is shown below:

**Household customer profile**

1

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



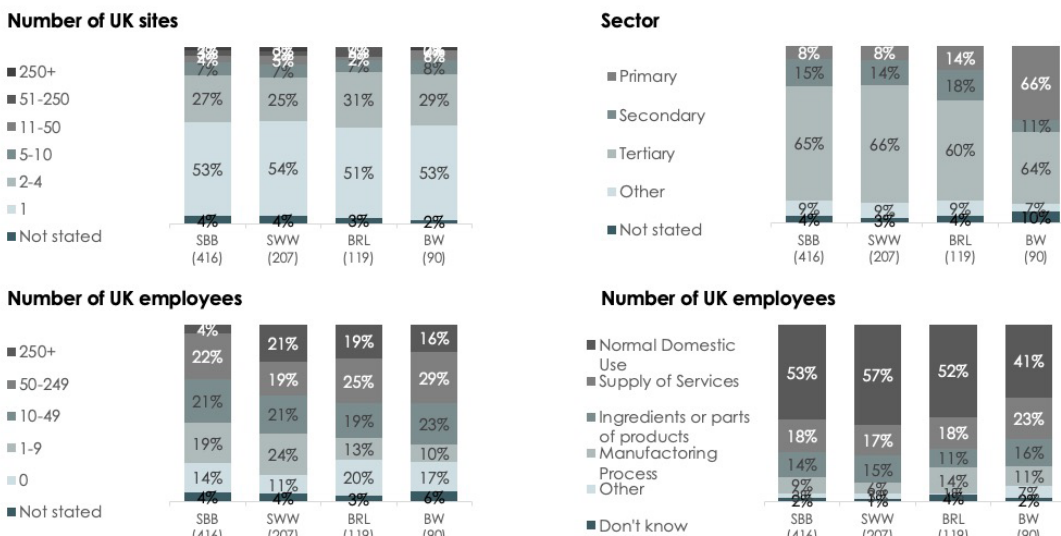
S1. How old are you? Q11. In which of the following ways do you identify? Q15. What is your ethnic group? Q16. Which of the following bands does your household income fall into from all sources before tax and other deductions? D6. Social Grade D7. VULNERABLE CUSTOMERS  
 Base Total household bill payers SBB (1965) SWW (776) BRL (597) BW (592); **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**



**Non-household customer profile**

2

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



Q18. How many sites in the UK does your organisation operate from? Q19. How many employees does your organisation have in the UK? Q20. Which of the following best defines the core activity of your organisation? Q17. How does your organisation mainly use water at its premises?  
 Base Total non-household bill payers SWW (207) BRL (119) BW (90) **WEIGHTED % FIGURES ARE DISPLAYED and UNWEIGHTED BASE SIZES**



**Continual: companies' research programmes should be continual, enabling day-today insight gathering, as well as specific and relevant research for informing business plans and long-term delivery strategies.**

This element does not apply to specific discrete stages, but to the overall PR24 Engagement Programme. As such we can't comment on this element.

**Shared in full with others: research findings should be published and shared in full, as early as possible with as wide an audience as possible.**

This element is for South West Water to action and ensure it is carried out. Again, it is not a requirement specific only to AAT. The research materials were shared with the WaterShare+ panel and some changes followed from that. Details can be found in section 5 of this document.

**Ethical: research should be conducted in line with the ethical standards of a widely recognised research body – such as the Market Research Society or the Social Research Association.**

Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.

**Independently assured**

This element does not apply to specific discrete stages, but to the overall PR24 Engagement Programme. As such we can't comment on this element.

**Working with the WaterShare+ Panel**

The role of the WaterShare+ Panel (South West Water's ICG) is slightly different for PR24 than it was for PR19. The Panel has been less involved in detailed conversations about research and taken on more of an oversight role.

In setting up the Acceptability & Affordability Testing programme, we indicated where we anticipated the input/assurance of Panel members in the timetable. Once the timetables were agreed, we identified key dates where documents required review. It was not anticipated, however, that there was as much time as we would like to include for document review. In practice, like the qualitative stage, this meant that the Panel reviewed, for instance, examples of stimulus for each company and not always the full pack ahead of sessions. It should, however, be noted that both content and stimulus materials for all sessions were strictly dictated by Ofwat and offered very little to no opportunity for divergence. Within this, however, the Panel played an important role in finalising materials. In both the qualitative and quantitative stages, the input from the Challenge Panel led to changes in materials or the survey wording.

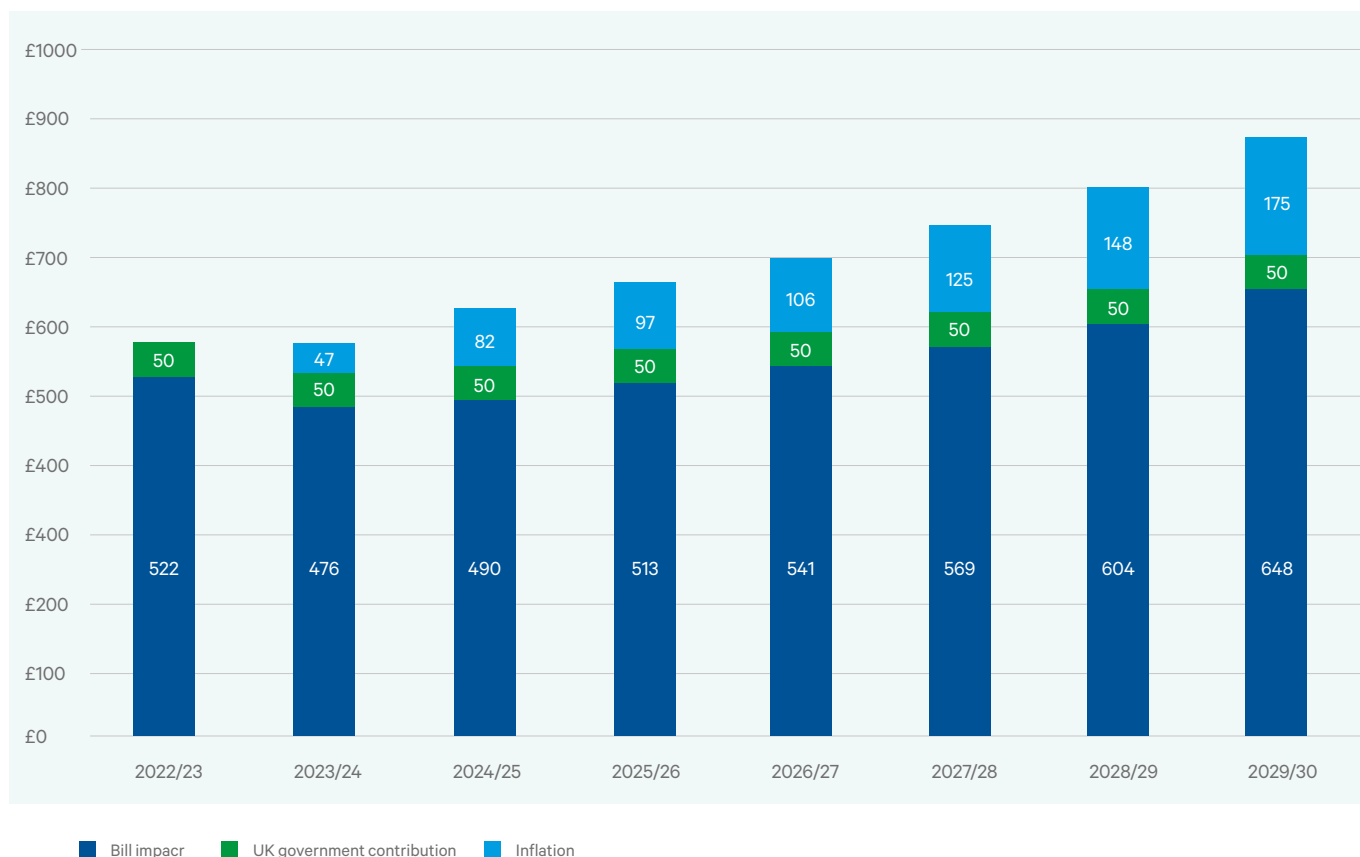
**Qualitative stage**

In reviewing the draft materials for the qualitative stage, the Panel helped making some of the wording clearer, provided some useful input for making visuals clearer and challenged the team (including Blue Marble) to ensure material were generally clear and easy to understand. No material changes were made in this stage.

**Quantitative stage**

During the quantitative stage, again, there was little scope for making substantive changes to the questionnaire. In reviewing, however, the Panel brought some important elements up. We amended the questionnaire to explain the role of Ofwat earlier than was set out in the initial questionnaire. The main discussion with the Panel focussed on the approach to GC50, the £50 contribution to water bills by the UK Government. Several options were discussed, but we settled on an option that showed the full bill amount but clarified that £50 of that was paid for the government.

## A1. PR24 Acceptability and Affordability Testing continued



In addition, we displayed the following text:

Since 2013, the UK Government has contributed £50 each year to the bills for South West Water household customers (reducing every household's annual bill by £50). This is in recognition of the fact that the 3% of the nation's population which lives in the South West Water region has been supporting investment in one third of the country's bathing waters. This contribution is agreed on an annual basis with the Government, so we cannot be certain how long it will run for.



## 1: Sample recruitment letters

Bristol Water & Wessex Water



Unit C2  
The Chase  
Foxholes Business Park  
John Tate Road  
BS1 0SB

1<sup>st</sup> March 2023

Dear Mr James Gough

Your reference number: ABC1234

**Tell us what you think about your water services.**

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bristol Water (your drinking water supplier) and Wessex Water (your wastewater service supplier) have asked Blue Marble Research and QRS to conduct a customer survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet, or computer:

**<http://forms.office.com/eTB7CJHAQ2D>**

**Further information:**

This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bristol Water or Wessex Water unless you explicitly give permission.

Bristol Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.

Sue Lindsay  
Director Customer Policy & Engagement at  
Wessex Water

Sue Clarke  
Head of Customer Research & Customer Strategy  
at Bristol Water

## 1: Sample recruitment letters

Bournemouth Water & Wessex Water



Unit C2  
The Chase  
Foxholes Business Park  
John Tate Road  
BS1 0SB

1<sup>st</sup> March 2023

Dear Mr James Gough

Your reference number: ABC1234

**Tell us what you think about your water services.**

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service supplier) have asked Blue Marble Research and QRS to conduct a customer survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

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**<http://forms.office.com/eTB7CJHAQ2D>**

**Further information:**

This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bournemouth Water or Wessex Water unless you explicitly give permission.

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.

Sue Lindsay  
Director Customer Policy & Engagement at  
Wessex Water

Sue Clarke  
Head of Customer Research & Customer Strategy  
at Bournemouth Water

## 1: Sample recruitment letters

South West Water



Unit C2  
The Chase  
Foxholes Business Park  
John Tate Road  
SG13 7NN

20th March 2023

Dear Mr James Gough,

Your reference number: ABC1234

### Your water company needs your help!

All water companies make future plans on what investments are needed to make sure customers have secure, reliable and high-quality water services – both today and in the future. We have been talking to thousands of customers, businesses and stakeholders over the last two years to help us develop our future plans.

We are now conducting a piece of research which will enable you to get a rounded picture of these future plans and tell us how you feel about the proposals: this is important because all investment is ultimately paid for through customer bills – so it is key that you have your say. We have commissioned an independent market research agency, Blue Marble Research, to conduct this customer research.

We'd like to invite you to participate in one of the events taking place in the locations listed below. They will be run by Blue Marble and refreshments will be provided. These will be 3-hour meetings because there is lots to tell you about and discuss. **There is a £100 thank you that will be given to everyone who attends one of these sessions;** this is both to thank you for participating and to cover any expenses for getting to the venue.

The meetings are scheduled for:

- **Wednesday 10<sup>th</sup> May, 6-9PM in Truro**, The Alverton Hotel, Tregolls Rd, Truro TR1 1ZQ
- **Thursday 11<sup>th</sup> May, 6-9PM in Newquay**, Sands Resort Hotel and Spa, Newquay: Watergate Rd, Newquay TR7 3LX
- **Friday 12<sup>th</sup> May, 11AM-2PM in Barnstaple**, The Barnstaple Hotel, Braunton Rd, Barnstaple EX31 1LE
- **Wednesday 17<sup>th</sup> May, 6-9PM in Exeter**, Leonardo Hotel Exeter, EX1 2DB

*NOTE: If you are unable to take part in a face-to-face event for health reasons, you can take part via telephone or video call. Please let us know if you'd like to use this option when registering your interest below.*

If you would like to register your interest, please type the following link into your web browser:

<https://forms.office.com/e/EIAW3qqSNt>

Alternatively, please call the following telephone number: 0800 320 506. You will need to quote the reference number at the top of this letter, your full name, contact details and which event you'd like to attend.

Please be assured that the research is being conducted under the Market Research Society code of conduct and is completely confidential.

Details about privacy policies and contact details can be found:

- BEAM Fieldwork: <https://www.beamfieldwork.co.uk/wp-content/uploads/2019/02/BEAM-Fieldwork-Privacy-Policy.pdf>
- QRS Market Research: <https://qrs-research.co.uk/privacy-policy>
- Blue Marble Research: <https://bluemarbleresearch.co.uk/privacy-notice/>
- For South West Water: <https://www.southwestwater.co.uk/site-utilities/privacy/>

Joining in will make sure your water company truly reflect your needs. South West Water is committed to listening and putting customer views at the heart of its plans.


Many thanks in advance,

A handwritten signature in black ink that reads "Sue Clarke".


Sue Clarke  
Head of Customer Research & Customer Strategy at South West Water

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Email invitation (HH)



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

**Subject Line: Tell us what you think about your water services**

Dear xxx

Your reference number: xxxxxx

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bristol Water (your drinking water supplier) and Wessex Water (your wastewater service provider) have jointly asked [Blue Marble Research](#) and [QRS](#) to conduct a survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http://xxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**



To request a paper version of the survey, email [bristolandwessexwater@qrs-research.co.uk](mailto:bristolandwessexwater@qrs-research.co.uk) or call freephone 0800 320 503. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bristol Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research, [here](#) for Bristol Water and [here](#) for Wessex Water.

Bristol Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.


Many thanks for your help and input.



Blue Marble Research on behalf of Sue Clarke, Bristol Water and Sue Lindsay, Wessex Water.



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Bristol Water or Wessex Water, please just let us know by contacting:

- Bristol Water on 0345 600 3600, or at [customer.services@bristolwater.co.uk](mailto:customer.services@bristolwater.co.uk)
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk)

**Having a problem with the survey?**


If you require help or further information about this survey please email [Blue Marble Research enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 503 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bristol Water and Wessex Water bills and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 6<sup>th</sup> August 2023.
- Paper surveys must be received by the research company by 10<sup>th</sup> August 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 1<sup>st</sup> September 2023.

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Letter invitation (HH)



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

Address 1  
Address 2  
Address 3  
Address 4  
Postcode

Date

Dear xxx

Your reference number: xxxxxx

**Tell us what you think about your water services.**

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bristol Water (your drinking water supplier) and Wessex Water (your wastewater service supplier) have asked Blue Marble Research and QRS to conduct a customer survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet, or computer:

**httpxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx**

**Can't do the survey online?**


To request a paper version of the survey, email [bristolandwessexwater@qrs-research.co.uk](mailto:bristolandwessexwater@qrs-research.co.uk) or call freephone 0800 320 503. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bristol Water or Wessex Water unless you explicitly give permission.

Details about privacy notices and contact details can be found here:

- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 503
- Bristol Water: <https://www.bristolwater.co.uk/privacy-notice/> or call 0345 600 3600
- Wessex Water: <https://www.wessexwater.co.uk/legal/privacy-policy> or call 0345 600 4600




**BRISTOL WATER**  
It's what we're made of.




**Wessex Water**  
YTL GROUP

Bristol Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Lindsay  
Director Customer Policy & Engagement at  
Wessex Water



Sue Clarke  
Head of Customer Research & Customer Strategy  
at Bristol Water

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Bristol Water or Wessex Water, please just let us know by contacting:

- Bristol Water on 0345 600 3600, or at [customer.services@bristolwater.co.uk](mailto:customer.services@bristolwater.co.uk), or by writing to South West Water, PO Box 4762, Worthing, BN11 9NT.
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk), or by writing to The Data Protection Officer, Wessex Water Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW.

**Having a problem with the survey?**


If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 503 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bristol Water and Wessex Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 6<sup>th</sup> August 2023.
- Paper surveys must be received by the research company by 10<sup>th</sup> August 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 1<sup>st</sup> September 2023.

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Email reminder (HH)



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

**Subject Line: We want to hear from you**

**Please tell us what you think!**

Dear xxx

Your reference number: xxxxxx

*If you haven't had a chance to take part in our survey about Bristol Water and Wessex Water's plans, there's still time.*

The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. Bristol Water (your drinking water supplier) and Wessex Water (your wastewater service provider) are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you Bristol Water and Wessex Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for Bristol Water and Wessex Water, and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http:xxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**


To request a paper version of the survey, email [bristolandwessexwater@qrs-research.co.uk](mailto:bristolandwessexwater@qrs-research.co.uk) or call freephone 0800 320 503. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted by [Blue Marble Research](#) and [QRS](#) under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bristol Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research, [here](#) for Bristol Water and [here](#) for Wessex Water.

Bristol Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.


Many thanks for your help and input.



Blue Marble Research on behalf of Sue Clarke, Bristol Water and Sue Lindsay, Wessex Water.



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Wessex Water, please just let us know by contacting:

- Bristol Water on 0345 600 3600, or at [customer.services@bristolwater.co.uk](mailto:customer.services@bristolwater.co.uk)
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk)

**Having a problem with the survey?**

If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 503 and your call will be returned at the earliest opportunity.


**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bristol Water and Wessex Water bills and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3<sup>rd</sup> September 2023.
- Paper surveys must be received by the research company by 7<sup>th</sup> September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29<sup>th</sup> September 2023.




## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Letter reminder (HH)



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

Address 1  
Address 2  
Address 3  
Address 4  
Postcode

Date

Dear xxx

Your reference number: xxxxxx

**Please tell us what you think!**

Recently we sent you an invitation to take part in a survey about Bristol Water (your drinking water supplier) and Wessex Water (your wastewater service provider) investment plans. If you haven't had a chance to take part, there's still time.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. Bristol Water and Wessex Water are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you Bristol Water and Wessex Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for Bristol Water and Wessex Water, and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet or computer:


<httpxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**


To request a paper version of the survey, email [bristolandwessexwater@qrs-research.co.uk](mailto:bristolandwessexwater@qrs-research.co.uk) or call freephone 0800 320 503. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**

This research is being conducted by Blue Marble Research and QRS under the terms of the UK Market Research Society code of conduct, and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Wessex Water unless you explicitly give permission.



**BRISTOL WATER**  
It's what we're made of.




**Wessex Water**  
YTL GROUP

Details about privacy notices and contact details can be found here:


- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 502
- Bristol Water: <https://www.bristolwater.co.uk/privacy-notice/> or call 0345 600 3600.
- Wessex Water: <https://www.wessexwater.co.uk/legal/privacy-policy/> or call 0345 600 4600

Bristol Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input,



Sue Lindsay  
Director Customer Policy & Engagement at  
Wessex Water



Sue Clarke  
Head of Customer Research & Customer Strategy  
at Bristol Water

If you would rather not receive communications like this from Bristol Water or Wessex Water, please just let us know by contacting:

- Bristol Water on 0345 600 3600, or at [customer.services@bristolwater.co.uk](mailto:customer.services@bristolwater.co.uk), or by writing to South West Water, PO Box4762, Worthing, BN11 9NT
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk), or by writing to the Data Protection Officer, the Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW


If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 503 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bristol Water and Wessex Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Paper surveys must be received by the research company by 7th September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29th September 2023.

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Panel invite (NHH)



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP

**Ref: ABCD123456**

**Subject Line: Bristol Water and Wessex Water want to hear your organisation's views**

**Please tell us what you think!**

Every 5 years water companies make new investment plans. Bristol Water and Wessex Water are now at a crucial stage in developing these plans for 2025-30.

They have commissioned a survey to understand the views of organisations that they supply.

*The survey should take around 15-20 minutes to complete and you will receive a £25 voucher, or we'll make a £25 donation to Water Aid. To thank you for your time (see below for terms and conditions).*

The survey will enable you to consider some key areas of Bristol Water and Wessex Water's plans and tell us how you feel about them, as a decision maker in your organisation. This is important because investment is paid for through bills that organisations like yours pay for water services.

Further information about Blue Marble and QRS, who are conducting the survey, and how they treat your answers in confidence, is given below. To take part you will need to be a decision maker for your organisation's water and sewerage service, at one or more of its premises.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <https://xxxxxxxxxx>

**Further information:**


This research study is being carried out by Blue Marble Research and QRS on behalf of Bristol Water and Wessex Water.

Please be assured that the research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bristol Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research and [here](#) for QRS Research.


Taking the survey will make sure Bristol Water and Wessex Water's future plans truly reflect your organisation's needs. Bristol Water and Wessex Water are committed to listening and putting customer views at the heart of their plans.

Many thanks in advance.

**Blue Marble & QRS on behalf of Bristol Water and Wessex Water**



**BRISTOL WATER**  
It's what we're made of.



**Wessex Water**  
YTL GROUP


If you require help or further information about this survey please email Blue Marble Research enquiries@bluemarbleresearch.co.uk including your reference number above.

**Terms and conditions for voucher / charity donation**


- The voucher will be an Amazon voucher via email. The alternative is a donation to the same value made to Water Aid
- To receive the voucher or have the donation made, you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey
- Your details will be held for 8 weeks following the close of the survey before being securely deleted
- Only individuals who are a decision maker for their organisation's water and sewerage service supplied by Bristol Water and Wessex Water are eligible to receive a voucher or have a donation made.
- Only individuals who have been sent this email directly by QRS are eligible to receive a voucher or have a donation made.
- One voucher or one donation only per organisation.
- The voucher will be issued via email by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Vouchers will be issued and donations made no later than 29th September 2023.

## 2: Invitation emails and letters quantitative stage

Bournemouth Water & Wessex Water Email invitation (HH)



**Bournemouth Water**



**Wessex Water**  
YTL GROUP

**Subject Line: Tell us what you think about your water services**

Dear xxx

Your reference number: xxxxxx

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service provider) have jointly asked [Blue Marble Research](#) and [QRS](#) to conduct a survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http://xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**



To request a paper version of the survey, email [bournemouthandwessexwater@qrs-research.co.uk](mailto:bournemouthandwessexwater@qrs-research.co.uk) or call freephone 0800 320 504. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bournemouth Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research, [here](#) for Bournemouth Water and [here](#) for Wessex Water.

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.


Many thanks for your help and input.



Blue Marble Research on behalf of Sue Clarke, Bournemouth Water and Sue Lindsay, Wessex Water.



**Bournemouth Water**



**Wessex Water**  
YTL GROUP

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Bournemouth Water or Wessex Water, please just let us know by contacting:

- Bournemouth Water on 01202 590 059, or at [customerservice@bournemouthwater.co.uk](mailto:customerservice@bournemouthwater.co.uk)
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk).

**Having a problem with the survey?**


If you require help or further information about this survey please email [Blue Marble Research enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk); including your reference number above or leave a message on freephone 0800 320 504 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bournemouth Water and Wessex Water bills, and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 6<sup>th</sup> August 2023.
- Paper surveys must be received by the research company by 10<sup>th</sup> August 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 1<sup>st</sup> September 2023.

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Letter invitation (HH)



**Bournemouth Water**



**Wessex Water**  
YTL GROUP

Address 1  
Address 2  
Address 3  
Address 4  
Postcode

Date

Dear xxx

Your reference number: xxxxxx

**Tell us what you think about your water services.**

Every 5 years water companies refresh their investment plans. Your water companies are at a key stage in developing these plans and want to hear your views.

Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service supplier) have asked Blue Marble Research and QRS to conduct a customer survey to gather your views. The survey will enable you to consider their plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet, or computer:

[httpxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx](http://xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx)

**Can't do the survey online?**


To request a paper version of the survey, email [bournemouthandwessexwater@qrs-research.co.uk](mailto:bournemouthandwessexwater@qrs-research.co.uk) or call freephone 0800 320 504. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bournemouth Water or Wessex Water unless you explicitly give permission.

Details about privacy notices and contact details can be found here:

- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 504
- Bournemouth Water: <https://www.bournemouthwater.co.uk/site-utilities/privacy/> or call 01202 590 059



**Bournemouth Water**




**Wessex Water**  
YTL GROUP


- Wessex Water: <https://www.wessexwater.co.uk/legal/privacy-policy> or call 0345 600 4600

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Lindsay  
Director Customer Policy & Engagement at  
Wessex Water



Sue Clarke  
Head of Customer Research & Customer Strategy  
at Bournemouth Water

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Bournemouth Water or Wessex Water, please just let us know by contacting:

- Bournemouth Water on 01202 590 059, or at [customerservice@bournemouthwater.co.uk](mailto:customerservice@bournemouthwater.co.uk), or by writing to South West Water, PO Box4762, Worthing, BN11 9NT.
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk), or by writing to The Data Protection Officer, Wessex Water Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW.

**Having a problem with the survey?**



If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 504 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bournemouth Water and Wessex Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 6th August 2023.
- Paper surveys must be received by the research company by 10th August 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 1st September 2023.

## 2: Invitation emails and letters quantitative stage

Bournemouth Water & Wessex Water Email reminder (HH)



**Subject Line: We want to hear from you**

**Please tell us what you think!**

Dear xxx

Your reference number: xxxxxx

*If you haven't had a chance to take part in our survey about Bournemouth Water and Wessex Water's plans, there's still time.*

The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service provider) are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you Bournemouth Water and Wessex Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for Bournemouth Water and Wessex Water, and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http://xxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**



To request a paper version of the survey, email [bournemouthandwessexwater@ars-research.co.uk](mailto:bournemouthandwessexwater@ars-research.co.uk) or call freephone 0800 320 504. You will need to let us know the reference number at the top of the page and confirm your name and address.



**Further information:**

This research is being conducted by [Blue Marble Research](#) and [QRS](#) under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bournemouth Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research, [here](#) for Bournemouth Water and [here](#) for Wessex Water.

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Clarke, Head of Customer Research & Customer Strategy at Bournemouth Water and Sue Lindsay, Director of Customer & Engagement at Wessex Water.

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from Bournemouth Water or Wessex Water, please just let us know by contacting:

- Bournemouth Water on 01202 590 059, or at [customerservice@bournemouthwater.co.uk](mailto:customerservice@bournemouthwater.co.uk)
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk)

**Having a problem with the survey?**


If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 504 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bournemouth Water and Wessex Water bills and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3<sup>rd</sup> September 2023.
- Paper surveys must be received by the research company by 7<sup>th</sup> September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29<sup>th</sup> September 2023.

## 2: Invitation emails and letters quantitative stage

Bristol Water & Wessex Water Letter reminder (HH)



**Bournemouth Water**



**Wessex Water**  
YTL GROUP

Address 1  
Address 2  
Address 3  
Address 4  
Postcode

Date

Dear xxx

Your reference number: xxxxxx

**Please tell us what you think!**

Recently we sent you an invitation to take part in a survey about Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service provider) investment plans. If you haven't had a chance to take part, there's still time.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. Bournemouth Water and Wessex Water are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you Bournemouth Water and Wessex Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for Bournemouth Water and Wessex Water, and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet, or computer:


**httpxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx**

**Can't do the survey online?**


To request a paper version of the survey, email [bournemouthandwessexwater@qrs-research.co.uk](mailto:bournemouthandwessexwater@qrs-research.co.uk) or call freephone 0800 320 504. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**

This research is being conducted by Blue Marble Research and QRS under the terms of the UK Market Research Society code of conduct, and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Wessex Water unless you explicitly give permission.



**Bournemouth Water**




**Wessex Water**  
YTL GROUP


Details about privacy notices and contact details can be found here:

- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 502
- Bournemouth Water: <https://www.bournemouthwater.co.uk/site-utilities/privacy/> or call 01202 590 059
- Wessex Water: <https://www.wessexwater.co.uk/legal/privacy-policy> or call 0345 600 4600

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.

  
**Sue Lindsay**  
Director Customer Policy & Engagement at Wessex Water

  
**Sue Clarke**  
Head of Customer Research & Customer Strategy at Bournemouth Water

If you would rather not receive communications like this from Bournemouth Water or Wessex Water, please just let us know by contacting:

- Bournemouth Water on 01202 590059, or at [customerservice@bournemouthwater.co.uk](mailto:customerservice@bournemouthwater.co.uk), or by writing to South West Water, PO Box4762, Worthing, BN11 9NT
- Wessex Water at [optout@wessexwater.co.uk](mailto:optout@wessexwater.co.uk), or by writing to the Data Protection Officer, the Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW

If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 504 and your call will be returned at the earliest opportunity.



**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bournemouth Water and Wessex Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Paper surveys must be received by the research company by 7th September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29th September 2023.



## 2: Invitation emails and letters quantitative stage

Bournemouth Water & Wessex Water Panel invite (NHH)



**Ref: xxxxx**

**Subject Line: Bournemouth Water and Wessex Water want to hear your organisation's views**

**Please tell us what you think!**

Every 5 years water companies make new investment plans. Bournemouth Water and Wessex Water are now at a crucial stage in developing these plans for 2025-30. They have commissioned a survey to understand the views of organisations that they supply. *The survey should take around 15-20 minutes to complete and you will receive a £25 voucher, or we'll make a £25 donation to Water Aid, to thank you for your time (see below for terms and conditions).*

The survey will enable you to consider some key areas of Bournemouth Water and Wessex Water's plans and tell us how you feel about them, as a decision maker in your organisation. This is important because investment is paid for through bills that organisations like yours pay for water services.

Further information about Blue Marble and QRS, who are conducting the survey, and how they treat your answers in confidence, is given below. To take part you will need to be a decision maker for your organisation's water and sewerage service, at one or more of its premises.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <https://xxxxxxxxxx>

**Further information:**



This research study is being carried out by Blue Marble Research and QRS on behalf of Bournemouth Water and Wessex Water.

Please be assured that the research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Bournemouth Water or Wessex Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research and [here](#) for QRS Research.

Taking the survey will make sure Bournemouth Water and Wessex Water's future plans truly reflect your organisation's needs. Bournemouth Water and Wessex Water are committed to listening and putting customer views at the heart of their plans.

Many thanks in advance.

**Blue Marble & QRS on behalf of Bournemouth Water and Wessex Water**




If you require help or further information about this survey please email Blue Marble Research enquiries@bluemarbleresearch.co.uk including your reference number above.

**Terms and conditions for voucher / charity donation**

- The voucher will be an Amazon voucher via email. The alternative is a donation to the same value made to Water Aid
- To receive the voucher or have the donation made, you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey
- Your details will be held for 8 weeks following the close of the survey before being securely deleted
- Only individuals who are a decision maker for their organisation's water and sewerage service supplied by Bournemouth Water and Wessex Water are eligible to receive a voucher or have a donation made.
- Only individuals who have been sent this email directly by QRS are eligible to receive a voucher or have a donation made.
- One voucher or one donation only per organisation.
- The voucher will be issued via email by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Vouchers will be issued and donations made no later than 29th September 2023.

## 2: Invitation emails and letters quantitative stage

### South West Water Email invitation (HH)



**Subject Line: We want to hear from you**

**Please tell us what you think!**

Dear xxx

Your reference number: xxxxxx

Every 5 years water companies make new investment plans. South West Water are at a crucial stage in developing these plans and want to hear what you think about them.

South West Water have commissioned a survey to gather your views. The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

The survey will show you South West Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http://xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**


To request a paper version of the survey, email [southwestwater@qrs-research.co.uk](mailto:southwestwater@qrs-research.co.uk) or call freephone 0800 320 506. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted by [Blue Marble Research](#) and [QRS](#) under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to South West Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research and [here](#) for South West Water.

South West Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Clarke, Head of Customer Research & Customer Strategy at South West Water



**Prefer not to receive communications like this?**

If you would rather not receive communications like this from South West Water, please just let us know by contacting:

- South West Water on 0344 346 1010, or at [customercontact@southwestwater.co.uk](mailto:customercontact@southwestwater.co.uk)

**Having a problem with the survey?**


If you require help or further information about this survey please email [Blue Marble Research enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 506 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying South West Water bills and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 13<sup>th</sup> August 2023.
- Paper surveys must be received by the research company by 17<sup>th</sup> August 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 8<sup>th</sup> September 2023.

## 2: Invitation emails and letters quantitative stage

### South West Water Letter invitation (HH)



[Name]  
[Address]  
[Address]  
[Address]  
[Address]

<DATE>

Dear xxx

Your reference number: xxxxxx

**Tell us what you think about your water services.**

Every 5 years water companies refresh their investment plans. South West Water are at a key stage in developing these plans and want to hear your views.

South West Water have asked Blue Marble Research and QRS to conduct a customer survey to gather your views. The survey will enable you to consider the plans and tell us how you feel about them. This is important because all investment is paid for through customers' bills.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Further information about Blue Marble and QRS and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet or computer:

<httpxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**

To request a paper version of the survey, email [southwestwater@qrs-research.co.uk](mailto:southwestwater@qrs-research.co.uk) or call freephone 0800 320 506. You will need to let us know the reference number at the top of the page and confirm your name and address.


**Further information:**

This research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to South West Water unless you explicitly give permission.

Details about privacy notices and contact details can be found here:

- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 506.
- South West Water: <https://www.southwestwater.co.uk/site-utilities/privacy/> or call 0344 346 1010.

South West Water Limited. Registered in England No. 02366665.  
Registered office: Peninsula House Rydon Lane Exeter Devon, England EX2 7HR



South West Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.

*Sue Clarke*

Sue Clarke  
Head of Customer Research & Customer Strategy at South West Water

**Prefer not to receive communications like this?**

If you would rather not receive communications like this from South West Water, please just let us know by phone 0344 346 1010, or email [customercontact@southwestwater.co.uk](mailto:customercontact@southwestwater.co.uk) or by writing to South West Water, PO Box4762, Worthing, BN11 9NT.

**Having a problem with the survey?**

If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 506 and your call will be returned at the earliest opportunity.


**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying South West Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3<sup>rd</sup> September 2023.
- Paper surveys must be received by the research company by 7<sup>th</sup> September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29<sup>th</sup> September 2023.

South West Water Limited. Registered in England No. 02366665.  
Registered office: Peninsula House Rydon Lane Exeter Devon, England EX2 7HR

## 2: Invitation emails and letters quantitative stage

South West Water Email reminder (HH)



**Subject Line: We want to hear from you**

**Please tell us what you think!**

Dear xxx

Your reference number: xxxxxx

*If you haven't had a chance to take part in our survey about South West Water's plans, there's still time.*

The survey should take **around 15-20 minutes** to complete and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. South West Water are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you South West Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for South West Water, and how they treat your answers in confidence, is given below. To take part in the survey you will need to be solely or jointly responsible for paying your household water bill.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <http://xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**


To request a paper version of the survey, email [southwestwater@qrs-research.co.uk](mailto:southwestwater@qrs-research.co.uk) or call freephone 0800 320 506. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**


This research is being conducted by [Blue Marble Research](#) and [QRS](#) under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to South West Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research, [here](#) for QRS Research and [here](#) for South West Water.

South West Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Clarke, Head of Customer Research & Customer Strategy at South West Water



**Prefer not to receive communications like this?**

If you would rather not receive communications like this from South West Water, please just let us know by contacting:

- South West Water on 0344 346 1010, or at [customercontact@southwestwater.co.uk](mailto:customercontact@southwestwater.co.uk)

**Having a problem with the survey?**


If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 506 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**


- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying South West Water bills and who have been sent this email or letter are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Paper surveys must be received by the research company by 7th September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29th September 2023.

## 2: Invitation emails and letters quantitative stage

South West Water Letter reminder (HH)



**Bournemouth Water**



**Wessex Water**  
YTL GROUP

Address 1  
Address 2  
Address 3  
Address 4  
Postcode

Date

Dear xxx

Your reference number: xxxxxx

**Please tell us what you think!**

Recently we sent you an invitation to take part in a survey about Bournemouth Water (your drinking water supplier) and Wessex Water (your wastewater service provider) investment plans. If you haven't had a chance to take part, there's still time.

The survey should take **around 15-20 minutes** and you will receive a **£5 voucher** to thank you for your time (see below for terms and conditions).

Every 5 years water companies make new investment plans. Bournemouth Water and Wessex Water are at a crucial stage in developing these plans and want to hear what you think about them.

The survey will show you Bournemouth Water and Wessex Water's plans and enable you to tell us how you feel about them. This is important because all investment is paid for through customers' bills.

Further information about the market research companies conducting the survey for Bournemouth Water and Wessex Water, and how they treat your answers in confidence, is given below. To take part in the survey you need to be solely or jointly responsible for paying your household water bill.

To access and complete the survey **online**, type the link below into your internet browser on your smartphone, tablet, or computer:


<http:xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>

**Can't do the survey online?**


To request a paper version of the survey, email [bournemouthandwessexwater@qrs-research.co.uk](mailto:bournemouthandwessexwater@qrs-research.co.uk) or call freephone 0800 320 504. You will need to let us know the reference number at the top of the page and confirm your name and address.

**Further information:**

This research is being conducted by Blue Marble Research and QRS under the terms of the UK Market Research Society code of conduct, and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to Wessex Water unless you explicitly give permission.



**Bournemouth Water**




**Wessex Water**  
YTL GROUP

Details about privacy notices and contact details can be found here:


- Blue Marble Research and QRS Research: <https://bluemarbleresearch.co.uk/privacy-notice/> and <https://qrs-research.co.uk/privacy-policy/> or call 0800 320 502
- Bournemouth Water: <https://www.bournemouthwater.co.uk/site-utilities/privacy/> or call 01202 590 059
- Wessex Water: <https://www.wessexwater.co.uk/legal/privacy-policy/> or call 0345 600 4600

Bournemouth Water and Wessex Water are committed to listening and putting customers' views at the heart of their plans so taking this survey will make sure they truly reflect your needs.

Many thanks for your help and input.



Sue Lindsay  
Director Customer Policy & Engagement at Wessex Water



Sue Clarke  
Head of Customer Research & Customer Strategy at Bournemouth Water

If you would rather not receive communications like this from Bournemouth Water or Wessex Water, please just let us know by contacting:

- Bournemouth Water on 01202 590059, or at customerservice@bournemouthwater.co.uk, or by writing to South West Water, PO Box4762, Worthing, BN11 9NT
- Wessex Water at optout@wessexwater.co.uk, or by writing to the Data Protection Officer, the Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW


If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above, or leave a message on freephone 0800 320 504 and your call will be returned at the earliest opportunity.

**Terms and conditions for £5 voucher:**

- The voucher will be a £5 Amazon voucher via email or a £5 Love2Shop voucher sent by post.
- To receive the voucher you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey.
- Your details will be held for 8 weeks following the close of the survey before being securely deleted.
- Only individuals who are solely or jointly responsible for paying Bournemouth Water and Wessex Water bills and who have been sent this letter or email are eligible to receive a voucher.
- Participants need to be 18 years or older to take part.
- One voucher only per household.
- The voucher will be issued via email or by post by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Paper surveys must be received by the research company by 7th September 2023 to be eligible for the voucher.
- Vouchers will be issued no later than 29th September 2023.

## 2: Invitation emails and letters quantitative stage

South West Water Panel invite (NHH)



**Ref: xxxxx**

**Subject Line: South West Water want to hear your organisation's views**

**Please tell us what you think!**

Every 5 years water companies make new investment plans. South West Water are now at a crucial stage in developing these plans for 2025-30.

They have commissioned a survey to understand the views of organisations that they supply.

*The survey should take around 15-20 minutes to complete and you will receive a £25 voucher, or we'll make a £25 donation to Water Aid, to thank you for your time (see below for terms and conditions).*

The survey will enable you to consider some key areas of South West Water's plans and tell us how you feel about them, as a decision maker in your organisation. This is important because investment is paid for through bills that organisations like yours pay for water services.

Further information about Blue Marble and QRS, who are conducting the survey, and how they treat your answers in confidence, is given below. To take part you will need to be a decision maker for your organisation's water and sewerage service, at one or more of its premises.

**Start the survey**

If you can't see or click the button above, please copy and paste this link into your internet browser: <https://xxxxxxxxxx>

**Further information:**


This research study is being carried out by Blue Marble Research and QRS on behalf of South West Water.

Please be assured that the research is being conducted under the terms of the UK Market Research Society code of conduct and is completely confidential. The answers you provide will be used for analysis purposes only, and no personally identifiable information will be passed on to South West Water unless you explicitly give permission. Details about privacy notices and contact details can be found [here](#) for Blue Marble Research and [here](#) for QRS Research.

Taking the survey will make sure South West Water's future plans truly reflect your organisation's needs. South West Water are committed to listening and putting customer views at the heart of their plans.

Many thanks in advance,

**Blue Marble & QRS on behalf of South West Water**



If you require help or further information about this survey please email Blue Marble Research [enquiries@bluemarbleresearch.co.uk](mailto:enquiries@bluemarbleresearch.co.uk) including your reference number above.

**Terms and conditions for voucher / charity donation**

- The voucher will be an Amazon voucher via email. The alternative is a donation to the same value made to Water Aid
- To receive the voucher or have the donation made, you need to complete the survey in full on or before the closing date.
- To receive the voucher you will need to enter either the email address or postal address you would like the voucher to be sent to at the end of the survey
- Your details will be held for 8 weeks following the close of the survey before being securely deleted
- Only individuals who are a decision maker for their organisation's water and sewerage service supplied by South West Water are eligible to receive a voucher or have a donation made.
- Only individuals who have been sent this email directly by QRS are eligible to receive a voucher or have a donation made.
- One voucher or one donation only per organisation.
- The voucher will be issued via email by QRS research, on behalf of Blue Marble Research.
- The closing date for completing the survey is 3rd September 2023.
- Vouchers will be issued and donations made no later than 29th September 2023.



## A2. Continual Insight

Continual research (or business as usual research) includes a mixture of insights, from real time customer feedback, root cause of complaints to annual tracking surveys. Annually the findings are summarised, and we take actions as a result of the findings in our customer strategy

### Our continual insights covers

**CMeX** is the Ofwat Customer Measure of Experience for the 17 largest water companies in England and Wales. The survey provides data for us to analyse on both customers who have and have not had an interaction with us.

**DMeX** is the Ofwat Developer Measure of Experience. It is made up of a quantitative score and a qualitative score which provides insights into the customer's sentiment linked to the service they have received.

**Complaints data.** Across all customer groups we analyse the root cause of complaints, changes in trends and cause of the complaints.

**Long Term Tracker Survey** is an annual survey looking at a number of key metrics such as overall satisfaction with service, satisfaction with individual aspects of service, transparency of information, trust and values and affordability of the bill. For SWW this takes place every quarter, for BRL it is an annual survey.

**Priority Services Register Satisfaction.** Customers who are signed up to the Priority Services Register are surveyed to give insight into how satisfied they are with the service they received through the PSR. For SWW this takes place every quarter, for BRL it is an annual survey.

**Real Time Feedback.** This is a short survey that we use across the customer journeys to ask customers for instant feedback on the service they have just received. Digital analytics. We gather information from social media channels on what customers are engaging with and sentiment on key issues. We deploy post event research surveys at agreed trigger points.

**Post Event research.** We have a range of surveys to understand customer views following an event. This ranges from using instant customer feedback tools for smaller scale events to using 3rd parties to conduct larger pieces of research for larger scale events.

**Online panels** We run online panels to run short surveys with our customers.

**ServiceMark and UKCSI.** Both of these are run by the Institute of Customer Service. ServiceMark is an accreditation held by both SWW and BRL, comprised of the customer Business Benchmarking survey, and the staff ServCheck survey. UKCSI is a nationwide customer satisfaction survey.

### How we use the insight

The findings of the research are reviewed internally monthly and considered alongside industry data and local events. We compare the results with external data such as the UKCSI and the ServiceMark accreditation from the Institute of Customer Service.

Annually, we summarise the key service attributes and priorities for our customers, this is from data from customer complaints, tracking surveys and CMeX. This helps us see clearly what areas are most valued and need to improve from what our customers have told us.

## A2. Continual Insight continued

Service attribute	C-MeX Scores	% of C-MeX Surveys	No. of complaints	% of complaint	No. of contacts	% of contacts
Affordability	6.9	1.59%	160	1.52%	44690	6.67%
Asset Condition	7.7	11.21%	174	1.56%	8996	1.34%
Lead	8.0	0.13%	23	0.22%	732	0.11%
Leakage	7.9	32.50%	1912	17.52%	68074	30.50%
Metering	7.9	6.91%	1672	15.29%	49083	22.48%
Pollution	6.3	1.22%	103	0.8%	1376	0.44%
Pressure	7.0	6.07%	540	5.04%	10934	4.15%
Quality	7.7	6.87%	335	3.28%	6851	3.31%
Reliability	7.9	12.70%	1078	9.82%	27587	10.34%
Road Disruption		0	4	0.53%	483	0.17%
Service (Ops)	7.1	15.01%	4290	40.57%	52735	19.56%
Smells	7.0	5.78%	400	3.67%	2097	0.93%

Table x. SWW C-MeX, complaints and interactions by service attribute, 2022-23

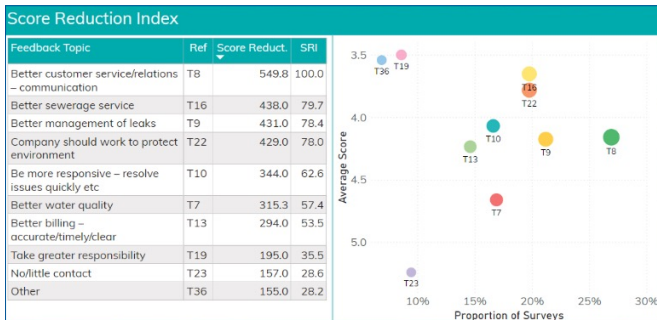
Service Attribute	C-MeX Scores	% of C-MeX Surveys	No. of complaints	% of complaint	No. of contacts	% of contacts
Affordability	8.8	6.48%				
Lead	7.7	0.17%			166	0.22%
Leakage	8.0	20.87%	79	9.17%	24177	29.98%
Metering	8.1	10.88%	24	3.11%	2620	3.32%
Pressure	9.1	8.59%	47	5.38%	5618	7.00%
Quality	8.3	6.53%	38	4.40%	5858	7.35%
Reliability	8.7	12.02%	108	11.99%	11708	14.51%
Road disruption	2.3	0.67%	74	8.42%	641	0.79%
Service	7.8	33.26%	583	57.50%	29633	36.81%

Table x. BRL C-MeX, complaints and interactions by service attribute, 2021-2023

### Insights gathered from CMeX data

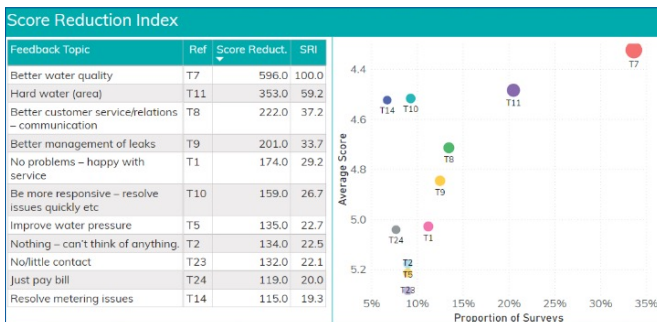
CMeX comprises of two surveys – the customer service survey for customers who have had contact with us and the experience survey of the public at random in relation to their experience of the company. The survey provides us with a large amount of data every quarter that we analyse to see where we can make improvements.

For South West Water, CMeX data has been insightful to see how we need to rebuild trust in the communities we serve. Using the 'Score Reduction Index', we can see that customers view very strongly that we need to improve on customer service, sewage services and leaks. We have taken these insights into our CMeX action plan which includes a range of projects to improve the customer service across the South West area.



In BRL this highlighted that on the experience survey, customers have lower satisfaction with the water quality.

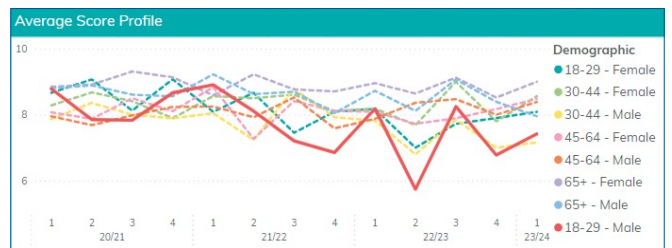
The score reduction index is calculated by understanding the average score for each attribute, subtracting this from 10 (the maximum score) and multiplying by the volume answered.



The purpose of the Score Reduction Index is to evaluate which feedback topics are having the biggest impact in reducing our score from the maximum. By understanding this, we can focus resource appropriately on topics which are having a more detrimental impact on our customers. A topic with 10 surveys of 8/10 with have a bigger impact than a topic with 1 survey of 0/10, as we have scored 2 below the max 10 times (meaning a score reduction of 20 survey points) opposed to 10 below the max once, a reduction of 10 survey points).

The below is an example of different scores and their associated survey points and score reduction  
 $1 \times 10/10 = 10$  survey points, score reduction of 0  
 $5 \times 6/10 = 30$  survey points, score reduction of 20  
 $23 \times 2/10 = 46$  survey points, score reduction of 96.

The segmentation data showed this was significant in the Under30's so we held focus groups to understand more on their views.



As a result, we are continuing to campaign around the benefits of drinking our water, including price and reducing plastic waste, especially at festivals such as Glastonbury with our Water Bar.

### Insights gathered from Real time feedback

South West Water and Bournemouth Water customers can give real time feedback following all contacts into the contact centre, debt recovery team, complaints, and work orders closed where customers have had contact with a field team member.

### Case study: Continual research – Hilburn Rd, St George

In March 2021 we received a number of contacts relating to poor pressure in the St George area of Bristol which led to a thorough investigation and multiple visits by our field teams. Various approaches and fixes were attempted over a number of visits to resolve the issue for our customers, and after each attempt the field inspectors collected real-time feedback from customers.

This feedback was essential to understand what customers were experiencing as it happened.

The feedback was reviewed by our Customer Care Team who ensured each customer was followed up with, advising them of our next steps in resolving the problem. Capturing real-time feedback in this way helps allows us to put things right and resolve any dissatisfaction so customers no longer feel the need to complain. This approach has been adopted as part of our day-to-day activity, putting customers at the heart of what we do.

### Case study Complaint analysis

An example, In the Bristol area in 2023, trend data on complaints identified that a number of customers were unhappy with mess left on site. This was fed back to the Head of Network Distribution in a weekly meeting.

They invested in additional jet washers and swashers, meaning crews were better equipped to clean up on site at the time of the event rather than sending a different crew back to do this. Complaints about mess left on site have decreased considerably as a result.

We have made it easy for our customers to share feedback in their own words, through the channel of their choice with over 100k items of customer feedback was received from over 79k unique customers last year alone (2022-23).

By using the built-in natural language processing engine, we can understand what our customers are saying so we can get behind the why quickly, gaining actionable insight that informs and drives continual improvement across all channels and across the value chain both Retail and Wholesale.

This valuable feedback is presented down to individual level so that our people can understand their own impact.

Our staff can be incentivised on their own performance which further increases engagement and enables the delivery of excellent customer experiences. We can also understand and quickly recover poor customer experiences as well as being able to recognise training and customer journey improvements more easily.

In the Bristol area, over the last few years we have asked customers for feedback at the time of visiting, this has been in person through the inspector. As part of our 'In their Shoes' campaign, we train staff to check with each customer if we have met the service to their expectation, and if we are working at or near their home for unplanned work, that they understand why we are there.

This feedback has been valuable for front line staff, customer services and the customer strategy team to understand the impact of our work. As a result, we have seen a significant reduction in customer complaints.



### Insights from post event research

We carry out customer research across a range of service disruptions to continuously improve the service we are providing to our worse served customers. For larger, more significant events we use 3rd party research companies to carry out that research. In addition to this, CCW have now instructed that for larger events we are to inform them, and they will ask a 3rd party to survey the customers. In 2023 we have established a new process for gaining feedback from our worst-served customers, those who have experienced a service-related incident. This process was built following previous experience of post event research with the intention to understand customers' views, expectations and experiences during an event that has interrupted their water or wastewater service (supply interruptions, water quality events, wastewater events etc.).

**“I think that vulnerable customer satisfaction is very important as well, because we have got a lot of vulnerable people out in the community.”**

Male, SEG ABC1, Aged 18-45

Triggers for surveys have been set, at which point we conduct short online surveys with customers following the event, asking a range of satisfaction questions.

The results of these surveys provide insight into the customer experience and provide learnings across the business in order to improve experiences for all. This is supplemented by 3rd party research for significant events. Communication is a common theme post-event and the feedback is fed into the customer team who are publishing the updates onto our website, and using social media. In more recent incidents and escalations, updates have come from the incident room in a timelier manner. To understand the impact of the freeze thaw event in December 2022 a dual approach was used – feedback sought through the long-term tracking survey, and surveys of the long duration interruptions. There were two key events, Seaton and Westcliff. Although 298 customers in the Westcliffe area were contacted, none completed the survey either stating they were not impacted, or not impacted enough to comment. Seaton saw a loss of water supply and low pressure for up to 304 properties over 4 days a week before Christmas 2022. Of those affected, 7 in 10 contacted SWW, the majority opting to contact by phone.

### Case Study: Continual research – Stop the drop

As part of a drive to increase water efficiency and protect our resource in the South West Water region during the 2002 drought we launched a first of its kind customer incentive scheme. In November where we asked everyone in Cornwall to come together to help Stop The Drop in reservoir levels. We provided an Incentive offering a £30 off bills if Colliford Reservoir reached 30% storage capacity by 31 December 2022., from a starting point of 15%. The campaign showed that customers reduced their household consumption by an average of 5% during the campaign.

Customers collective efforts helped increase Colliford to 30%, and as a result all our household customers in Cornwall received a credit on their bill. Using our online customer panel we undertook a post event research survey . Most customers surveyed were aware of the water saving measures they could make and were already using some water saving devices in their homes.

This shows that the messaging around Stop the Drop was effective for customers. We have already used this Insight to continue our water efficiency campaigns. .



*“I really liked the reward for ‘saving’ water for Cornish reservoirs recently. There was local advertising that if residents of Cornwall were able to collectively restore an adequate level of Collisford lake, if we could bring it up to the required level, everyone would get a financial reward. And I think it was like £30 or £40 or so, and that was nice.”*

Female, 18-45, South West Water

## A2. Continual Insight continued

Around 30% of customers affected self-identified as being on the PSR, with few describing the overall level of support as acceptable. Proactive and continued contact was highlighted as something to improve upon in the future. Around half of customers believed the interruption was acceptable, given the circumstances, however for an interruption in Seaton around 60% of customers felt the restoration time was unacceptable and separately 42% felt SWW's handling of the event was acceptable. When asked about improvements, communication methods feature heavily with around half of customers feeling communications should be prioritised, and 23% seeking better communication in general.

We have since increased the frequency of completing post event surveys, to gather more frequent insights on how we are responding to these events.

### Insights from social media

A range of digital analytics is conducted to influence planning of the future customer journey and other

marketing materials. Webpage traffic is analysed, highlighting pages that do and don't perform well, e.g., we can see that most customers access and use the website for transactional purposes and therefore have made the 'MyAccount' section more readily available. Our social media is analysed monthly, reviewing follower numbers, engagement rate, impressions and sentiment across each platform. Common themes in the most and least successful posts are identified and utilised to shape plans for future social media campaigns and posts that are most engaging with customers.

Our social media channels have a relatively low percentage of our customers and communities engaged with, however we find that they are incredibly powerful at alerting us to localised hot spot insights. We track key metrics such as number of followers, reach and impressions across the various platforms and brands, as illustrated in Tables x-x below. The tracking of South West Water and Bournemouth Water social platforms is in its infancy at present, with more useful insight expected as it progresses.

Platform	Followers	New followers (last 12 months)	Reach	Impressions	Engagement rate
Facebook	48,779	287	383,040	677,159	2.42%
Instagram	10,759	347	33,206	27,093	4.58%
Twitter	47,434	179	385,050	290,044	2.65%
LinkedIn	80,746	299	41,999	71,547	6.47%

Table x. Bristol Water social media stats, January 2023 – present

Platform	Followers	New followers (last 12 months)	Reach	Impressions	Engagement rate
Facebook	116,710	963		11,6056,108	5.29%
Instagram	18,623	325		565,241	1.20%
Twitter	92,824	239		1,688,740	1.70%
LinkedIn	137,014	2954		419,195	7.27%

Table x. South West Water social media stats, January 2023 – present



## A2. Continual Insight continued

Platform	Followers	New followers (last 12 months)	Reach	Impressions	Engagement rate
Facebook	5,565	90		22,739	2.84%
Twitter	895	1		5,641	1.70%

Table x. Bournemouth Water social media stats, January 2023 – present

As the platforms are fairly calm, customers largely choose more traditional channels or our WhatsApp messaging service to contact us. When we see spikes in contact in social media it can very quickly let us know of an issue such as:

- Perception problems
- Customer satisfaction during an operational incident
- Traffic problems because of our work.

We have clear parameters around monitoring, response times and servicing our customers, this enables us to quickly see a problem if customers are communicating it to us.

During operational incidents, social media is a brilliant way for us to keep communities updated efficiently. We have seen in recent years; how regular updates are often well received by the community and help manage an escalation.

We also hear from customers when we don't get the service right, and we are committed to ensuring that we consistently provide this service, with regular updates across our channels.

We review the analysis of what we've heard from our social media channels daily. Colleagues from across the business are aware of what our customers are saying on these channels, as it is public, it is more visible than our other channels to colleagues. We care about improving the trust with our communities and therefore we know that responding to these hotspots is critical and we all work to do that, as quickly as possible.

We use our post event feedback on social media and share the findings with colleagues to learn how to improve the service provided.

We find that the sentiment we collect from social media aligns with our continual insight, the areas that are most likely to be mentioned in volume are storm overflows and operational incidents. It is also a great way to hear from tourists, and to let tourists to the area know about key campaigns as they are visiting.

### Insights from our online panels

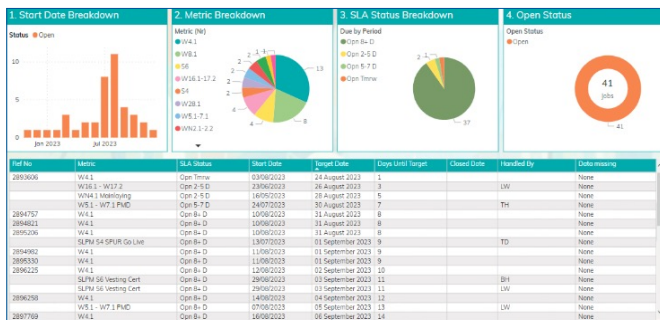
For SWW and BW we have run a Customer Board, this online platform gave us the opportunity to test ideas with customers quickly.

We most recently used the Customer Board to ask about our Stop the Drop campaign. Most customers surveyed were aware of the water saving measures they could make and were already using some water saving devices in their homes. The 'Saving every drop in your home and garden' image was presented to Customer Board members, asking them to put icons on the different water saving devices/methods throughout the home and garden to indicate if they already do it/have a device. The most frequently chosen item here was a water butt. Some customers went on to order additional devices from their homes as a result of partaking in this research activity.

This shows that the messaging around Stop the Drop was effective for customers. We will continue to reinforce this message across brands via all channels.

## A2. Continual Insight continued

For BRL we also have an online community which is an Online Panel made up of c.1700 customers, mainly focused on quantitative feedback. We've tested a variety of different things with these customers over the last few years, ranging from reviewing the design of our bills and providing feedback on our website to more complex topics such as our Water Resource Management Plan. With such a large group of customers, we regularly receive in excess of 200 responses to surveys sent to this group. In addition to the Online Panel we have a qualitative Customer Forum made up of c.40 customers. This forum is convened a few times a year, bringing these customers together (usually virtually) to have in depth discussions on trickier topics such as drought management and the Social Contract. These customers have been part of the forum since PR19 and so are a well-informed group that are relied upon to provide thoughtful and well considered insight.



### Insights from DMeX

In the Bristol Water area, we were missing the target for customer satisfaction with our Developers. To understand why, we used the qualitative feedback and our Market Engagement Days to hear the views of our customers. We were informed that communication needed to improve and that customers did not rate the service as good value for money.

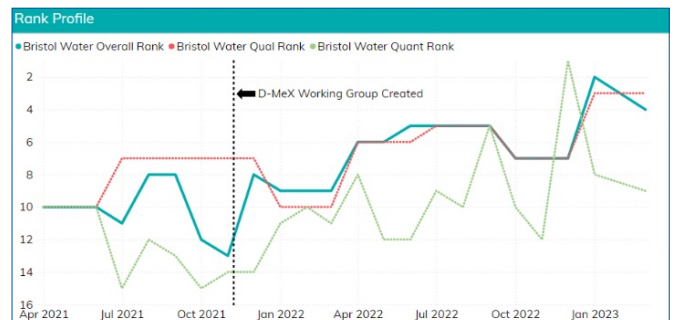
We found that because the metrics that fed into the quantitative side of D-MeX and Water UK were spread across teams and functions, teams devised their own methods of tracking jobs which were suboptimal and made reporting to management hard, which did not allow us to focus resource on jobs approaching SLA.

To address this, we made a jeopardy management data tool that gave all colleagues clear visibility of what customer job was promised when. We standardised the formatting of the trackers being used so that they could all be loaded into a Power BI dashboard<sup>26</sup>, enabling our management team to have a clear picture of how many jobs were open across the 50+ metrics on one screen, which of them counted for the quantitative side of D-MeX and how many days away from SLA they were.

This was saved in a central place so all teams involved could view the dashboard and filter on the area they were responsible for and focus on completing jobs within SLA.

For 2022/23 we scored better than our target on this measure, 4th of all companies<sup>27</sup>.

Our analysis of the SWW qualitative DMeX performance for 2022-23 showed a stable performance. Every quarter, the insights are analysed, a report shared back to the Senior Manager for the area and they use this to make changes to their service. This process has seen a steady improvement over the last year in the customer satisfaction in the SWW area with the number of customers scoring us lower scores gradually decreasing throughout the year.



<sup>26</sup> Bristol Water DMeX workflow dashboard, August 2023

<sup>27</sup> Bristol Water DMeX rankings from April 2021 to April 2023

## Insights from ServiceMark and UKCSI

SWW and BRL both hold the ServiceMark accreditation from the Institute of Customer Service. To receive this accreditation, we run the staff survey 'ServCheck', the customer survey 'Business Benchmarking' and complete an action plan following the receipt of the results, ensuring the necessary improvements are logged and implemented. Insights from both ServCheck and Business Benchmarking are compared to the UKCSI results that are published twice a year and fed into our customer strategy.

ServCheck provides insight into how our colleagues think the business is run, and how the strategy, culture and processes enable us to deliver first class customer service. It's a holistic view providing the perspective of all customer colleagues from front line to senior management. The ServCheck report provides us with the opportunity to identify areas most in need of improvement, both in themselves and as benchmarked against other organisations.

The Business Benchmarking is a customer survey run by the Institute of Customer Service that benchmarks our customer satisfaction against other companies both within and outside of our sector. It's the largest cross-sector customer benchmarking study, asking customers to consider 26 metrics of customer experience. Both SWW and BRL scored above the utilities and all-sector averages in the most recent benchmarking surveys.

UKCSI is a smaller sample of customers but provides a snapshot insight on how customers rate our service against our industry, the utilities sector, and all UK-sectors at the same time. Customers must mention us as one of the companies they want to provide feedback on, so if the sample of customers naming is too small, we do not receive a score for that period. BRL have consistently scored higher than the utilities sector average, while SWW are typically below or at the utilities average.

## Summary of continual insights

In addition to these examples, we have gathered extensive feedback, using a multitude of channels on a range of segments of our customers via annual surveys, regular ongoing research, live feedback and research in response to emerging trends.

All of our research is reviewed, and a summary note produced, capturing the purpose, who inputted to it and the findings we have taken from it.

Whilst our ongoing insight shows us areas that we can improve, when reviewing the main reasons for complaints and are lowest scores in CMeX, we apply analysis and discussion at our governance meetings to ensure that we are considering all factors that are causing the complaints. By reviewing the trends, root cause and performance along with operational factors, public perception and media focus we work to see what steps we can take to make improvements in the customer experience that we can influence. We consider the results with comparative data such as the UKCSI result and the business benchmarking surveys.

These findings feed into our customer strategy.

# A3. Exceeding Ofwat’s Standards for High Quality Research

We have worked with our research partners to carefully develop all our research projects to ensure that our customer engagement research:

- Complies with Market Research Society best practice
- Exceeds Ofwat’s standards
- Delivers CCWater and wider stakeholder expectations for the quality of our engagement and research.

This section sets out in detail how each of our providers has ensured the standards have been exceeded. Self-assurance is the first line of defence in our established assurance process. These actions ensure that our customers and stakeholders can have confidence that our plans accurately reflect their preferences.

## DJS: Social Tariffs Research (online panel survey)

Ofwat Research Standards	Summary of our approach
<b>1. Useful &amp; Contextualised</b>	
How does the research have practical relevance?	This research informs South West Water’s implementation of social tariffs. Specifically, it helps define the schemes to be implemented and the level of cost to customers.
How is the purpose/objective of the research made clear?	Customers were told the objectives at the beginning of the research. Specifically, that the objective is to consult a range of customers in order to understand their views about schemes to help people who are struggling to afford their water and wastewater bills; otherwise known as social tariffs.
How are the research findings presented alongside a wider evidence base?	This research was used to consult customers to establish how much extra, if anything, they would be prepared to pay on their water bill to help pay the bills of struggling customers during the next 5-year period. The findings were populated in a PowerPoint report to include feedback from the main quantitative survey and the follow-up qualitative survey. The questionnaire, stimulus materials, and discussion guide are included as an Appendix to the report for transparency.
<b>2. Neutrally Designed</b>	
How was the research designed in a manner that is neutral and free from bias?	In order to minimise research bias, a multi-mode research design was used with online panel completes supplemented with face-to-face interviews with low or no internet users to ensure a people not on panels/ offline were represented. Follow-up qualitative interviews were also conducted with a mixture of respondents. Quotas were set to ensure that a representative sample was achieved for the online panel survey. Quotas were set on social economic grade, gender, age, and ethnicity. Every effort has been made to ensure that the research is neutral and free from bias. Participants were encouraged to give their open and honest views and reassurances were given that South West Water were open to hearing their honest opinions and experiences.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Where there is the potential for bias, this has been acknowledged in the report.
<b>3. Fit for Purpose</b>	
How was the sample and methodology determined to be appropriate for the research objectives?	The survey approach of an online quantitative panel survey enabled DJS Research to reach a representative sample of South West Water customers from a range of backgrounds in a relatively short time period. By using an online approach it was possible to show materials to respondents to aid comprehension. This was also possible for the CAPI interviews with low internet users, with materials shown to customers with this approach. The follow-up qualitative interviews over Teams enabled a more in-depth exploration of feelings towards social tariffs from household customers with a spread of completes from those willing to contribute more and those not willing to contribute more.

### A3. Exceeding Ofwat's Standards for High Quality Research *continued*

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How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	For the Wessex, Bournemouth and Bristol Water studies which were based on a similar questionnaire and contingent valuation exercise, cognitive testing took place to ensure respondents understood the questionnaire and materials prior to sign off. These cognitive interviews were conducted over teams to check comprehension of the materials. Feedback was also sought from the CCG before the final materials were finalised. Stimulus materials were used to help inform respondents about the measures in place and questions were designed to be as clear as possible. Internal testing took place before the questionnaire was finalised and the questionnaire and script was signed off by SWW before launch. The data was reviewed following an initial soft-launch/pilot of the online survey. Follow-up qualitative interviews were used to help ensure understanding of the initial quantitative survey.
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Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	This research builds on the approach used successfully at PR19. Wessex Water/ Bristol Water/ Bournemouth Water reviewed all research materials ahead of fieldwork and prior to the survey being scripted, provided a check and challenge approach on the method and findings.
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#### 4. Inclusive

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Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	A combination of online and in person CAPI interviews were conducted to ensure that customers classed as digitally vulnerable and hard-to-reach were included in the research.
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Does the research report on variances by socio-demographics and consumer types?	Yes, the research looked at differences in opinion where significant differences were observed by social grade, age, and gender these were reported on.
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Do research findings detail any groups that may be under-represented?	Low internet users have been included in the findings via our F2F CAPI survey. A breakdown of completes by demographic profile is included in the report.
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Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	The research project is not limited to representing a smaller group.
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#### 5. Continual

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Does the research include day-to-day insight and or one off?	Customer views will be directly fed into the plans for AMP8 (the eighth Asset Management Period) which covers the next five-year period (2025-2030).
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How is the engagement consistent with the wider programme of research?	The study has been designed as part of the overall four phase programme.
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How is the engagement comparable to other studies, to provide wider context?	This study has been conducted by Wessex, Bristol and Bournemouth Water. A similar study is also being conducted by DJS Research on behalf of SES water.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	This research was conducted by DJS Research who are a member of the Market Research Society. Customers were reminded that they could be open and honest in their views due to anonymity and DJS were subject to strict data protection protocols.
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	All research was conducted by DJS, an independent market research agency. South West Water and the CCG reviewed all research materials ahead of fieldwork and prior to the survey being scripted and provided a check and challenge approach on the method and findings. The research has been independently assured by Frontier Economics.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	The full final report and research materials will be shared internally with South West Water colleagues along with CCW.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	A summary page is included in the report to explain the methodology and objectives of the research. With a detailed breakdown of responses included.
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## Blue Marble: Youth Boards, AAT testing, Pension credit

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The findings resulted in the name of the scheme changing from Pension Credit to Discount for Low Income Pensioners and refreshed our communication. In addition to this, Water Poverty data has been overlaid with customer data to better identify eligible and make proactive contact.
How is the purpose/objective of the research made clear?	Participants were informed at the outset of the research that 22,000 out of 86,000 eligible customers took part in the scheme. They were informed that the purpose of the research was to understand barriers to adoption so this gap could be addressed.
How are the research findings presented alongside a wider evidence base?	The findings for the qualitative and quantitative stages of Acceptability & Affordability Testing research will be presented as one report. The Team at Pennon will then present the findings alongside the wider evidence bases built up throughout the PR24 Programme.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	This was achieved through a combination of cognitive testing, CCG feedback on stimulus, following Ofwat's guidance on wording of key elements in the materials and discussion guides. All research materials were developed, and research carried out by Blue Marble and a senior team of Market Research Society accredited researchers.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	In the quantitative stage in the unweighted data there is likely to be bias from the self-selection nature of completion, e.g., it overrepresents older customers. This will be compensated for by data weighting at the analysis stage. In order to make the survey as representative as possible, we have also deployed reminders to encourage participation from as wide a range of customers as possible.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	Sampling approach and methodology were prescribed by Ofwat. Blue Marble followed the guidance throughout, as there was no scope to make substantial changes to either of these elements. Some changes were made to prescribed stimulus materials, but they did not impact the methodology. And approval was sight from Pennon's Challenge Panel and/or Ofwat.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	The materials and overall programme were designed to ensure a good understanding of the topics under discussion as well. This included audio-supported pre-event information and sufficient additional information giving during the qualitative research. For the quantitative research we carried out soft launches for each work stream and adhered strictly to the Ofwat guidance. The guidance from Ofwat, which prescribed all questions that were required to be asked, was also based on several such testing phases.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	This is the first time the Acceptability & affordability Testing has been carried out using a standardised approach based on Ofwat guidance. We would refer to Ofwat publications in relation to AAT which sets out how the approach was developed, and which steps were taken (including if and how it was challenged).

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Household customers, vulnerable customers and stakeholders. Age range for the pension credit research was 66-79, including those with long-term health conditions.
Does the research report on variances by socio-demographics and consumer types?	Yes



### A3. Exceeding Ofwat's Standards for High Quality Research *continued*

Do research findings detail any groups that may be under-represented?	Yes (Vulnerable customers, future customers, digitally disengaged.)
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	No, the specific research is not limited to representing a smaller group.
<b>5. Continual</b>	
Does the research include day-to-day insight and or one off?	Both, but it is geared towards one-off insight around the PR24 Business Plan.
How is the engagement consistent with the wider programme of research?	It's part of the PR24 programme and overseen by the Challenge Panel who ensure it is consistent with the wider programme.
How is the engagement comparable to other studies, to provide wider context?	The standardised nature of the research means that it can be compared across the industry.
<b>6. Ethical</b>	
Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The research has been conducted in line with MRS Code of Conduct and ethical standards.
<b>7. Independently Assured</b>	
Has the research been reviewed by individuals or groups that are independent of water companies?	Yes, by the WaterShare Challenge Panel. The research has been independently assured by Frontier Economics.
<b>8. Shared in full with others</b>	
(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand SWW's intention is to share the research in full with others.
Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The report will set out clearly what methodology was followed, and further detailed information can be obtained from the Ofwat guidance.

## Eftec: WCWRG Re-Run Research

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The insights from this research directly inform what is prioritised in the Value Water Resource Plan.
How is the purpose/objective of the research made clear?	Cognitive interviews revealed no issues with how the purpose and objective of the research was made clear. This was explained clearly at the outset of the research.
How are the research findings presented alongside a wider evidence base?	The research findings contribute to the overall evidence base that has been compiled by SWW and BRL to support strategic planning for WRMP24 and PR24.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The research was a re-run of a customer survey designed and implemented by WCWRG in 2021/22. That research followed good practice principles for the use of stated preference studies <sup>28</sup> and sought to align the principal results with guidance prepared by UKWIR for best value planning <sup>29</sup> . Survey content and explanations provided to respondents were intended to be neutral, explaining the overall context and background for long-term water resource planning in line with the National Framework provided by the Environment Agency (e.g. drivers and objectives). Choices concerning differing outcomes were informed by feasible planning scenarios at the regional level – as informed by WCWRG – and already stated targets (e.g. carbon and leakage). Good practice includes use of an iterative test-re-test approach with respondents to ensure that all language and information is readily understood, jargon is avoided, and that questions and choices are not interpreted as leading or directing responses.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	It is judged that there is no inherent bias within the study results. The online sampling approach (see below) does omit “digitally excluded” customers, but there is no strong a priori assumption that these customers would have systematically different preferences for long-term water resource planning outcomes to the sampled population in the study.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	Sampling required stratification by customers subject to TUB (Cornwall and N. Devon) and not subject to TUB (remainder of Devon and Bournemouth Water area). Sampling quotas were also set to ensure the overall sample was representative of the socio-economic and demographic profile of the SWW customer base.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	All components of the research included direct questions to ask respondents the ease/difficulty of questions and exercise, along with follow-ups to identify any aspects that were unclear or not understood. Their feedback was also sought on the overall experience of participating in the research, including opportunity to state that its purpose was unclear. This is in addition to the pre-testing of the research materials, which sought to improve and refine the content via 1-to-1 cognitive interviews and debriefs with a small number of respondents.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	The research included the use of stated preference choice tasks, which have been subject to scrutiny by some stakeholders. However, judgements on the validity of stated preference research need to be made on a case-by-case basis as each application is different. Adherence to good practice principles ensures that common pitfalls of poor application of the method can be avoided.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	The total of 502 household customers took part. There was a reasonable alignment of age, gender and socio-economic groups (split by AB,C1,C2, DE).
Does the research report on variances by socio-demographics and consumer types?	The main results compare preferences between customers subject to TUB and those not subject to TUB. Breakdowns of results were also provided by socio-economic and demographic characteristics, as well as customers in potentially vulnerable circumstances.

### A3. Exceeding Ofwat's Standards for High Quality Research *continued*

Do research findings detail any groups that may be under-represented?	No.
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Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	N/A.
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#### 5. Continual

Does the research include day-to-day insight and or one off?	The study is a re-run of a one-off research piece. Data was pooled with the original WCWRG study to allow for analysis of changing preferences (2021/22 vs. 2023) for long-term water resource planning outcomes.
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How is the engagement consistent with the wider programme of research?	The 2023 analysis replicated the 2022 analysis to produce comparable results. Only minor changes were made to the survey for the 2023 research- principally the inclusion of added follow-up questions that asked respondents whether the prolonged dry weather during 2022 and experience of the temporary use ban (TUB) had impacted their use(s) of water.
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How is the engagement comparable to other studies, to provide wider context?	Aside from the comparative perspective to the original WCWRG research, the study is fairly unique since it supports a new aspect of strategic planning – long term regional water resource plans and customer preferences for outcomes concerning drought resilience and environmental ambition subject to constraints in relation to carbon, PCC and leakage performance. Comparable studies by other regional groups have not been published. Reports made available by WRSE cover similar themes and topics by the research questions and specific results are not directly comparable <sup>30</sup> .
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#### 6. Ethical

Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The research followed MRS principles and was implemented using MRS accredited research partners.
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#### 7. Independently Assured

Has the research been reviewed by individuals or groups that are independent of water companies?	Review and scrutiny of the survey design was undertaken by the WCWRG customer engagement board as part of the original study. The research has been independently assured by Frontier Economics.
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#### 8. Shared in full with others

(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand SWW's intention is to share the research in full with others.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The research reporting outputs includes full report detailing the comparative results, which is accompanied by Annexes recapping the methodology and technical appendices providing summary statistics and estimation models.
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<sup>28</sup> For example: Johnston, R.J., et al. (2017) "Contemporary guidance for stated preference studies." *Journal of the Association of Environmental and Resource Economists* 4:2. 319-405.  
<sup>29</sup> UKWIR (2020) *Deriving a Best Value Water Resources Management Plan: Final Report*.  
<sup>30</sup> <https://wrse.uk.engagementhq.com/customer-engagement>

## Verve: Customer priorities research (questionnaire)

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The research explores customers priorities for PR24, It is used to inform later stages of customer engagement and to inform business planning. It shows that customers support investment in the environment and improving infrastructure. However, the research has also revealed concerns over affordability, which it expected will inform South West Water’s communications strategy going forward (for example, specifically referencing how the bill increase will help the local environment).
How is the purpose/objective of the research made clear?	At the outset of the project, customers were informed that the purpose of the project was to understand customers attitudes towards future investment (including affordability) and that their views would inform what investment areas will be prioritised.
How are the research findings presented alongside a wider evidence base?	This research feeds into the PR24 business plan and the long-term delivery strategy directly in regard to understanding overall priorities for investment – it will be used as a key piece to triangulate against other research.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	Every effort has been made to ensure that the research is neutral and free from bias. Participants were encouraged to give their open and honest views. Customers were not asked to consider bill impact in this research as it was not provided at a granular level. However, it was highlighted that investment choices would incur an impact on bills, while also highlighting that bills have kept below inflation for recent years.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	We have not identified any bias inherent in the report.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The sample was chosen to broadly reflect the demographics of South West Water, Bristol Water and Bournemouth Water areas. The MaxDiff technique was chosen as it is a standard and reputable form of analytics for identifying the relative importance of a number of different options.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	Internal testing was conducted on the questionnaire with non-research staff to ensure that there were no immediate difficulties with comprehension identified.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	We are not aware of the technique having been challenged in the past.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Households, non-households, vulnerable customers, future customers.
Does the research report on variances by socio-demographics and consumer types?	Any significant differences across demographic groups have been identified in the report.
Do research findings detail any groups that may be under-represented?	As an online survey, the report does not take account of the view of those that are not online.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	No, the research is intended to be as broadly representative as possible, with the exception noted above.

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

Does the research include day-to-day insight and or one off?

Fieldwork was conducted over a fixed period from December 2022 – January 2023.

How is the engagement consistent with the wider programme of research?

Fieldwork (sampling, recruitment, survey provider) was consistent with the wider programme of quantitative research.

How is the engagement comparable to other studies, to provide wider context?

The method of engagement and approach mirrors that of other studies. The research updates previous research on customer priorities for previous business plans and enables an understanding of how priorities change over time.

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#### 6. Ethical

Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)

Verve is an MRS Company Partner and adheres to the industry Code of Conduct.

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#### 7. Independently Assured

Has the research been reviewed by individuals or groups that are independent of water companies?

The research has been independently reviewed and challenged by the WaterShare Panel and independently assured by Frontier Economics.

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#### 8. Shared in full with others

(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?

We understand SWW's intention is to share the research in full with others.

Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.

The research findings include an explanation of the MaxDiff technique, why it has been used, and how it can be interpreted.

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## Verve: Qualitative research

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The research insights will be used to inform future communication strategies, ensuring customer concerns regarding water management are effectively addressed.
How is the purpose/objective of the research made clear?	These are set out in detail in the 1-page summaries.
How are the research findings presented alongside a wider evidence base?	In these reports the underlying motivations and thought process behind customer views are presented. Where relevant, the propensity of these views is documented (e.g., 27 customers support desalination in some form and 6 oppose it totally).

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	Our qualitative research is designed to ensure that customers are given as balanced information as possible and the opportunity to respond in a way that is true to their views. Wherever possible, when testing proposals with customers, they are provided with as much context as is reasonable, as well as being given the pros and cons of different solutions.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	We have not identified any bias inherent in our reports. In capturing customer views, we state what is driving this, and it is here that some inherent biases are discussed.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The South West Water customer panel was set up to provide access to customers to take part in qualitative research on elements of the business plan. This has provided the opportunity to run short 'deliberative' style research projects. Care has been taken to ensure that a broadly representative sample is chosen will still ensuring minority views are also heard (future bill payers & vulnerable customers).
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	All qualitative work, given the often complex nature of proposals and scenarios being evaluated by customers, probe on whether customers have any questions or concerns on the material they have read. Our moderators would always clarify any cases of clear misunderstanding they came across.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	We are not aware of any of the techniques we use having been challenged in the past.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	This is included in detail in the 1-page summaries.
Does the research report on variances by socio-demographics and consumer types?	The sample sizes in our qualitative work have been too small to be able to clearly identify any differences between demographic groups.
Do research findings detail any groups that may be under-represented?	As online qualitative work, our reports do not take account of the view of those that are not online.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Our research has been generally intended to be as broadly representative as possible, with the exception noted above.



### A3. Exceeding Ofwat's Standards for High Quality Research *continued*

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	The research is predominantly one-off pieces of qualitative research but their insights serve as useful context that has been carried forward to subsequent projects.
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How is the engagement consistent with the wider programme of research?	The sampling and recruitment were consistent across the programme of research.
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How is the engagement comparable to other studies, to provide wider context?	Engagement is consistent across all studies. Potential participants are sent an invitation email that outlines the purposes of the research, what is expected and incentive. They then answer a series of screening questions to see if they are eligible to take part.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	Verve is an MRS Company Partner and adheres to the industry Code of Conduct.
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	The research has been independently reviewed and challenged by the WaterShare Panel and independently assured by Frontier Economics.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand SWW's intention is to share the research in full with others.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	Research findings contain breakdowns of the sample response achieved, and explanation of any analytic techniques used.
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## Verve: Quantitative research

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?

These are set out in detail in the one-page summaries.

How is the purpose/objective of the research made clear?

These are set out in detail in the one-page summaries.

How are the research findings presented alongside a wider evidence base?

All research directly feeds into the PR24 business plan and long-term delivery strategy in regard to understanding overall priorities for investment.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?

Quantitative surveys are designed to be clear and wherever possible free from bias. Within the survey format we aim to give customers the widest and most exhaustive possible list of answer options, while at the same time keeping any survey accessible and manageable from a time perspective.

If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?

We have not identified any bias inherent in our reports.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?

Online surveys have been chosen on the basis of the requirement to reach as broad a population as possible within given timeframes and budgets.

How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?

Comprehension testing was conducted internally on non-standard questions (i.e. demographic) with non-research staff.

Has the research approach been challenged in the past? If so, has due consideration gone into its use again?

We are not aware of any of the techniques we use having been challenged in the past.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.

These are set out in detail in the 1-page summaries.

Does the research report on variances by socio-demographics and consumer types?

Any significant differences across demographic groups are identified in our reports.

Do research findings detail any groups that may be under-represented?

As online surveys, our reports do not take account of the view of those that are not online.

Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?

Our research has been generally intended to be as broadly representative as possible, with the exception noted above.

#### 5. Continual

Does the research include day-to-day insight and or one off?

The research is one-off projects. However, together their learnings are contextualised against the overall body of research, where relevant.

How is the engagement consistent with the wider programme of research?

The sampling and recruitment strategy is consistent across the overall programme.

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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How is the engagement comparable to other studies, to provide wider context?

Research fieldwork and framing of stimulus materials are consistent to ensure comparability. A common thread of insight is developed across quantitative projects to provide wider context– e.g., there is concerns about bill affordability and comprehension of environmental issues are weak.

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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)

Verve is an MRS Company Partner and adheres to the industry Code of Conduct.

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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?

The research has been independently reviewed and challenged by the WaterShare Panel and independently assured by Frontier Economics.

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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?

We understand SWW's intention is to share the research in full with others.

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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.

Research findings contain breakdowns of the sample response achieved, and explanation of any analytic techniques used.

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## ICS: Qualitative research

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The practical relevance of all our research activities is agreed with SWW in the project scoping phase and set out in the research summaries.
How is the purpose/objective of the research made clear?	At the outset of all our research activities, the purpose of the research and specific project objectives are identified and documented in the proposal. The research objectives are referred to throughout the design (e.g., within topic guides for qualitative research) and in reporting, to ensure that the final deliverables consistently address the objectives.
How are the research findings presented alongside a wider evidence base?	In the delivery and reporting of all research, ICS considers both the wider body of research and the relevant industry context. External industry data (e.g., Discover Water) is often used for benchmarking and presenting data to customers, in keeping with Ofwat’s guidelines, and in reporting the findings from across a wide range of projects are used to contextualise findings. In some cases, a common thread of insight is developed across a variety of qualitative projects – e.g., seeing how sentiment towards the environment evolves over time.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The sampling approach and methodology for each project are designed to deliver neutrality by making the research accessible to all. Since 2020, the majority of qualitative research has been conducted using online video platforms. Visions Live is specifically designed for market research, with video, whiteboard and activity capabilities that make the research as engaging as possible. Participants can contribute to sessions verbally, via a text function and through voting exercises and polls. This ensures that the views of everyone in the room are well represented, not just those of the more confident participants. Additionally, pre- or post-task exercises are often included to anonymously gather data, overcoming the risk of confirmation bias or social pressure. For qualitative research, topic guides include a thorough range of neutral prompts, and wording is carefully considered (including through internal review and challenge by a senior team member other than the lead author) to ensure it is not leading or influential. This enables moderators to remain as neutral as possible during sessions. Two moderators and an observer are present in each session – part of the function of this team approach is to further ensure neutrality throughout, identifying quieter respondents or areas that require further probing. Qualitative stimulus is carefully designed and reviewed for accessibility and to ensure that data is presented in a neutral manner. During sessions, materials and options are frequently rotated.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Where bias may be present, this is documented in the research methodology and findings sections of the report.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	sampling strategy was developed at the outset of PR24 research, which informed the sampling approach for subsequent research projects. This sampling strategy considers market research best practices across regulated industries, including case studies of transport, electric and water service providers. This approach ensures consistency across projects and enables ICS and SWW other research partners to reach a representative sample of the South West population across the range of research. Where projects are tailored to specific audiences, the sampling approach may be adjusted, e.g., by including more customer in Cornwall where coastal issues are discussed. When designing each research project, the sampling strategy is used to guide the sampling approach, with adjustments to methodology. The objectives of the research are considered before determining the appropriate methodology. In qualitative research, this mainly impacts how groups are structured, e.g., whether they have age, SEG or location in common, to give a grounding for discussing the topic.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	Participants were provided with opportunities to clarify their comprehension of every topic discussed in the focus groups. Participants demonstrated a good understanding of all topics and discussed these in detail. The majority of projects also include pre-reading material or a pre-task, which gives participants an introduction to South West Water and the concepts covered in the research before the group session. Research materials build on previous research. Materials are reviewed and updated during research projects in response to participant feedback and identification of any potential improvements.

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Research approaches have not been externally challenged, however, all projects are subject to review by a range of experts within the ICS team – challenging research at the design stage enables us to ensure high-quality findings.
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#### 4. Inclusive

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Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	The PR24 sampling strategy developed in 2020 includes recommendations for segmentation or strata to analyse data. This was further used to develop the Segmentation Strategy and accompanying user guide, which gives a clear indication of segments that can be used to consistently analyse data.
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Does the research report on variances by socio-demographics and consumer types?	All research includes some reporting on the variance between different customer types, primarily showing the difference between ages, SEG, location and other segmentation criteria. In qualitative research, direct quotations are frequently included in reports and, whilst they are anonymised, they are attributed to different segmentation categories. For research topics where specific customer groups show a differing view, they will be highlighted in the report, e.g., for issues surrounding coastal areas or tourism, the difference between Cornwall and Devon's customers may be included.
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Do research findings detail any groups that may be under-represented?	Typically, the sampling strategy is applied to ensure that all under-represented groups are included as part of the broader sample. Where the views of under-represented groups are especially pertinent to the topic they will be specifically highlighted within the report.
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Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Each project objectives are agreed with SWW on a project by project basis. Where a project sample is limited to a segment (for example in depth exploration of issues important to a sub segment, e.g., non-households) the context is clearly set out in the research findings and contextualised against relevant wider representation from other activities within the overall research programme.
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#### 5. Continual

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Does the research include day-to-day insight and or one off?	The majority of qualitative research is conducted as one-off projects. However, ICS draw together the learnings from multiple projects to take a wider continual view of results. In reporting, current projects are contextualised against the overall body of research, where relevant.
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How is the engagement consistent with the wider programme of research?	The overarching sampling strategy, segmentation guide and the consistent processes put in place for qualitative and quantitative research ensure that there's consistency across the overall programme.
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How is the engagement comparable to other studies, to provide wider context?	Scoping of the research hypotheses and approaches considers previous and wider ongoing research projects to ensure comparability wherever appropriate. Whenever possible, a common thread of insight is developed across a variety of qualitative and quantitative projects to provide wider context– e.g., seeing how sentiment towards performance commitments and outcome delivery incentives evolves over time.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	All our research is conducted in line with Market research Society ethical standards. ICS Consulting is a company partner of the Market Research Society and our research team is led by a certified member of the Market Research Society. ICS' research team are members of the Market Research Society and adhere to its Code of Conduct and ISO 20252, the international standard for market, opinion and social research. We also adhere to General Data Protection Regulation (GDPR).
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	ICS consulting supports SWW's independent customer challenge and assurance processes, attending WaterShare+ meetings and providing materials and reports to SWW's independent assurance experts as requested.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	Research findings are shared with South West Water. We include full stimulus materials and topic guides in all our reports to enable full transparency.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	Each report includes full details of the research methodology and sampling approach, including how the methodology is appropriate for the research objectives. This is supported by detailed information in appendixes which show the full topic guides, stimuli and any supporting materials used in the sessions.
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## ICS: Quantitative research

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The practical relevance of all our research activities is agreed with SWW in the project scoping phase and set out in the research summaries.
How is the purpose/objective of the research made clear?	At the outset of all our research activities, the purpose of the research and specific project objectives are identified and documented in the proposal. The research objectives are referred to throughout the design (e.g., within the design of the questionnaire) and in reporting, to ensure that the final deliverables consistently address the objectives.
How are the research findings presented alongside a wider evidence base?	In the delivery and reporting of all research, ICS considers both the wider body of research and the relevant industry context. External industry data (e.g., Discover Water) is often used for benchmarking and presenting data to customers, in keeping with Ofwat’s guidelines, and in reporting the findings from across a wide range of projects are used to contextualise findings. Common demographic questions and some satisfaction questions are used to enable comparability across multiple pieces of research.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	<p>The sampling approach and methodology for each project are designed to deliver neutrality by making the research accessible to all.</p> <p>This is especially evident in the wording of questions (which is carefully considered to ensure it is not leading or influential) and in the design of any visual stimulus. This is designed in an iterative process that aims to achieve accessible, engaging and easy to understand materials, suitable for a wide range of customers. Detailed internal review and challenge are a core feature of our iterative development processes, including thorough internal review and challenge by a senior team member other than the lead author. Customer-friendly language is used throughout, and detailed explanations are made available for more complex concepts.</p> <p>The order of coded questions is rotated to ensure an even footing for customers and avoid ordering bias. Where appropriate, a combination of online, CATI and face-to-face methods also ensures that biases are limited, or spread across methods. Analysis of quantitative research is conducted by experienced market research staff who adhere to the Market Research Society standards to ensure a neutral approach.</p>
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Where bias may be present, this is documented in the research methodology and findings sections of the report.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	<p>A sampling strategy was developed at the outset of PR24 research, which informed the sampling approach for subsequent research projects. This sampling strategy considers market research best practices across regulated industries, including case studies of transport, electric and water service providers. This approach ensures consistency across projects and enables ICS to reach a representative sample of the South West population across the range of research. Where projects are tailored to specific audiences, the sampling approach may be adjusted, e.g., by including more customer in Cornwall where coastal issues are discussed.</p> <p>When designing each research project, the sampling strategy is used to guide the sampling approach, with adjustments to methodology. The objectives of the research are considered before determining the appropriate methodology. In qualitative research, this mainly impacts how groups are structured, e.g., whether they have age, SEG or location in common, to give a grounding for discussing the topic.</p>
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	Researchers use customer-friendly language and included step by step, accessible information to explain complex concepts. This can include visual stimulus, short videos, infographics or hover-over text to give respondents the maximum chance of understanding. Controls are also built into questionnaires to ensure customers read all of the materials, and questions are worded in a way that encourages detailed responses. Research materials build on previous research, building in lessons from respondent feedback and wider learning. Cognitive testing, piloting and soft launch all enable validity testing.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Research approaches have not been externally challenged, however, all projects are subject to review by a range of experts within the ICS team – challenging research at the design stage enables us to ensure high-quality findings.



### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	The PR24 sampling strategy developed in 2020 includes recommendations for segmentation or strata to analyse data. This was further used to develop the Segmentation Strategy and accompanying user guide, which gives a clear indication of segments that can be used to consistently analyse data.
Does the research report on variances by socio-demographics and consumer types?	All research includes some reporting on the variance between different customer types, primarily showing the difference between ages, SEG, location and other segmentation criteria. For research topics where specific customer groups show a differing view, they will be highlighted in the report, e.g., for issues surrounding coastal areas or tourism, the difference between Cornwall and Devon's customers may be included.
Do research findings detail any groups that may be under-represented?	Typically, the sampling strategy is applied to ensure that all under-represented groups are included as part of the broader sample. Where the views of under-represented groups are especially pertinent to the topic they will be specifically highlighted within the report.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Each project objectives are agreed with SWW on a project-by-project basis. Where a project sample is limited to a segment (for example in depth exploration of issues important to a sub segment, e.g., non-households) the context is clearly set out in the research findings and contextualised against relevant wider representation from other activities within the overall research programme.

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#### 5. Continual

Does the research include day-to-day insight and or one off?	In reporting, current projects are contextualised against the overall body of research, where relevant. Common demographic and satisfaction questions allow for comparison across projects, to ensure a more continual view.
How is the engagement consistent with the wider programme of research?	The overarching sampling strategy, segmentation guide and the consistent processes put in place for qualitative and quantitative research ensure that there's consistency across the overall programme.
How is the engagement comparable to other studies, to provide wider context?	Scoping of the research hypotheses and approaches considers previous and wider ongoing research projects to ensure comparability wherever appropriate. Whenever possible, a common thread of insight is developed across a variety of qualitative and quantitative projects to provide wider context- e.g., seeing how sentiment towards performance commitments and outcome delivery incentives evolves over time.

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#### 6. Ethical

Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	All our research is conducted in line with Market research Society ethical standards. ICS Consulting is a company partner of the Market Research Society and our research team is led by a certified member of the Market Research Society. ICS' research team are members of the Market Research Society and adhere to its Code of Conduct and ISO 20252, the international standard for market, opinion and social research. We also adhere to General Data Protection Regulation (GDPR).
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#### 7. Independently Assured

Has the research been reviewed by individuals or groups that are independent of water companies?	ICS consulting supports SWW's independent customer challenge and assurance processes, attending WaterShare+ meetings and providing materials and reports to SWW's independent assurance experts as requested.
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#### 8. Shared in full with others

(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	Research findings are shared with South West Water. We include full stimulus materials and topic guides in all our reports to enable full transparency.
Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	Each report includes full details of the research methodology and sampling approach, including how the methodology is appropriate for the research objectives. This is supported by detailed information in appendixes which show the survey, stimuli and any supporting materials.

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## Future Focus: Customer survey (questionnaire)

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	This survey is used along with the other continual insights such as complaints, CMeX and annual surveys to improve our customer experience. This was developed into our communication plans for promoting metering and water efficiency.
How is the purpose/objective of the research made clear?	Customers are told at the outset what the purpose of the research is.
How are the research findings presented alongside a wider evidence base?	Comparisons are included for the last 10 years of this survey.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The sample is selected at random from a list of purchased telephone numbers based on Bristol Water customer postcodes. The telephone numbers are a combination of random digit dialling landline numbers and mobile numbers. Quotas are imposed on age and gender to ensure a representative sample based on the latest census data.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	There is always an element of bias with any research method, however, bias is limited by using both landline and mobile numbers and by imposing quotas on age and gender to ensure a representative sample.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The sample size is 1,000 respondents which provides a statistical confidence of +/-3%, a highly accurate and reliable sample. The telephone method adopted uses both a random Digit Dialling landline sample and a mobile sample of residents in the Bristol Water distribution area to ensure inclusivity.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	The questionnaire was piloted initially to ensure that it was easy to understand and be completed by respondents. The questionnaire is interview-led (not self-completion) so clarification on any questions or topics can be given by the interviewer.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Yes it has due to an over dependence on the use of landline only numbers, particularly in reaching younger customers. The use of mobile telephone numbers has recently been introduced to overcome this.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Households and vulnerable customers.
Does the research report on variances by socio-demographics and consumer types?	The report shows any significant difference by socio-demographics including age, gender, SEG, BAME and Disability (where sample allows).
Do research findings detail any groups that may be under-represented?	No. Due to the large sample size, demographics such as BAME and disability have been seen to fall out naturally from the sample. These often results in small overall sample sizes due to them being a small percentage of the population.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	No the survey is a representative survey of the population of the Bristol Water distribution area.

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	It reports on a one-off period with the fieldwork for the research being conducted over a 4 week period. The research is conducted annually at the same time each year.
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How is the engagement consistent with the wider programme of research?	This is one survey within an annual programme of surveys. It covers off the residential customer base.
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How is the engagement comparable to other studies, to provide wider context?	The study findings are compared year on year to reflect any changes.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The survey is conducted in accordance with the standards of the Market Research Society and the Interviewer Quality Control Scheme (IQCS).
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The methodology is included in the report of the survey.
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## Future Focus: Local community satisfaction (questionnaire)

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	This research helped improve engagement with stakeholders on the social contract in the year running up to it.
How is the purpose/objective of the research made clear?	From the outset of the research, participants were told that goal of the research was to understand their perceptions of how Bristol Water was servicing local communities with a view to improving this further.
How are the research findings presented alongside a wider evidence base?	Comparisons are included for the last 3 years of this survey.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The sample for the survey is a census of all recipients of support under the Local Community Satisfaction scheme. The survey is conducted online in the first instance using email addresses and the any non-response is followed-up by telephone. Bristol Water recognise that the provision of accurate and up-to-date contact email and telephone numbers of respondents could be better and in the past year made great efforts to improve this.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Not applicable as it is a census.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The survey is a census of all applicants. A combination of online and telephone methods were considered to be the most appropriate to maximise participation.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	The respondents represent organisations who have benefitted from the LCS programme from Bristol Water and are therefore familiar with the programme.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Yes and this has resulted in greater efforts to improve the accuracy of the contact sample base.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Already included in 1-page summaries.
Does the research report on variances by socio-demographics and consumer types?	Not applicable as these are corporate organisations.
Do research findings detail any groups that may be under-represented?	Not applicable
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Not applicable

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	The survey is a one-off insight covering a 12 month period and is conducted annually.
How is the engagement consistent with the wider programme of research?	This is one survey within an annual programme of surveys. It covers off the local community stakeholder group.
How is the engagement comparable to other studies, to provide wider context?	The study findings are compared year on year to reflect any changes.

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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The survey is conducted in accordance with the standards of the Market Research Society.
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The methodology is included in the report of the survey.

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## Future Focus: Priority Services Register (questionnaire)

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	The outputs from this research enabled Bristol Water to understand how to better improve customer satisfaction, awareness of the PSR register, the clarity with the bill and how customers are supported.
How is the purpose/objective of the research made clear?	Customers are informed about the goals above at the outset of the study.
How are the research findings presented alongside a wider evidence base?	Comparisons are included for the last 3 years of this survey.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The sample is selected at random from a list of PSR customers provided to us by Bristol Water. Quotas are imposed on Priority Type to ensure that the sample is representative of all PSR customers.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	There is always an element of bias with any research method, however, bias is limited by selecting a random sample from the overall sample provided to us by Bristol Water, and by imposing quotas on Priority type to ensure a wide cross-section of customers are represented.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The sample size is 500 respondents which provides a statistical confidence of +/-4.4%, a highly accurate and reliable sample. The telephone method adopted makes it an inclusive method as Bristol Water hold telephone numbers for the majority of PSR customers, minimising exclusion.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	The questionnaire was piloted initially to ensure that it was easy to understand and be completed by respondents. The questionnaire is interview-led (not self-completion) so clarification on any questions or topics can be given by the interviewer.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	No.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Vulnerable customers across 5 categories of Vulnerability Need Codes from the Priority Services Register (communication, mobility, supply, other security).
Does the research report on variances by socio-demographics and consumer types?	The research reports of any variance by Priority type.
Do research findings detail any groups that may be under-represented?	Not applicable.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Not applicable – this is a survey of PSR customers



### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	It reports on a one-off period with the fieldwork for the research being conducted over a 4 week period. The research is conducted annually at the same time each year.
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How is the engagement consistent with the wider programme of research?	This is one survey within an annual programme of surveys. It covers off the PSR customer base.
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How is the engagement comparable to other studies, to provide wider context?	The study findings are compared year on year to reflect any changes.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The survey is conducted in accordance with the standards of the Market Research Society and the Interviewer Quality Control Scheme (IQCS).
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand that the study has been reviewed by the Bristol Water Challenge Panel.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The methodology is included in the report of the survey.
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## Future Focus: Stakeholder (in depth interviews)

### Ofwat Research Standards

### Summary of our approach

#### 1. Useful & Contextualised

How does the research have practical relevance?	Research is used to monitor perceptions of Bristol Water stakeholder satisfaction across four key metrics 1. Service received 2. Comparison to other utilities 3. Doing business with and 4. Good reputation. Except for 'doing business with', there has been continuing improvement across all these metrics. This is a testament to Bristol Water leveraging this data to improve its practices and communication strategy.
How is the purpose/objective of the research made clear?	At the outset of the research stakeholders were informed that their opinions are pertinent to ensuring Bristol Water continues to deliver an excellent service across four key metrics.
How are the research findings presented alongside a wider evidence base?	Comparisons are included for the last 7 years of this survey.

#### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The sample for the survey is a census of all Bristol Water Stakeholder. All Stakeholders are invited to take part in either a depth interview or an online survey, maximising inclusion. Bristol Water recognise that the provision of accurate and up-to-date contact email and telephone numbers of respondents could be better and in the past year made great efforts to improve this.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Not applicable as it is a census.

#### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	The survey is a census of all those who Bristol Water consider to be key stakeholders. A combination of depth interviews and an online survey provide an appropriate balance of qualitative and quantitative feedback, and allowed all stakeholders to participate should they wish to.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	The respondents represent organisations who have a relationship with Bristol Water and are therefore familiar with the topics.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Yes and this has resulted in greater efforts to improve the accuracy of the contact sample base.

#### 4. Inclusive

Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	This is already included in the 1-page summary.
Does the research report on variances by socio-demographics and consumer types?	Not applicable as these are corporate organisations
Do research findings detail any groups that may be under-represented?	Not applicable
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	Not applicable

### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

Does the research include day-to-day insight and or one off?

The survey is a part of a continual body of research. It is conducted annually.

How is the engagement consistent with the wider programme of research?

This is one survey within an annual programme of surveys. It covers off the stakeholder group

How is the engagement comparable to other studies, to provide wider context?

The study findings are compared year on year to reflect any changes. These findings are used to assess what measures should be taken to further improve stakeholder satisfaction.

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#### 6. Ethical

Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)

The survey is conducted in accordance with the standards of the Market Research Society.

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#### 7. Independently Assured

Has the research been reviewed by individuals or groups that are independent of water companies?

We understand that the study has been reviewed by the Bristol Water Challenge Panel.

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#### 8. Shared in full with others

(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?

We understand that the study has been reviewed by the Bristol Water Challenge Panel.

Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.

The methodology is included in the report of the survey.

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### Eftec: WCWRG Research

#### Ofwat Research Standards

#### Summary of our approach

##### 1. Useful & Contextualised

How does the research have practical relevance?	The insights generated from this research informs the regional water resource plan for South West. This addresses future challenges including climate change, changing weather patterns and population growth. Ultimately, the actions taken from this plan will ensure that water supplies are managed and secured over the long term, meeting needs of households and businesses now, and in the future.
How is the purpose/objective of the research made clear?	This was made clear at the outset of the research. It was also clear to customers as they assessed different scenarios that they were deciding what investment areas they believed should be prioritised.
How are the research findings presented alongside a wider evidence base?	The research findings contribute to the overall evidence base that has been compiled by SWW and BRL to support strategic planning for WRMP24 and PR24.

##### 2. Neutrally Designed

How was the research designed in a manner that is neutral and free from bias?	The research followed good practice principles for the use of stated preference studies <sup>31</sup> and sought to align the principal results with guidance prepared by UKWIR for best value planning <sup>32</sup> . Survey content and explanations provided to respondents were intended to be neutral, explaining the overall context and background for long-term water resource planning in line with the National Framework provided by the Environment Agency (e.g. drivers and objectives). Choices concerning differing outcomes were informed by feasible planning scenarios at the regional level – as informed by WCWRG – and already stated targets (e.g. carbon and leakage). Good practice includes use of an iterative test-re-test approach with respondents to ensure that all language and information is readily understood, jargon is avoided, and that questions and choices are not interpreted as leading or directing responses.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	It is judged that there is no inherent bias within the study results. The online sampling approach (see below) does omit “digitally excluded” customers, but there is no strong a priori assumption that these customers would have systematically different preferences for long-term water resource planning outcomes to the sampled population in the study.

##### 3. Fit for Purpose

How was the sample and methodology determined to be appropriate for the research objectives?	Sampling required representation from all four company areas in the WCWRG region, in order to reflect the geographic profile of beneficiaries. Sample quotas by company area reflected practical constraints in terms of size of customer base and expected coverage of online panels. Sampling quotas were also set to ensure socio-economic and demographic representation of the overall customer population in the South West of England.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	All components of the research included direct questions to ask respondents the ease/difficulty of questions and exercise, along with follow-ups to identify any aspects that were unclear or not understood. Their feedback was also sought on the overall experience of participating in the research, including opportunity to state that its purpose was unclear. This is in addition to the pre-testing of the research materials, which sought to improve and refine the content via 1-to-1 cognitive interviews and debriefs with a small number of respondents.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	The research included the use of stated preference choice tasks, which have been subject to scrutiny by some stakeholders. However, judgements on the validity of stated preference research need to be made on a case-by-case basis as each application is different. Adherence to good practice principles ensures that common pitfalls of poor application of the method can be avoided.

### A3. Exceeding Ofwat's Standards for High Quality Research *continued*

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#### 4. Inclusive

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Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	Household and non-household customers. Both samples were representative and a good geographic spread across the WCWRG region.
Does the research report on variances by socio-demographics and consumer types?	The main results reflect the overall aggregate view across the South West – being that WCWRG was the “client” for the research. Breakdowns of results were provided by company area, with comparisons provided against the overall regional view. Customer characteristics (socio-economic and demographic) were controlled for in the analysis.
Do research findings detail any groups that may be under-represented?	No.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	The research provides an overall representative view of the customer base in South West per the responsibilities of WCWRG.

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	While this is a one-off piece of research it is complimented by qualitative research and feeds into a wider body of evidence to inform strategic planning.
How is the engagement consistent with the wider programme of research?	The engagement is consistent in that a preference methodology was deployed. While the topics at hand were relatively unique, the way in which each scenario was developed is consistent with other studies that have contributed to strategic planning. This ensures customers clearly comprehend the material and can form a meaningful preference.
How is the engagement comparable to other studies, to provide wider context?	The research is fairly unique since it supports a new aspect of strategic planning – long term regional water resource plans and customer preferences for outcomes concerning drought resilience and environmental ambition subject to constraints in relation to carbon, PCC and leakage performance. Comparable studies by other regional groups have not been published. Reports made available by WRSE cover similar themes and topics by the research questions and specific results are not directly comparable <sup>33</sup> .

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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	The research followed MRS principles and was implemented using MRS accredited research partners.
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	Review and scrutiny of the research was undertaken by the WCWRG customer engagement board.
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	We understand SWW's intention is to share the research in full with others.
Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	The research reporting outputs include full technical reports for the qualitative and quantitative components, detailing research aims, method, sample and findings, along with research materials and summary statistics and estimation models. An overall synthesis and interpretation summary report is also available.

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## Turquoise

Ofwat Research Standards	Summary of our approach
<b>1. Useful &amp; Contextualised</b>	
How does the research have practical relevance?	Research provides customer views to shape the PR24 plan.
How is the purpose/objective of the research made clear?	The objectives of the research were explained to the participants at the beginning of the sessions.
How are the research findings presented alongside a wider evidence base?	Turquoise have extensive knowledge of conducting research in the water industry and use this knowledge to help contextualise research findings.
<b>2. Neutrally Designed</b>	
How was the research designed in a manner that is neutral and free from bias?	All research materials designed and utilised were carefully considered to ensure that the wording and ordering was neutral and free from bias with no leading questions or statements. The research findings are solely based on the consideration of the views and opinions of all of the respondents who participated in the research and not of other biases, motivations and considerations.
If there is inherent, unavoidable bias, is this acknowledged and explained within reporting?	Not applicable
<b>3. Fit for Purpose</b>	
How was the sample and methodology determined to be appropriate for the research objectives?	The research objectives and the output required determine the methodology and sample recommended with consideration given to what the water company indicate a preference for. It is determined to be appropriate based upon the depth of insight required on the subject matter. When in-depth discussion is required a qualitative methodology will be utilised encompassing a broad spectrum of demographics.
How was it ensured that participants demonstrated an understanding of the topics or the questions they were asked?	Research materials are designed to ensure that they are as easy to understand as possible with as much explanation and context as can be provided. During the research respondents will be asked if they understand what they have been told / presented and whether anything needs to be made clearer or explained better. We use showcards to help aid the sharing and understanding of subjects. As much as possible we aim to have Clients viewing who are there to answer questions which the research team are unable to answer.
Has the research approach been challenged in the past? If so, has due consideration gone into its use again?	Not applicable
<b>4. Inclusive</b>	
Which different audiences does the research include? Refer to SWW segmentation strategy/user guide.	All regions in including Isles of Scilly. Business and domestic customers.
Does the research report on variances by socio-demographics and consumer types?	Wherever possible variances by socio-demographics and consumer types are reported on and quotes used within the report are affiliated to the customer segment.
Do research findings detail any groups that may be under-represented?	Customer groups included in the qualitative research conducted are typically determined by the Client. As much as possible a broad representation of customers is included.
Is the specific research project limited to representing a smaller group? If so, is any wider representation from the overall programme drawn into the research/report?	No, typically the research is designed to include a broad representation of customers.



### A3. Exceeding Ofwat's Standards for High Quality Research continued

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#### 5. Continual

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Does the research include day-to-day insight and or one off?	Both. All research is designed with an element of scene setting / general feedback from customers prior to engaging on the specifics of the objectives. This insight is included in the reporting.
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How is the engagement consistent with the wider programme of research?	Research projects that we conduct have consistent scene setting / general feedback questions to ensure consistency with the wider programme of research.
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How is the engagement comparable to other studies, to provide wider context?	Research objectives and sample are set as part of SWW's wider engagement programme to enable comparison and synthesis.
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#### 6. Ethical

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Which recognised industry ethical standards is the research conducted in line with? (e.g., MRS or Social Research Association)	MRS
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#### 7. Independently Assured

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Has the research been reviewed by individuals or groups that are independent of water companies?	The SWW PR24 customer research has been independently assured by Frontier Economics
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#### 8. Shared in full with others

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(If known) Have research findings been published and shared in full with others, or will they be? Are the results shared with others as early as possible?	SWW intend to publish the findings of their PR24 research.
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Explain how the research findings are accompanied by clear and detailed information about the methodology of the research.	Research findings always detail the research objectives as provided to us by the Client alongside the methodology utilised and the rationale.
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