Engagement summary

PR24 Affordability & Acceptability Research

Objectives

To test the affordability and acceptability of our PR24 business plan with a cross-section of customers.

Format	Quantitative online survey & qualitative focus groups
Households (number)	2,910 online survey 167 in focus groups
Non households (number)	416 online survey 84 in focus groups
Vulnerable customers	✓
Future customers	✓
Retailers	
Stakeholders	
South West Water	✓
Bournemouth Water	✓
Bristol Water	✓

Impact on our plan and ways of working

This process has been vital at informing us what customers think about the plan, and we've adjusted the plan and investment and retested throughout the process.

Topics			
Storm overflow	✓	Drinking water quality	✓
Water resources	✓	Net zero/ climate change	✓
Nature	✓	Affordability	✓

Key messages – what matters most

What we did

- A mix of qualitative and quantitative research techniques in six projects that formed our iterative programme, with each phase being used to inform the next phase.
- This included the AAT projects specified by Ofwat, as well as focusing on pace of investment within our Long-Term Delivery Strategy, repeating the Ofwat style survey for customers in the South-West region, and undertaking more detailed testing of the final plan in an approach aligned to our PR19 and PR14 acceptability research.

What matters most

- Of those expressing a preference the overwhelming majority of customers support our business plan
- 74% of customers tell us our proposed business plan is acceptable
- Almost a third of households say they struggled to pay at least one of their household bills in the last year
- 46% of all customers felt the combined water and wastewater bill increases included in the near final plan of £3.2bn would be difficult to afford, so we have reduced this
- Affordability of the near final plan is 54% and was relatively consistent across all regions
- The final £2.8bn plan was also tested and showed 57% affordability

Are there differing views ?

- Level of support for the business plan is higher amongst non-household customers at 76% (73% amongst household customers)
- Support for the plan is strong in the Bournemouth region at 80% for our water plan, and 82% in the Bristol region for our water plan
- Affordability for struggling and vulnerable households did not significantly improve from the £3.2bn plan to the £2.8bn plan

Next steps

This research has continued up to the final stages of the plan. As we communicate our plans for 2025-30 we will use this to help address the important issues.

Date	September 2023	Supplier	Blue Marble, ICS Consulting & Turquoise