

Affordability and Acceptability Testing

Report on Qualitative research for Bristol Water & Wessex Water

17th July 2023



FOR YOU. FOR LIFE.

Wessex Water

YTL GROUP



BLUE MARBLE

The current economic climate generates a feeling of unease for customers who are unsure what the future holds for them. Though water bills feel affordable now (or at least are not currently difficult to afford), there are concerns for future rises.

Though customers are more or less willing to accept the proposed investments, there are strong feelings about funding coming entirely from customer bills. For most of the investments, while perceived to be important, many feel it is the responsibility of water companies (or others e.g. government or developers) to fund - and the investments should not be paid for via customer bills. (For each investment the report highlights both customers' views on ability to afford as well as their willingness to pay.)

Customers are generally happy with the proposed targets with the possible exception of leakage reduction where the performance target for 2030 looks too modest.

There are strong concerns about the overall proposed plan bill impacts as customers feel that the hardest hit will be those who are currently already struggling but do not qualify for support; and some feel that bills should be impacted proportionally based on income. Customers would like to understand how the investments could help **lower** bills in the long-term and that future bill projections take this into account too e.g. via a more efficient system, reduced leakage, net zero etc.

Overall, the majority of customers opted for the proposed plan with the must-do plan only offering minimal savings while compromising on outcomes. However non-household and vulnerable customers generally prefer the must-do plan

6

While some customers are clearly very worried about affordability, for many the question rests more on their willingness to pay for investments that they may not accept as opposed to their inability to pay. The current media activity and industry scrutiny is playing a part with customers nervous that the interests of shareholders are placed ahead of customers.





2 x 3hr face-to-face deliberative events

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

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

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



Micro NHH

2 x 90min reconvened online focus groups

Stage 1: Participants to attend first 90 min focus group

Stage 2: Participants to attend second 90 min focus group

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



Larger NHH

4 x 1hr online video depth

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

Stage 2: Participants to attend 1 x 1hr online depth

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



8 x 1hr online video depth

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

Stage 2: Participants to attend 1 x 1hr online depth

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



Total sample achieved = 62/64

Top up group of 4 participants to be completed w/c 5th 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 freefind



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



The customer context

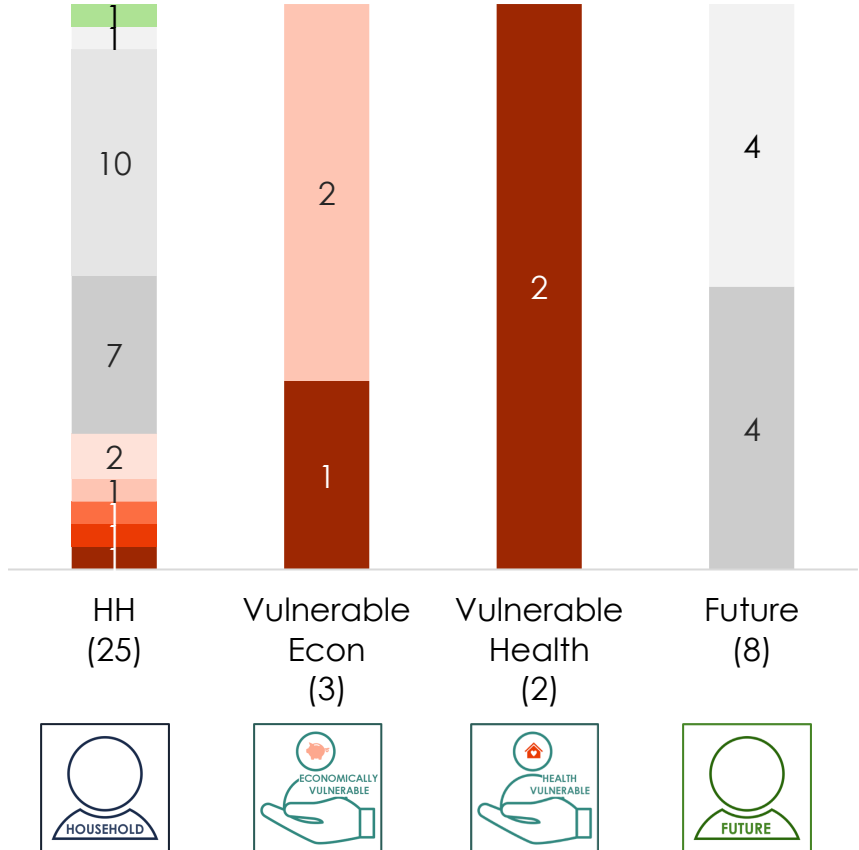


Views on current financial situation and financial outlook

Most of the household sample feel they are just getting by while vulnerable customers feel more financially squeezed.

FEELINGS ABOUT HOUSEHOLD FINANCES

- 10 - Thriving
- 9
- 8
- 7
- 6
- 5 - Just getting by
- 4
- 3
- 2
- 1
- 0- Struggling



"Cost of living and pressure on my wife's public sector job is forcing lifestyle choices."
 HH Bristol Answer: 6/10

"Prices are going up everywhere and my income can't keep pace with it."
 HH Bristol Answer: 2/10

"There isn't much excess income or spare budget left so things are tight."
 Future Customer Bristol Answer: 5/10

Note on findings:
 Total numbers for pre-task survey responses are below the total sample size as not all customers completed the pre-survey

"My salary is not very large and has not gone up with inflation, all my bills are going up and I am concerned as I am nearing retirement when my income will decrease."
 Future Customer Bristol Answer: 6/10

"I have an index linked pension. Nevertheless, the cost of heating in particular (my house is very old) has impacted upon me."
 HH Bristol Answer: 8/10



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

Views on current financial situation and financial outlook

Many of the customers interviewed are pessimistic about the current economic climate.

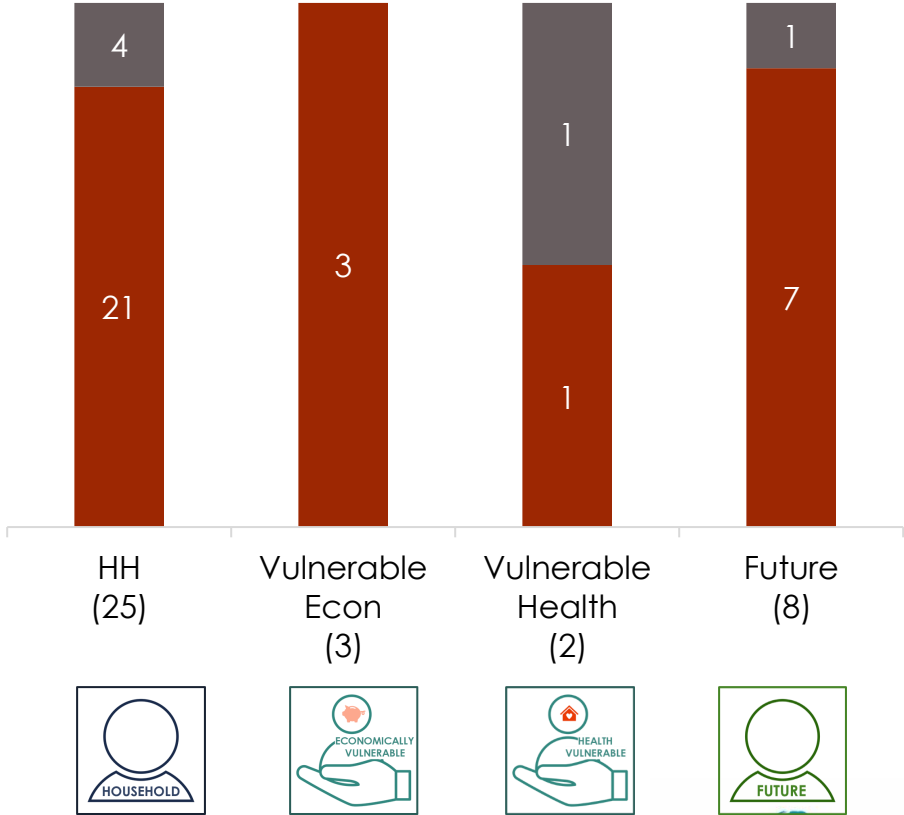
"A small percentage are getting richer and richer and everyone else is worse off."
HH Weston-Super-Mare

"In 10 years, there will be other problems – climate change will screw us over – but for now, it is the increase in energy bills."
HH Bristol

"It's like an old Western movie with some run down guy with gold teeth and vultures around... the guy on the ground is the majority of the population."
HH Weston-Super-Mare

FINANCIAL OUTLOOK

- Improving
- Remaining the same
- Worsening



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

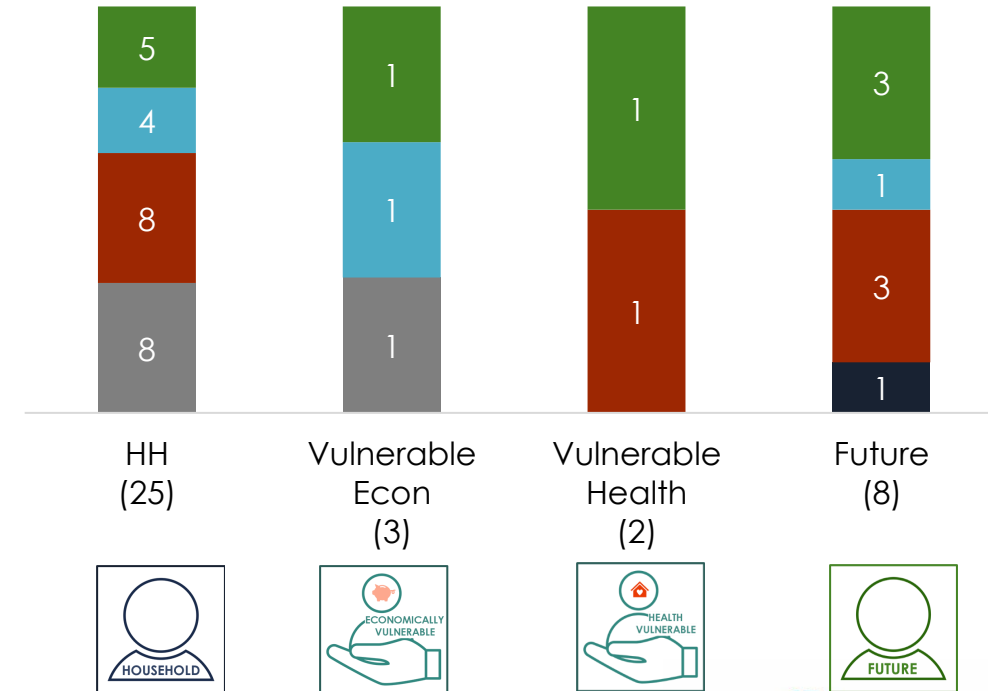
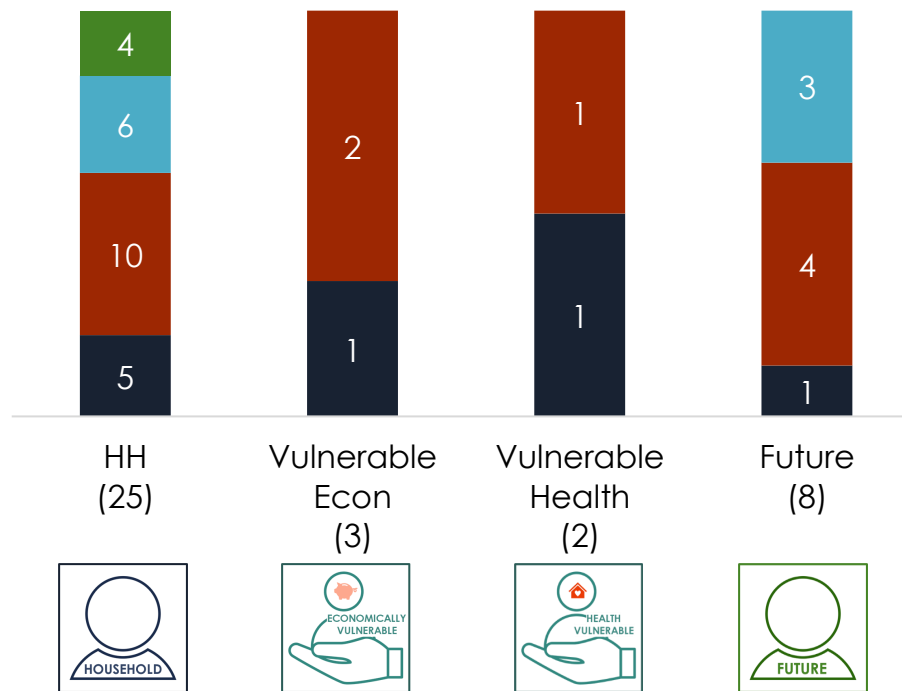
Whilst a minority are positive about the economic climate in the short term, there is a bit more optimism about the economic climate in the longer term (10 years).

LONG TERM FINANCIAL OUTLOOK

5 years

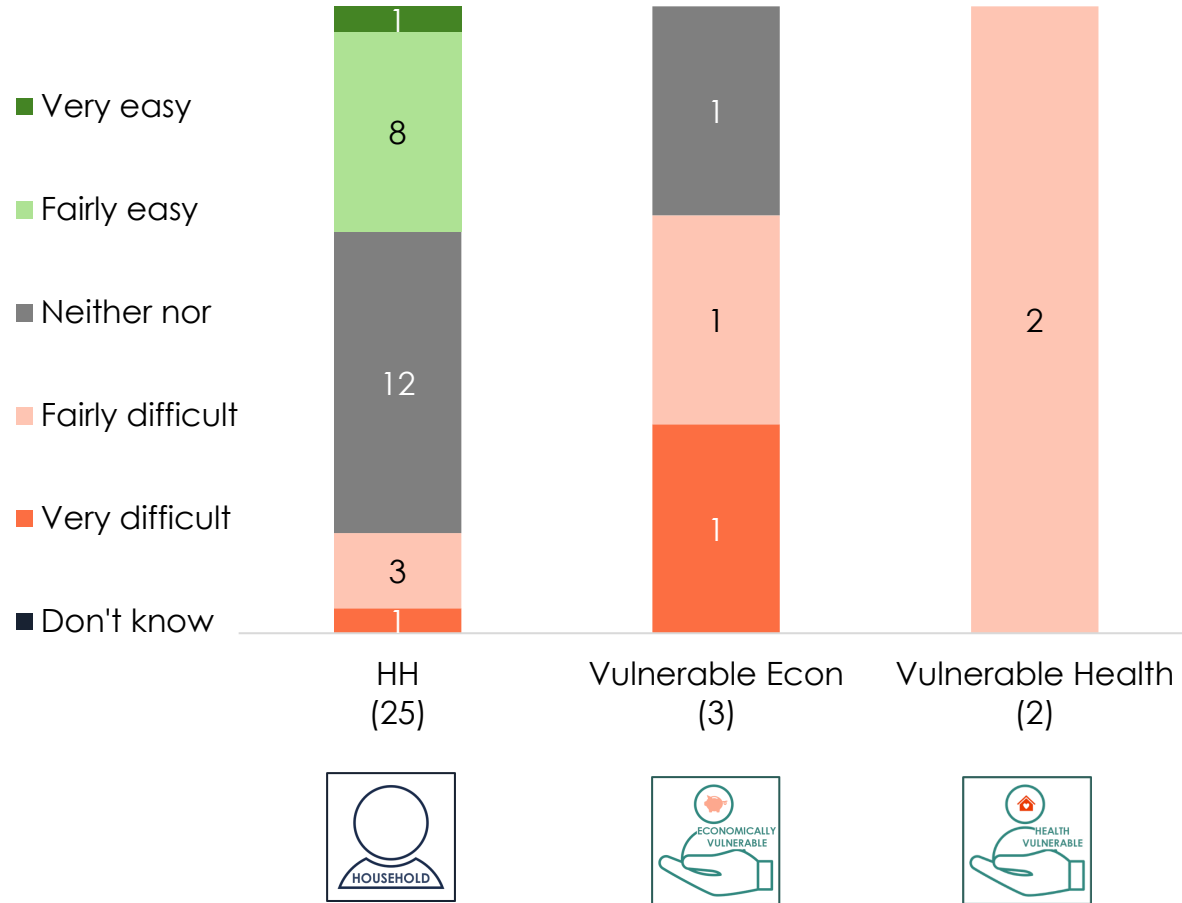
10 years

- Better off
- The same
- Worse off
- Don't know



Current bill affordability for water and sewerage services

Only a minority of customers (8/30) find it difficult to afford their current water bills. However, the most common answer for HH customers is that paying bills is neither easy nor difficult – perhaps reflecting the economic uncertainties people face.



*"This is the first year I only paid my bill for half a year. Usually, I would pay in full in one go."
HH Bristol*

Proposed Plan



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		2050 goals	Legally required <i>Must do</i>	5 year targets: <i>customer feedback</i>	Longer term investments: <i>your input on how & when</i>			
Wessex Water's proposal	Effective sewerage system	Halve the impact of sewer flooding on our customers	Reducing the number of sewage spills in 150 locations	£23	Reducing internal and external sewer flooding	£11	Reducing sewage spills in further 45 locations	£11
	Great river & coastal water	<ul style="list-style-type: none"> To restore the quality of rivers and coastal waters Zero pollution incidents 	Nutrient removal and river water quality monitoring	£47	Reduce pollution incidents to 14 per 10k of sewer pipe	£4		
	Great customer experience	Be a top 10 customer service provider in the UK					Removing everyone from water poverty	£24
	Net zero carbon & biodiversity	Be a net zero carbon business by 2040					Operationally net zero	£6
						Remove carbon & pollutants from sewer sludge	£8	
Bristol Water's proposal	Boosting water resources & supply resilience	Resilience to climate change & higher population			Reducing leakage by 8%	£4	Smart meters and water efficiency support	£2
	Maintain top quality drinking water supplies	<ul style="list-style-type: none"> Water that looks, tastes & smells great Replace all lead pipes 	Continue to deliver clean and safe tap water	£2	Reduce contacts on taste, smell and appearance	£3	Replace 30,000 lead pipes	£2
	Biodiversity & nature recovery	<ul style="list-style-type: none"> Doubling nature on sites Net zero operational emissions by 2030 	Protect natural resources	£1			Net zero operational emissions	£7
	Trusted customer and community experiences	Fair and affordable bills Excellent and innovative customer service					Removing everyone from water poverty	£3

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b
BRISTOL WATER

With the proposed plan, your bill will increase by, on average, £31 a month (£372 a year) by 2030. This includes:

- £12 a month statutory investment
- £6 a month additional investment
- £13 a month of inflation.

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

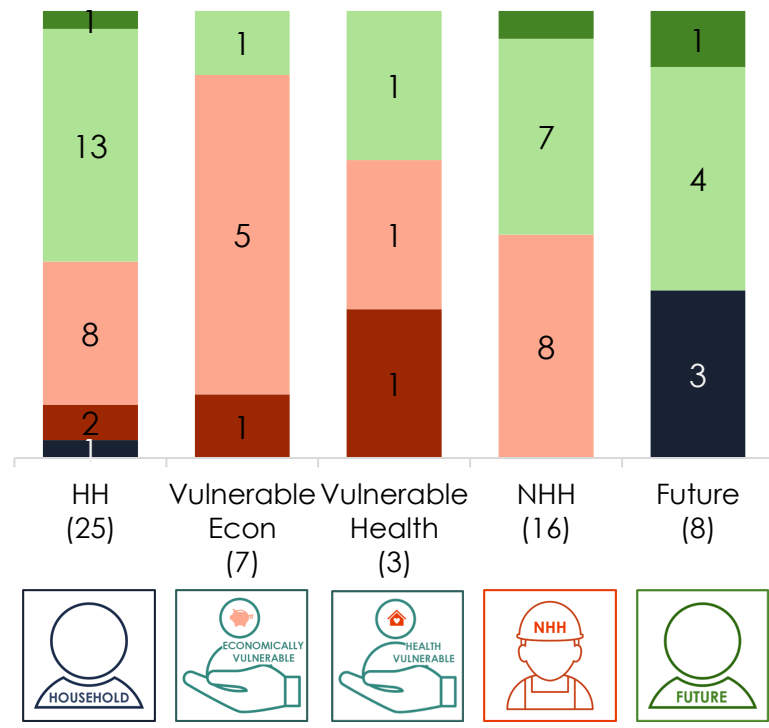
- legally required/statutory;
- 5 year performance commitments;
- additional investments proposed to meet longer term outcomes.

Summary: Proposed plan acceptability and affordability (using personalised bills)

The responses to the proposed plan are mixed, with vulnerable customers feeling more negative toward the proposed plan. Most customers are uncertain or feel they cannot afford the proposed plan.

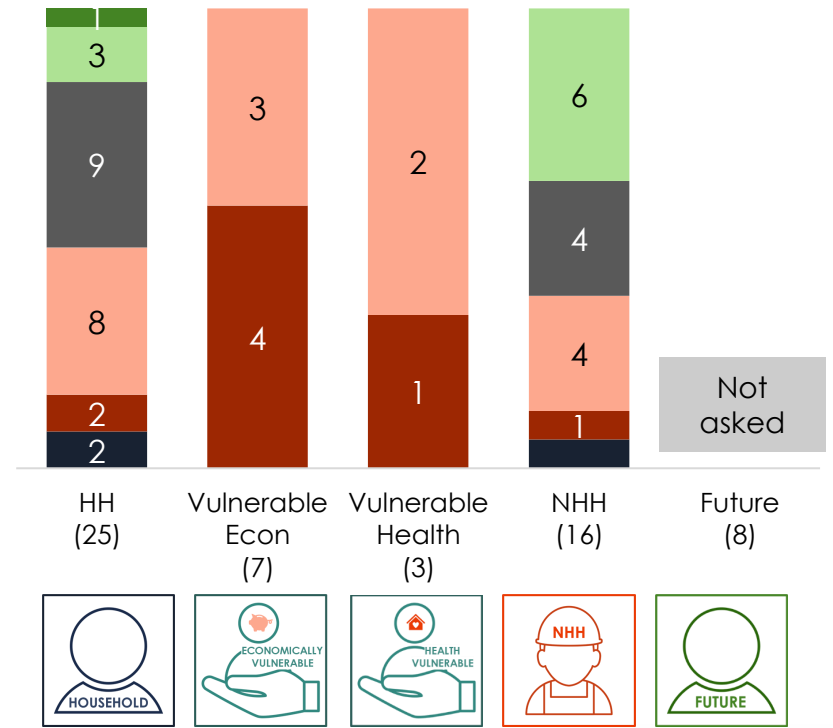
ACCEPTABILITY

- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know



AFFORDABILITY

- Very easy
- Fairly easy
- Neither nor
- Fairly difficult
- Very difficult
- Don't know

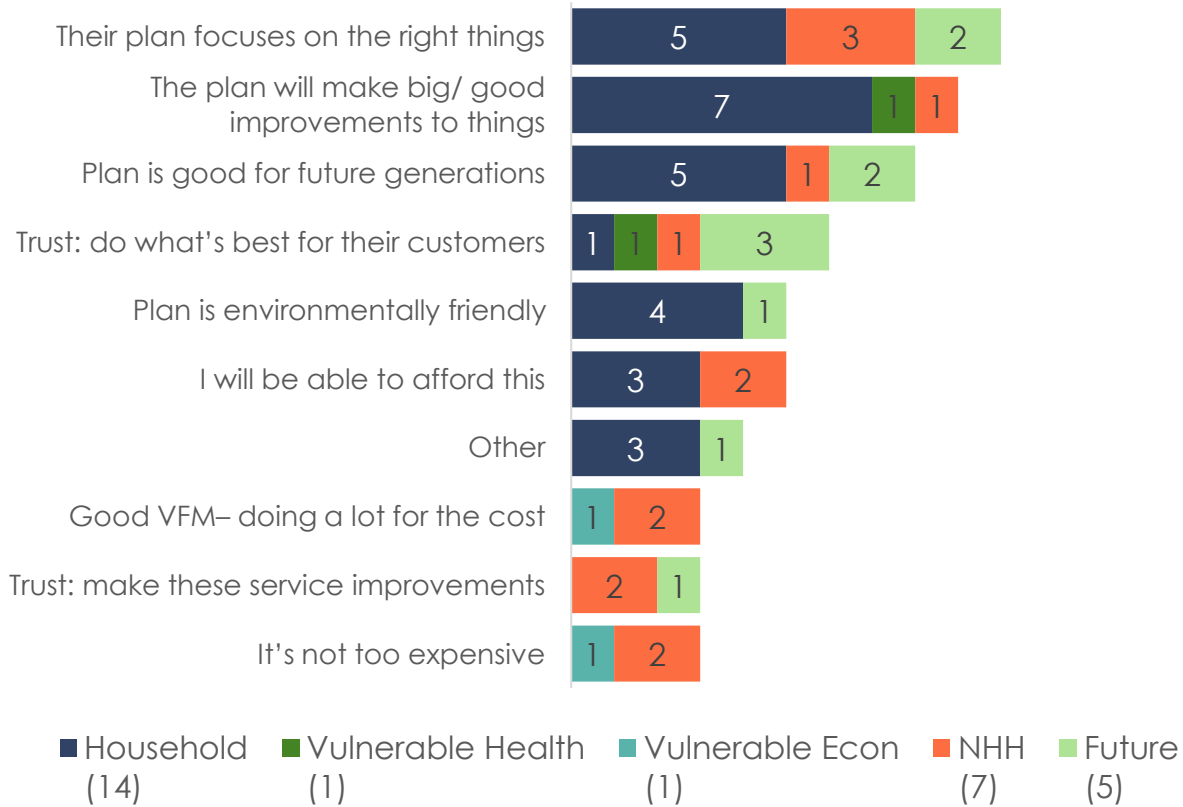


Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills for the proposed plan? Based on everything you have heard and read about the company's proposed business plan, how acceptable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

Summary: Reasons for accepting/rejecting the Proposed plan

Those who accept the proposed plan feel it focusses on the right things and predict it will be a positive impact. The key reason amongst rejectors is that they feel water companies should bear more of the financial load.

Reasons for accepting



Reasons for rejecting



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



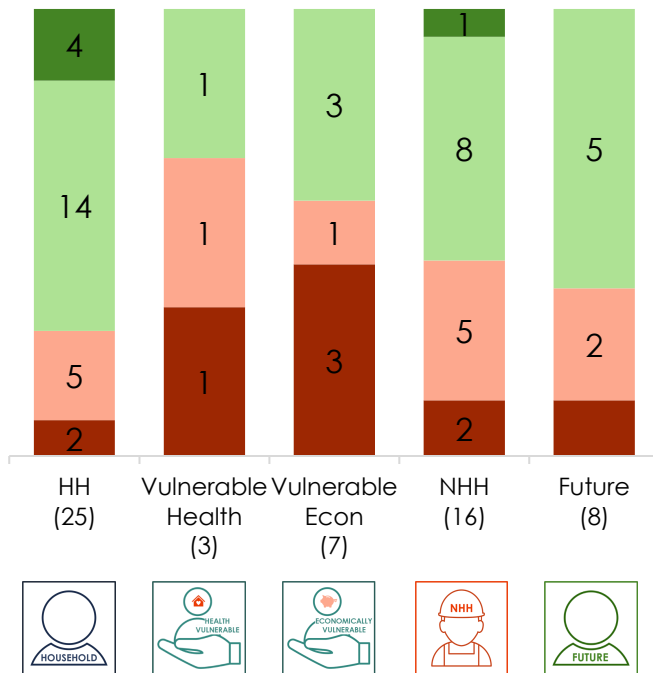
Summary: Trust

Most household customers trust Bristol Water /Wessex Water to deliver the plan – but vulnerable customers' level of trust is mixed. The key drivers of low trust is the perception that shareholders are prioritised, there is a lack of customer facing updates and feeling that Bristol Water/Wessex Water would want to put the bills up by more than has been presented.



TRUST

- Trust them to deliver it all
- Trust them to deliver some of it
- Trust them to deliver a little of it
- Don't trust them to deliver it

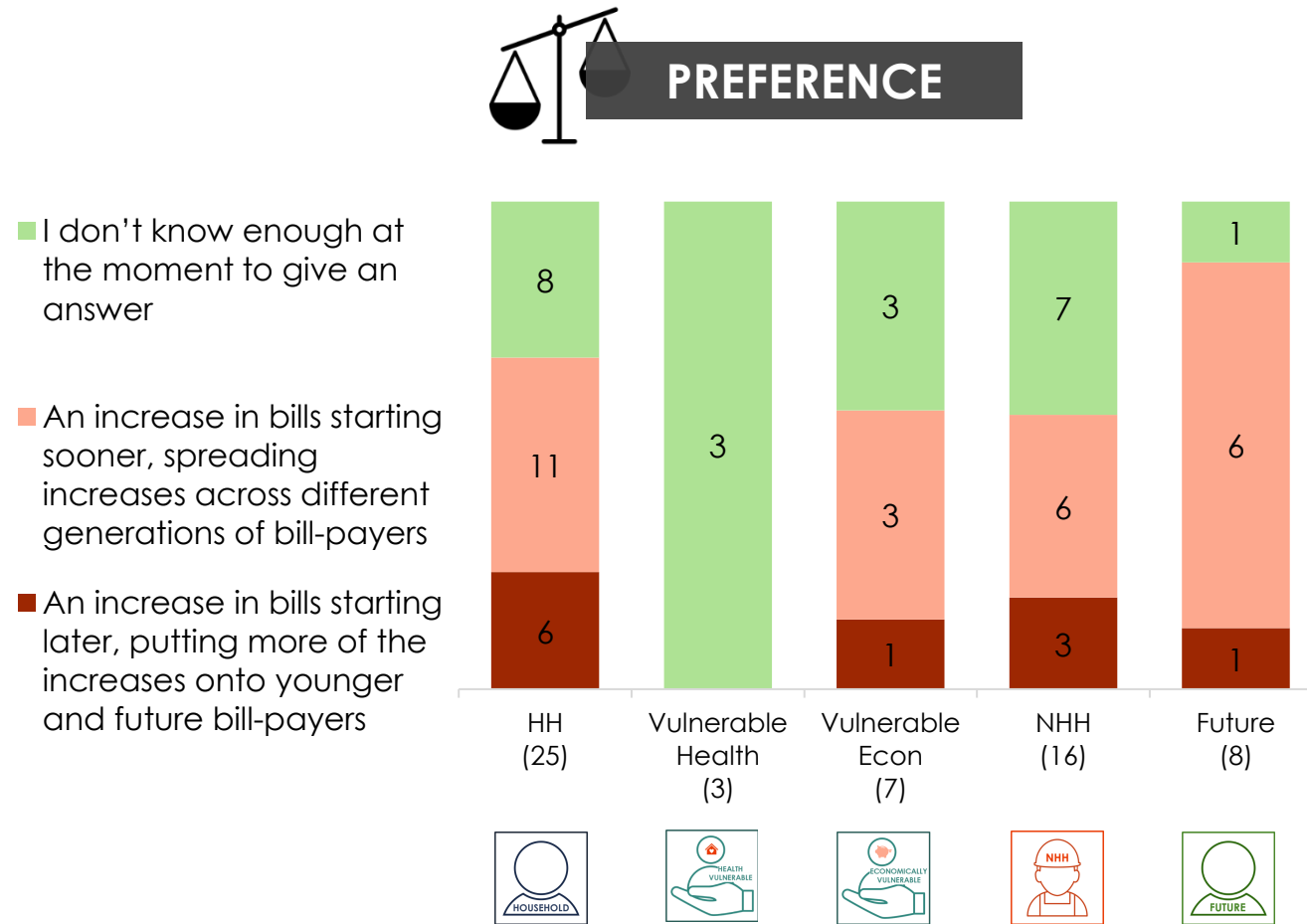


Reasons why



Summary: Preferred Phasing

There is a preference for the increase in bills starting sooner rather than later, but a notable proportion of customers felt they didn't know enough to reach a decision.



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

Support for this investment to go ahead is strong, however many felt this should not fall to customers to pay for.



An effective sewerage system

37

Legally required
No say

2050 target:
To halve the number of sewer flooding incidents.

Reducing the number of sewage spills in 150 locations

£23 per year

Storm overflows

When there is too much rainfall for sewers to handle, storm overflows allow rain water, mixed with sewage, to escape into a separate pipe which eventually flows into a river or the sea. This helps to reduce the risk of properties being flooded with sewage.

There are around 15,000 storm overflows in England, and 1,300 for Wessex Water.

Each company (in England) has a target set by Government to reduce the use of storm overflows:

- By 2035, water companies will have: improved all overflows discharging into or near every designated bathing water; and improved 75% of overflows discharging to high priority sites
- By 2050, no storm overflows will be permitted to operate outside of unusually heavy rainfall or to cause any adverse ecological harm

Wessex Water will need to spend £758m to meet these requirements for 2025-2030, and this will add £23 per year to the average household water bill.

“My perception as a customer is that I already pay my water bill and expect that to be handled and dealt with.”
 HH Weston-Super-Mare

Deliberation centres around:

- Surprise that this is a current problem and there isn't a better solution in place
- Frustration around customer paying for infrastructure repairs – it should fall under water company responsibility
- Considered a health matter too – unclean/polluted bathing waters
- Questions around whether the companies are regulated to ensure they are using the most cost-effective measures?
- NHH customers feel it is poor value – a big spend for a medium impact

Response to mandated investment

- This feels like a worthwhile and important investment as it relates to water quality, health and the environment
- There is a sense that the company should prioritise this investment...
- However, it feels like quite a large addition to customer bills (and questioned by those who don't believe it is for customers to bear the cost)

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

Understanding of the system for funding investments is poor. If customers understood the relationship between customer bills, profits and shareholders, we hypothesise that they'd be more likely to be willing to pay for investments deemed 'water company responsibility'.



Though this seems important, some concerns at the high cost of this investment.

Great river & coastal water

38

Legally required
No say

Nutrient removal and river water quality monitoring

£47 per year

2050 target
To restore the quality of rivers and coastal waters

i The services that water companies provide must comply with environmental laws in England/Wales, as well as UK/Welsh Government policy.

- Excess nitrogen and phosphorus can affect the health of river and coastal waters, negatively impacting plant and wildlife who live there
- A large portion of Wessex Water's region has been designated as requiring additional nutrient removal to allow a further 70,000 homes to be built
- As a result, Wessex Water needs to remove 1,500 tonnes of nitrogen and phosphorus from entering rivers and the sea. This will improve river water quality and help unblock the housing backlog across the country
- Partnership working with farmers and landowners will be vital – and using nature-based solutions where possible, which are often cheaper, create less carbon, and increase biodiversity

Wessex Water will need to spend £830m to meet these requirements for 2025-2030, and this will add £47 per year to the average household water bill.

“Water quality of rivers is not entirely under the control of the water company – but they have to clean up the mess.”
HH Weston-Super-Mare

- ### Deliberation centres around:
- The unfamiliarity of this issue, which causes some confusion
 - Questions as to why the cost of dealing with this issue is quite so high
 - If investment is driven by housing backlog, customers feel that responsibility should fall with water companies and developers
 - Some customers conclude this an issue for the government to solve and fund

- ### Response to mandated investment
- Some felt they needed more detail and cost-benefit analysis to confidently offer an opinion on this
 - Seen as an important investment but an expensive one; not considered an area where customers should foot the bill
 - The cost of this investment is high and customers do have concerns that alongside other investments that this could make bills difficult to afford



“We didn't put the nutrients in the water, the farmers did.”
HH Weston-Super-Mare

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

For a comparable small investment, this feels like something the water company should just deal with themselves.



Maintain top quality drinking water supplies

Legally required / must-do

Continue to deliver clean and safe tap water

£2 per year

2050 target: High quality drinking water 39

i Continue to deliver clean and safe tap water

Invest £26 million to continue to meet high standards for water quality and deliver clean and safe drinking water that looks and tastes great. This programme is agreed with the Drinking Water Inspectorate, which regulates water quality on behalf of the water industry

Investing in:

- Catchment management to manage water quality issues at source
- Major upgrades to 3 treatment works

Bristol Water will need to spend £26m to meet these requirements for 2025-2030, and this will add £2 per year to the average household water bill.

"Clean, safe tap water should be a given... not an additional investment!"
 HH Weston-Super-Mare

Deliberation centres around:

- A sense among many that this is a no brainer: question why it is an extra investment
- Confusion as to whether this is a current legal standard or whether it is a future requirement
- The small investment cost is polarising: some are happy to pay as it is so little; others feel water companies should pay as it's their responsibility and not as much as other investments
 - Customers require a better understanding of why this money needs to come from customer bills rather than existing profits

Response to mandated investment

- Small investment for something that's very important – should be done
- Unclear if there is any real urgency
- Strong reluctance from many to pay for what seems like a basic service from the water company – there is a need to understand why the major treatment works are needed
- However, some NHH customers stress the importance of this for them and their businesses and would be happy to not only pay for this investment, but pay more

"I don't know why you need extra money when you should be doing it!"
 HH Bristol

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



Customers struggled to comment on this area – happy for it to go ahead.



Biodiversity & nature recovery 40

Legally required / must-do

Protect natural resources

£1 per year

2050 target: Doubling natural capital (the wealth of natural resources) on our sites and those that we interact with

Protect natural resources

- Invest **£12 million** to protect and enhance wildlife, for example by:
 - Working with partners and landowners to remove weirs or include fish and eel pass installations to ensure that fish and eels can reach upstream habitats
 - Habitat creation through creating ponds, tree planting and restoration
 - Controlling non – native invasive species to ensure that native varieties can thrive
 - Investment to protect river flows during times of drought.

Bristol Water will need to spend £12m to meet these requirements for 2025-2030, and this will add £1 per year to the average household water bill.

“Water supply and water quality... if you get those right, then the others will come with it”
 HH Weston-Super-Mare

Deliberation centres around:

- Whether this will have the desired positive impact or not
- Where supportive of environmental protection and the activities described, should Bristol Water be doing more?
- Little that is controversial here

Response to mandated investment

- A minority pushed back against interfering with natural systems for fear of negative impact.
- A question mark over the impact of such a small investment: Bristol Water could double this to £2 and double the impact on the environment.
- Minimal spend and doesn't seem unreasonable, but not necessarily the most important or urgent

“I'd like to bite the bullet on the environment stuff and get it done as quickly as possible”
 HH Weston-Super-Mare







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

Response to performance commitment targets

Some are concerned that setting easy to reach targets eventually will end with customers being worse-off through Ofwat rewards and increased bills.

Wessex Water & Bristol Water propose an investment plan for 2025-30 to start to meet its long term goals.

The proposed commitments to improve on the key performance areas

			TODAY's performance	Target 2025	Target 2030	What this will add to your bill
Supply interruptions		Average time without water per household	2.5 - 30 mins	5 mins	5 mins	£0
Water Quality		Contacts per 1,000 population	1.6	1.33	1	£3
Internal sewer flooding		Incidents per 10,000 connections	1.43	1.63	1.04	£11
External sewer flooding		Incidents per 10,000 connections	19.27	16.73	14.50	
Leakage		Number of litres lost per property per day	64.3	56.5	50.7	£4
Pollution		Incidents per 10,000km of sewer	22	23.74	17.6	£4

BLUE MARBLE



NHH customers were more inclined to feel that the water companies could be more ambitious with their targets. However, they assume these targets are set keeping in mind what is realistic.



- Happy to stick with current target
- Should focus on worst affected areas



- Important investment
- Would prefer to spend on improving quality in the system rather than buying bottled water



- General concern over sewer flooding: needs to be dealt with
- As it's such an important issue, could be more ambitious
- But cost is high for something that seems like a basic provision from the water company



- Seeing the scale of leakage, many feel this could be more ambitious
- Customers anticipate they could benefit if leak on their side, but question paying more to fix leaks on company's pipes?



- Definitely important
- But many believe this should be the responsibility of water company and developers



Response to plan enhancements: NET ZERO


Though achieving net zero is important, it doesn't feel as urgent as other areas and customers are reluctant to pay for what they see as a business cost.

Net zero carbon and biodiversity

Discretionary investments
You decide

Making all operations net zero

£6



2050 target:
Be a net zero carbon business by 2040

Proposal for making the company's operations carbon neutral by 2030

- Moving entirely to electric vehicles
- Increasing the use of renewable electricity
- Finding the best way to reduce emissions from sewage treatment processes
- Using nature-based solutions like wetlands as an alternative to concrete structures
- Where appropriate, purchasing high-quality offsets until Wessex Water can further reduce its own emissions

Wessex Water propose to spend £37m on making all operations net zero, and this would add £6 to the average bill.

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- ### Deliberation centres around:
- Some feel net zero is something everyone should be striving for
 - However, as customers understand it, all companies are currently paying towards investments to reach net zero – for them, this feels no different
 - Feels more important for WW side as sewerage generates more emissions than water supply
 - NHH customers don't feel they should be paying for this through their bills

"It's important for future generations"
 HH Bristol

Net zero carbon and biodiversity

Discretionary investments
You decide

Making all operations net zero

£6

A is the proposed plan.

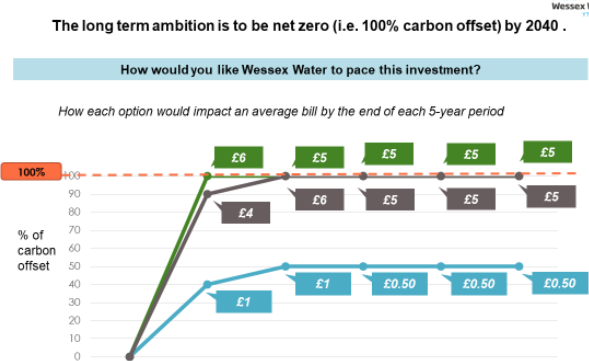
B is the less ambitious plan

C delays investment in the short term

The long term ambition is to be net zero (i.e. 100% carbon offset) by 2040 .

How would you like Wessex Water to pace this investment?

How each option would impact an average bill by the end of each 5-year period



● A: Full operational net zero by 2030
● B: Reach 50% operational net zero by 2035 and stay at that level
● C: Delay investment: Operational net zero by 2035

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- ### Response to proposed plan and alternatives
- Though important, doesn't feel like a key priority
 - Polarising
 - Some feel a slower approach is fine given the other more pressing areas for investment
 - Others choose the proposed plan: want to see net zero pushed forward as it's only a matter of time until it's mandated – and the right thing for future generations
 - Widespread view that it is not fair that customer money spent is on this; again, more education needed around the funding system for the water sector

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

Response to plan enhancements: MICROPOLLUTANTS

Plan B is felt to be a sticking plaster – customers feel the issue should be dealt with rather than put off.




Net zero carbon and biodiversity

Discretionary investments
You decide

Removing micro pollutants

£8



2050 target:
Be a net zero carbon business by 2040

Proposal for improving the treatment of sewage sludge to remove micropollutants from being spread to land

- Trialling new technologies that, if they work, have the potential to turn the sludge into a material that does not have any carbon emissions (essentially an ash) which also destroys micropollutants in the sludge so these wouldn't be spread to land.
- If they work Wessex Water will implement these at scale in the future, reducing the carbon emissions and reducing the volume of the waste product we produce.
- Legislation does not currently prevent sludge being spread to land, but may do so in the future. Wessex Water propose to test new technology now and ensure it develops in case this change occurs

Wessex Water propose to spend £150m on removing micropollutants, and this would add £8 to the average bill.

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Deliberation centres around:

- Confusion with this investment as the plan feels unformed and unclear
- Seems strange and irresponsible to invest millions of pounds in something that may not work
- When target is reached, will bills then be reduced?
- A consensus that it is best to address the issue rather than put it off
- Want to see a more cohesive approach across the UK – surely this is a wider problem?

"I assume it would be tested and it would work before rolling it out?"
HH Bristol

"Plan B seems like a complete waste of time."
HH Bristol.

Net zero carbon and biodiversity

Discretionary investments
You decide

Removing micro pollutants

£8

A is the proposed plan.

B is the minimum requirement plan

C is a back up plan for option A

The long term ambition is to be a net zero business by 2040.
How would you like Wessex Water to invest?

Bill impact by end of each 5 year period

Year	Option A (£)	Option B (£)	Option C (£)
2030	£8	£6	£10
2035	£14	£1.50	£9.50
2040	£6	£0.50	£1.40
2045	£6	£0.50	£1.40
2050	£6	£0.50	£1.40

50

Response to proposed plan and alternatives

- Majority support for plan A, but want reassurance that the technologies being trialled are likely to work
- Limited support for plan B – will cost more to the consumer in the long term by causing irreparable damage

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



Response to plan enhancements: ADDITIONAL STORM OVERFLOWS

As an area of high importance for customers, there is support to extend this investment beyond the legal requirement.

An effective sewerage system

Discretionary investments
You decide

2050 target:
To halve the number of sewer flooding incidents.

52

Proposed plan for reducing sewage spills in a further 45 locations - by 2030

- Increase investment in this area from £500 million to £734 million over the five years between 2025 and 2030
- Start with storm overflows that discharge most frequently and those that have any environmental impact
- Work with communities to fit sustainable drainage solutions like soakaways
- Increase environmental and public health monitoring at key locations
- Use artificial intelligence to manage the sewerage network and provide real time bathing water information

Wessex Water propose to spend £250m on reducing sewage spills in a further 45 locations, and this would add £11 to the average bill.

Reducing sewage spills in a further 45 locations

£11

An effective sewerage system

Discretionary investments
You decide

The long-term ambition is for the spills from almost 700 overflows to be reduced in line with 2050 legislative targets

53

How would you like Wessex Water to pace this investment?

Year	Plan A (Proposed)	Plan B (Legal)	Plan C (Accelerated)
2030	£34	£23	£34
2035	£17	£25	£17
2040	£28	£25	£40
2045	£34	£34	£49
2050	£31	£31	£0

A: Proposal is to move faster than legal requirement, adding another £11 to 2025-30 bill
 B: Least cost (legally required) plan - this £23 impact already covered earlier
 C: This plan accelerates meeting the target - almost 700 storm overflows reduced by 2045

Reducing sewage spills in further 45 locations

£11

A is the proposed plan.

B is the legally required plan.

C accelerates the delivery to 2045 instead of 2050

Deliberation centres around:

- All information pertaining to sewer leaks and pollution is regarded as important
- Some feel the more that can be done the better – and as soon as possible
- Investment is worthwhile but want to see strategy to target the worst affected rather than areas/sites that are easiest to fix
- NHH are quick to notice that the price ratios don't match up to those in the original storm overflow investment – this doesn't seem to be as good value



"It's hard to know what to compare it with. How do they prioritise the 45 locations?"
HH Bristol

Response to proposed plan and alternatives

- Most think that it's important and needs to be addressed quickly and at a steady pace (proposed plan A).
- Some are concerned about increasing costs as they see more investment areas.

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



Response to plan enhancements: WATER POVERTY

Important that those who are struggling get support, but many customers feel this should not be cross-subsidy funded. May be a lack of understanding around how exactly the cross subsidy works but also a potential lack of support. The cost of living crisis may be an explanation for this.

Customer service & affordability

Discretionary investments
You decide

Removing everyone from water poverty

£24

54

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

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

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

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

Customer service & affordability

Discretionary investments
You decide

Removing everyone from water poverty

£24

55

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

How would you like Wessex Water to pace this investment?

Year	Plan A (£24)	Plan B (£12)	Plan C (£6)
2025	0	0	0
2030	100	~75	~50
2035	100	100	~75
2040	100	100	100
2045	100	100	100
2050	100	100	100

— A: Reach 100k customers supported by 2030
— B: Reach 100k customers supported by 2035
— C: Reach 100k customers supported by 2040

A is the proposed plan.

B is the slowest plan.

C delays investment but not as much as B

Deliberation centres around:

- Overall agreement that it is v important to ensure that those struggling with their water bills receive support
- However, having customers pay means asking people who are already struggling to support others
- Seems like a flawed system – those who are at the lower end but not completely struggling end up suffering more
- Who should pay?

“Bailing government out by letting them charge you... they need to petition the government.”
HH Bristol

“Water is a basic human necessity – it should be a government, problem not a consumer problem.”
HH Bristol

Response to proposed plan and alternatives

- Urgent issue: most want to see it addressed as soon as possible
- Most are ultimately willing to pay to support others, even though they don't necessarily believe customers should be paying
- For most, ideally plan A but the cost is high. Plan B feels more realistic given the current economic climate and impact on HHs

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



NB in the deliberative events, customers discussed either the BW or the WW affordability plans

Response to plan enhancements: WATER POVERTY

Though the bill impact is small, on principle this feels unfair to those struggling but who do not qualify for support. May be a lack of understanding around how exactly the cross subsidy works but also a potential lack of support, though slightly more nuanced in comments than for Wessex Water. The cost of living crisis may be an explanation for this.



Trusted customer and community experiences

Longer term investments
You decide

Removing everyone from water poverty

£3 by 2030

2050 target:
Zero water poverty – no one spending more than 2% of their disposable income on their water bill

The proposal is to remove everyone from water poverty by 2030 – which means assisting around 25,000 additional households

- Doubling the number of households supported by social tariffs

This will increase the average household bill by £3 as a cross subsidy to customers less able to pay.

In additional, Bristol Water will continue to support customers who struggle to pay by:

- Continuing to work with partners such as Citizens Advice and debt advice partners to raise awareness and reach customers who need support
- Helping customers to save water and energy

61

Deliberation centres around:

- Similar to response to Wessex Water’s zero water poverty investment, customers value the importance of this as everyone should have the basic right to water
- But again, this doesn’t feel like something that customers should be paying for – they’d prefer to see external funding e.g. government body
- Concerns for those who are just shy of qualifying for support – but who pay for it

“This could be people on low incomes who are not entitled to any extra help but have to pay that extra money.”
HH Weston-Super-Mare

“Is it our responsibility as working class bill payers to make up the shortfall that big players should be covering?”
HH Weston-Super-Mare

Trusted customer and community experiences

Discretionary investments
You decide

Removing everyone from water poverty

£3

A is the proposed plan

B is the less ambitious plan

C is the more ambitious plan

With rising bills, 25,000 additional households will be in water poverty. Bristol Water plans to support all these additional households.

How would you like Bristol Water to pace this investment?

Year	Plan A (£3)	Plan B (£0)	Plan C (£6)
2025	0	0	0
2030	25,000	0	50,000

— A. Proposed plan: 25,000 additional customer supported - no customers in water poverty by 2030
— B. No additional customers supported
— C. 50,000 additional customers supported - supporting those who are just about managing as well

Response to proposed plan and alternatives

- Proposed plan feels like the right amount without putting people into water poverty
- Customers were happy to pay the £3 extra as it was seen as a small amount for them which could make a difference

Summary

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



NB in the deliberative events, customers discussed either the BW or the WW affordability plans

Response to plan enhancements: LEAD PIPE REPLACEMENT

Customers feel that if it's a health and safety concern, this is a no brainer. If not, they question the urgency.

Maintain top quality drinking water supplies

Longer term investments
You decide

Replacing lead pipes

£2 by 2030

2050 target:
Replace 130,000 lead communication and supply pipes to achieve a lead free network by 2050

Proposal for replacing lead pipes

- Replace 30,000 lead pipes by 2030
- Offer a mix of free and subsidised replacement for pipes owned by customers, with those on the lowest incomes receiving a free replacement
- Ensure that there are no lead pipes supplying nurseries, schools and hospitals.

Bristol Water plans to spend £32 million to Replace 30,000 lead pipes by 2030. This would add £2 to the average bill by 2030.

55

Maintain top quality drinking water supplies

Longer term investments
You decide

Replacing lead pipes

£2 by 2030
£10 by 2050

The long term ambition is to replace 130,000 lead pipes by 2050

How would you like Bristol Water to pace this investment?

How each option would impact an average bill by the end of each 5-year period

— A. Proposed plan - smooth profile of investment to 2050
 — B. Slower plan - delay investment to 2040 and accelerate after that
 — C. Faster plan - investment is accelerated to be lead free by 2040

56

Deliberation centres around:

- Generally, customers are surprised that lead pipes are still being used
- On being told lead pipes affect people and their health many feel plans should be put in place ASAP
- Some perceive it is a bigger problem than stated here
- Others want to know more about it and question the need for investment – if it's currently allowed, is it a real issue or not?

Response to proposed plan and alternatives

- Most perceive that this investment needs to happen and with a relatively small bill impact there are limited objections to the proposed plan (A)
- The proposed pace seems sensible: most don't see a need for a greater (or less) ambitious plan
- However, some question whether it is necessary to think about at all right now (is it urgent when there are so many other financial demands)



"I think it is a knowledge thing this one – with the others you can use common sense or judgement but with this these is a need for knowledge and education."
 HH Bristol

"It's not actively hurting people and not affecting the environment – so do we have to do anything about it right now?"
 HH Bristol

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



Smart meters feel like a good step for many, but the urgency and importance of this investment is questioned.

Boosting water resources & supply resilience

Discretionary investments
You decide

Installing smart meters

£2 by 2030

2040 target:
Installing 500,000 smart meters by 2040 so that every customer has a smart meter.

Proposal for installing smart meters

- Install 175,000 smart meters by 2030
- Support customers to use less water with water efficiency advice and support – such as free water audits and water saving products

Bristol Water plans to spend £26 million to install 175,000 smart meters by 2030. This would add £2 to the average bill by 2030.

57

Boosting water resources & supply resilience

Longer term investments
You decide

Installing smart meters

£2 by 2030
£6 by 2050

A is the proposed plan

B is the less ambitious plan

C is the more ambitious plan

The long term ambition is to install 500,000 smart meters by 2040

How would you like Bristol Water to pace this investment?

How each option would impact an average bill by the end of each 5-year period

Year	Plan A (Proposed)	Plan B (Less Ambitious)	Plan C (More Ambitious)
2025	0	0	0
2030	~100,000	~50,000	~150,000
2035	~200,000	~100,000	~300,000
2040	500,000	~150,000	~400,000
2045	-	500,000	~450,000

— A. Proposed plan - every customer has a smart meter by 2040
 — B. Slower plan - every customer has a smart meter by 2045
 — C. Faster plan - every customer has a smart meter by 2035

58

Deliberation centres around:

- A step in the right direction for some - can understand more about your water use and water companies can understand customers' water use
- Some fail to see benefits of meters – esp. those who are currently unmetered – and would like to know when they'll see the cost of investment come back to them through bill reductions
- A minority feel it's a conspiracy against freedom of choice to use water how they wish
- Most feel this should not be forced upon people and want reassurance that they won't restrict those in vulnerable circumstances
- NHH customers generally don't think they're necessary or that they'll change their usage

Response to proposed plan and alternatives

- For most, and even for those who can see the benefits, this doesn't feel as urgent as the other areas for investment
- Most choose the proposed plan (A) or even the slower plan (B)
- For others who see as a small amount, they support front loading the investment 'you may as well just get it done' (C)



"It's not for the customer – will they force it on us like smart meters for electricity and gas?"
HH Weston-Super-Mare

"It's a good idea – it encourages you to be savvy, and not stupid, and not to have unnecessary usage."
Future Bristol

Summary

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



Customers are reluctant to pay for this investment, even if they think it is worthwhile

Boosting biodiversity and nature recovery and protecting the planet

Longer term investments
You decide

Net zero operational emissions

£7 by 2030

2050 target:
Net zero operational emissions by 2030 (and net zero including carbon in materials used by 2045)

Proposal for making the company's operations carbon neutral by 2030

- Moving entirely to electric vehicles
- Developing renewable energy at sites owned by Bristol Water
- Planting trees to remove greenhouse gases from the atmosphere
- Where necessary, purchasing high-quality offsets until Bristol Water can further reduce its own emissions

Bristol Water propose to spend £105m on making all operations net zero, and this would add £7 to the average bill.

59

Boosting biodiversity and nature recovery and protecting the planet

Longer term investments
You decide

Net zero operational emissions

£7 by 2030

A is the proposed plan

B delays investment further

C is the middle option

The long term ambition is to reach net zero operational emissions by 2030 (and net zero including carbon in materials used by 2045)

How would you like Bristol Water to pace this investment?

How each option would impact an average bill by the end of each 5-year period

60

Deliberation centres around:

- Principle is good but examples are questionable – is electric vehicle technology well-tested enough?
- However, customers do think that this is a good step and makes sense that companies are striving for this
- Something the company should pay for out of their own pockets

Response to proposed plan and alternatives

- Customers do want this to happen – it's a worthwhile investment and goal and customers strongly feel that we all need to think about the future
- However, there is a reluctance to foot the bill for Net Zero operations as it feels solidly within company responsibility, and they feel it should be paid for through profits

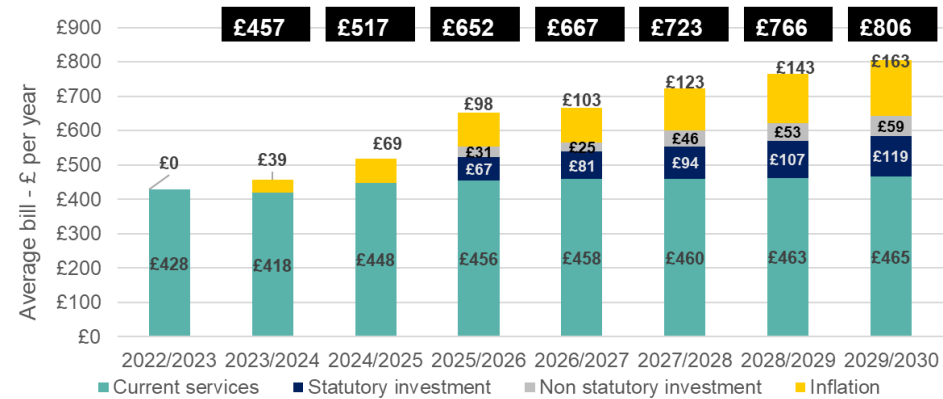
*"They are thinking at the top – 'how do we increase our income?' And they are coming up with this and that to justify the increases."
HH Weston-Super-Mare*

"It's [EV tech] not tried and tested – they are going along with everyone else"

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

Proposed plan – bill impact (average bill)

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



Concerned response

- The overall size of the increase is a surprise/shock: individual elements 'didn't seem bad but altogether it's really bad'
- Earlier thoughts about water bills being fair are put into doubt
- If happy with service, hard to rationalise the extra spend
- W-S-M much more concerned than Bristol

"This would cripple me!"
HH W-S-M

"My bill's double!"
HH W-S-M

"I'd like to see 5-10 years the other way"... it's the burden of the future of the water industry placed on our shoulders!"
HH Bristol

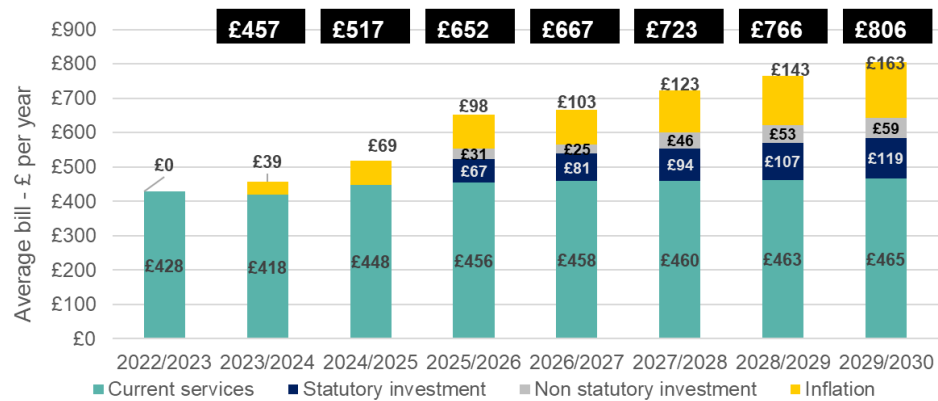
"I'd like to see the same graph with gas or electricity it would be 3 to 4 times the height of that!"
HH Bristol

Accepting response

- Some contextualise: still more manageable than other utilities
- How compare with past investment? As increases are projected into the future some feel today's customers are shouldering the burden of new infrastructure (more so than for customers in the past)
- Others feel this is needed 'the next generation will thank us for it'

Proposed plan – bill impact (average bill)

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



Trust issues

- Bill increases won't be spent on the investments described
- Want to understand how companies will be held to account
- Why are customers footing the bill for the extra investments?

"Wessex, Bristol, we don't trust you – it's a basic service, it's not a luxury"
HH W-S-M

"It's not a worthwhile investment for the community – it's a plan to justify increases, the way I see it."
HH W-S-M

Inflation

- Inflation is seen as a large element: but it is an unknown
- Question affordability
 - Not for next 2-3 years
 - Worry about wages not keeping up with inflation



Affordability

- Real concerns emerge about the scale of bill increases – and how poorest are protected

"Statutory investment going up is not the scary bit – but salary income is not keeping pace."
HH Bristol

"Adding inflation when wages aren't increasing in line, then that's quite scary"
HH Bristol

"Perhaps the burden could fall on the top 10% and take it away from bottom 10% if you means tested it."
HH Bristol

		2050 goals	Longer term investments: your input on how & when		<p>There are 7 areas where Wessex Water & Bristol can reduce the cost of the plan</p>		
Wessex Water's proposal	Effective sewerage system	Halve the impact of sewer flooding on our customers		Removing water poverty by 2040		£1.50	Removing everyone from water poverty. Aim to remove everyone from water poverty by 2040 (not 2030)
	Great river & coastal water	<ul style="list-style-type: none"> To restore the quality of rivers and coastal waters Zero pollution incidents 		Barn storage for sludge		£1	Continue to spread sludge to land (more storage barns) & test new sludge treatment tech. Option does not reduce carbon impact nor provide a new way to dispose of sludge.
	Great customer experience	Be a top 10 customer service provider in the UK		Delay net zero investment		£2	Net zero emissions. Reach 50% net zero operational emissions and stay at that level.
	Net zero carbon & biodiversity	Be a net zero carbon business by 2040					
Bristol Water's proposal	Boosting water resources & supply resilience	Resilience to climate change & higher population		Slower rollout of smart meters		£1.50	Slower smart meter rollout. Aim to install 500,000 smart meters by 2045 (not 2040)
	Maintain top quality drinking water supplies	<ul style="list-style-type: none"> Water that looks, tastes & smells great Replace all lead pipes 		Replace 10,000 lead pipes		£1	It can reduce lead replacement from 20k pipes to 10k by 2030
	Biodiversity & nature recovery	<ul style="list-style-type: none"> Doubling nature on sites Net zero operational emissions by 2030 		Net Zero operational emissions 2040		£2.50	Net zero emissions. Aim to have net zero operational emissions by 2040 (not 2030)
	Trusted customer and community experiences	Fair and affordable bills Excellent and innovative customer service		Around 25,000 customers are in water poverty		£0	With rising bills, 25,000 additional households will be in water poverty.

Must-do plan

With the must-do plan, your bill will increase by, on average, £28 a month (£336 a year) by 2030.

This includes:

- £12 a month statutory investment
- £3 a month additional investment
- £13 a month of inflation.



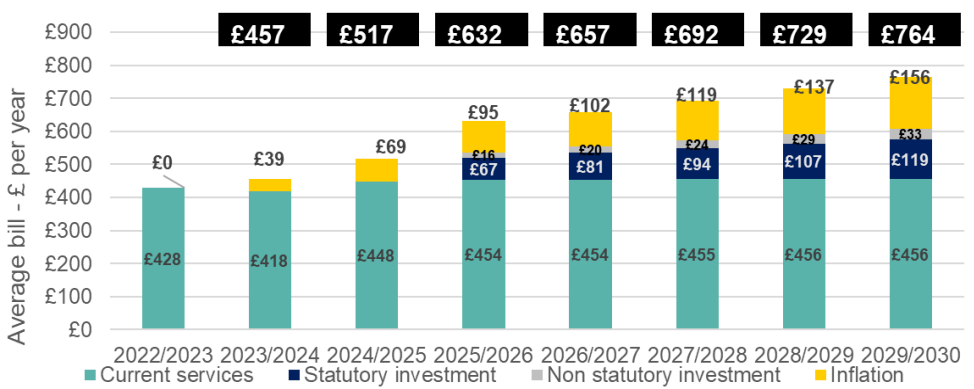
Must-do plan – bill impact (average bill)

Despite scepticism about the necessity of the increase in bills shown for the proposed plan, there is little willingness to compromise on benefits for the sake of must-do plan's modest savings.

There are 7 areas where Wessex Water & Bristol can reduce the cost of the plan

- Removing everyone from water poverty. Aim to remove everyone from water poverty by 2040 (not 2030)
- Continue to spread sludge to land (more storage barns) & test new sludge treatment tech. Option does not reduce carbon impact nor provide a new way to dispose of sludge.
- Net zero emissions. Reach 50% net zero operational emissions and stay at that level.
- Slower smart meter rollout. Aim to install 500,000 smart meters by 2045 (not 2040)
- It can reduce lead replacement from 20k pipes to 10k by 2030
- Net zero emissions. Aim to have net zero operational emissions by 2040 (not 2030)
- With rising bills, 25,000 additional households will be in water poverty.

- Lower cost of £36 per year for the must-do plan is seen as better value but the proposed plan perceived to give a better return on investment in comparison
- Some are comfortable to lose some elements to lower bills:
 - Smart meters could be the compromise
 - Some feel removing everyone from water poverty is an unfair demand on customers - should be government support – and that this preys on customers' consciences: *"it's a guilt thing for us – it shouldn't be an issue for us."*
- Others prefer the must-do option if they could retain some of the enhanced spend – but not necessarily pay for it e.g. water poverty
- Question role of shareholders
- NB Bristol customers favoured the proposed plan when comparing the two. They were particularly driven by a concern for people in water poverty



"The stuff they are (suggesting) cutting is more concerning - I wouldn't want to go without important things for just £30 at the end of the day."
HH Bristol

"It's like asking me if I'd rather be stabbed or shot!"
HH W-S-M

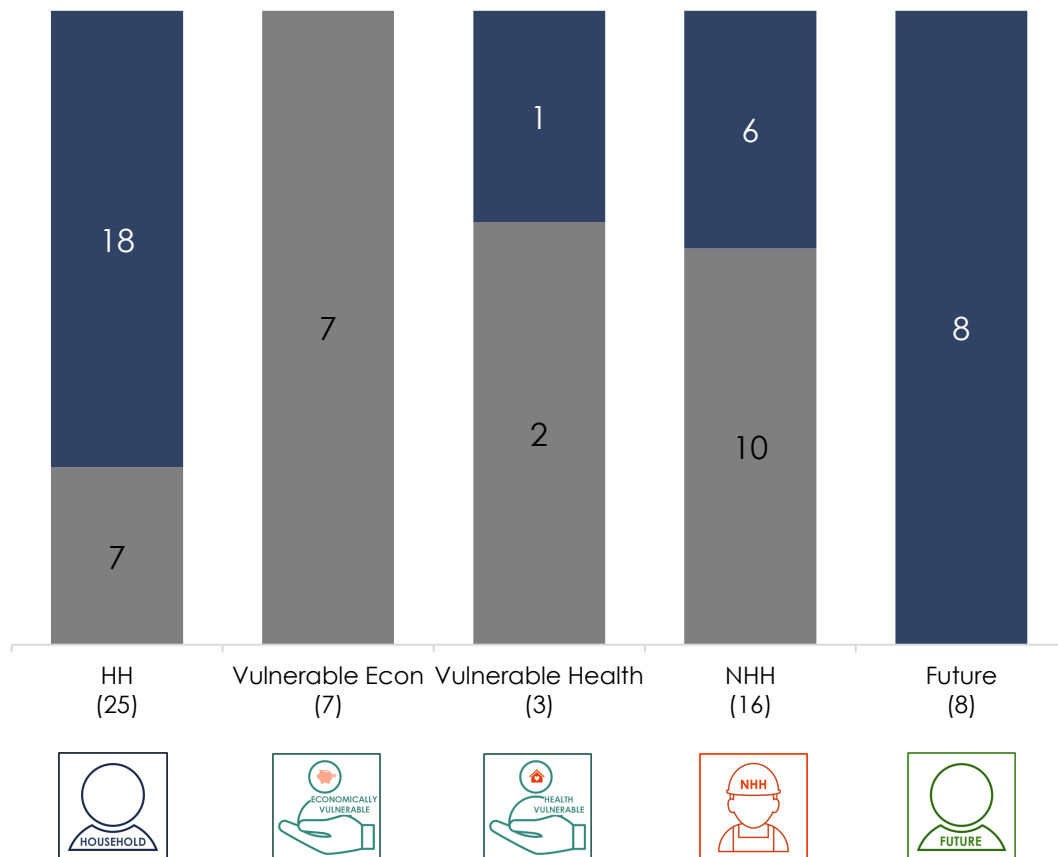
"It feels like a cop out £10-£11 difference – better going with the proposed plan."
HH Bristol

Proposed vs. Must-do (based on personalised bill)

When customers look at the bill impacts against their own bill, there is a preference for the proposed plan, but non-household and vulnerable customers generally prefer the must-do plan.

Proposed = 34/61

Must-do = 27/61



- Concerns about affordability are prevalent but for most in the HH sample, the relatively small premium for the Proposed plan is seen to be worth it
- While cost concerns are also true for Future Customers, notably all opt for the Proposed plan
- Some customers express their need to understand if these investments will have a direct impact on lowering costs in future
- Some want to see investments afforded through restructuring and internal changes/efficiencies – worried that it is too easy just to increase bills

"The average bill is going to double in 8 years' time. Doesn't look much year on year, but it places an extra financial burden on people struggling already." HH Bristol

"I don't pay the bill I just give my parents a certain amount each month. This adds a lot of reality. I flip the tap and the water is on. By 2030 I'd like to be a homeowner and my bills will be £806 a year. If wages don't rise in line with inflation that's a big portion." FUTURE Bristol

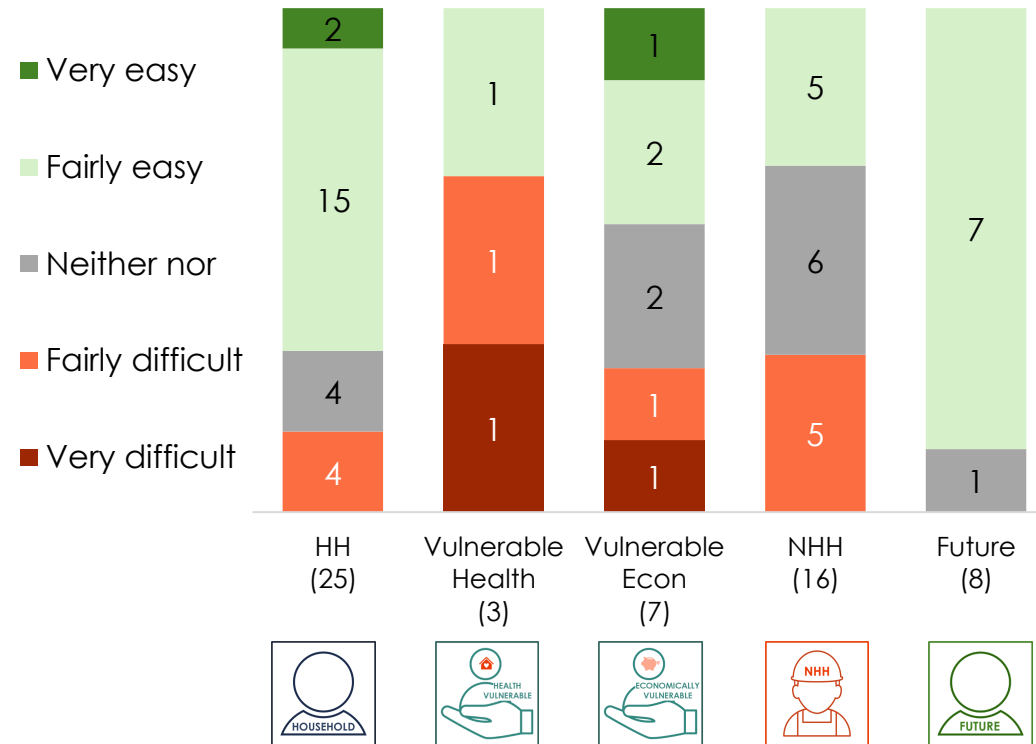
"If people were already in water poverty, that increase and inflation will have a huge impact and more people will end up in water poverty." HH Bristol



Proposed vs. Must-do (based on personalised bill)

Many HH customers felt it was an easy decision to choose their preferred plan – a little more uncertainty amongst the vulnerable and NHH customers.

Ease of choosing preferred plan

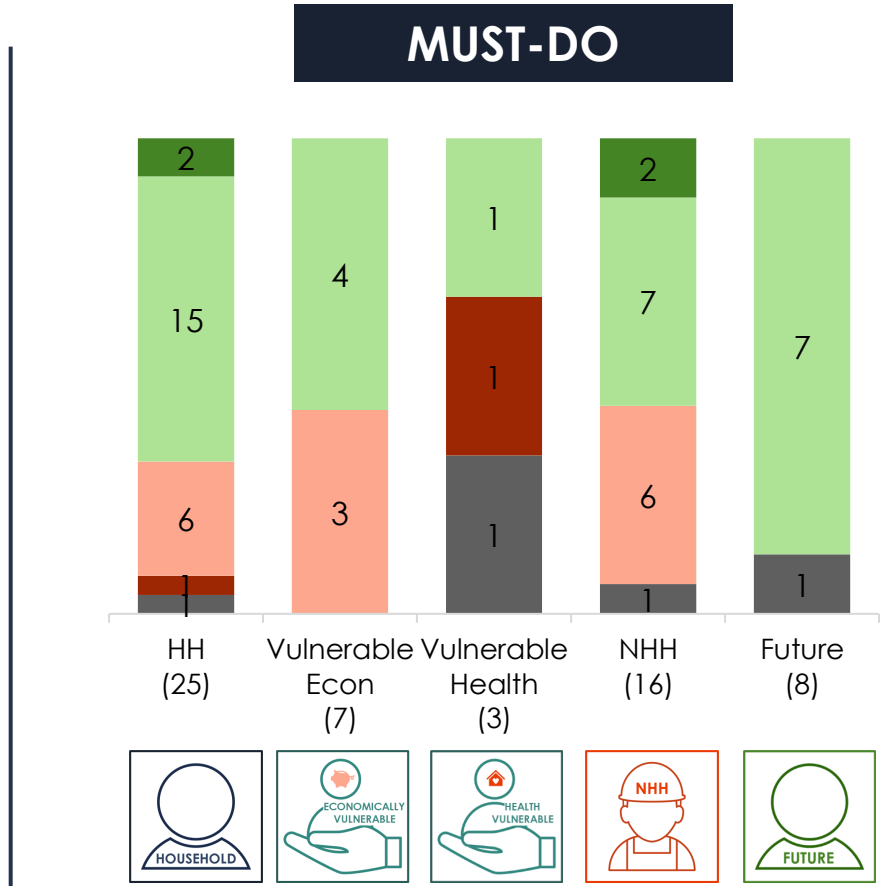
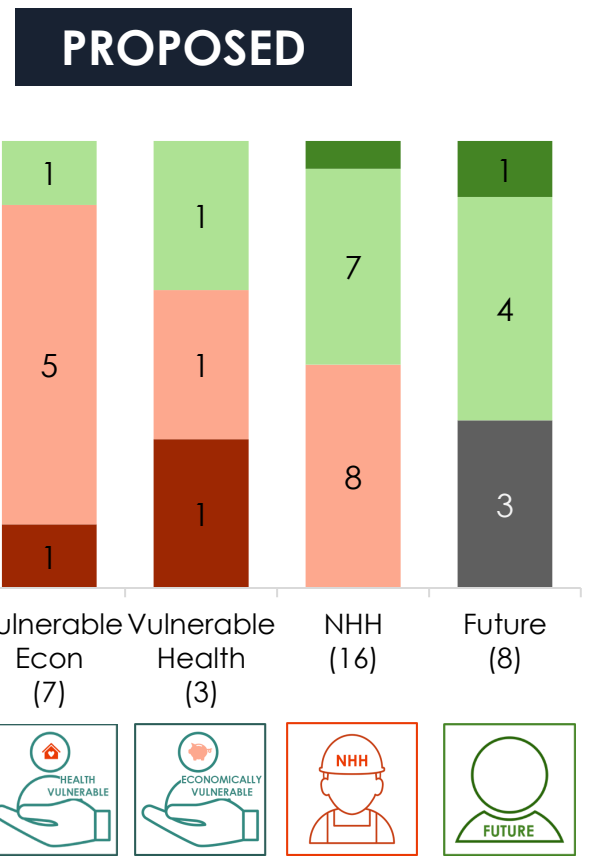


Summary: Proposed and 'must-do' plan (personalised bill)



ACCEPTABILITY

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



- Completely acceptable
- Acceptable
- Unacceptable
- Completely unacceptable
- Don't know

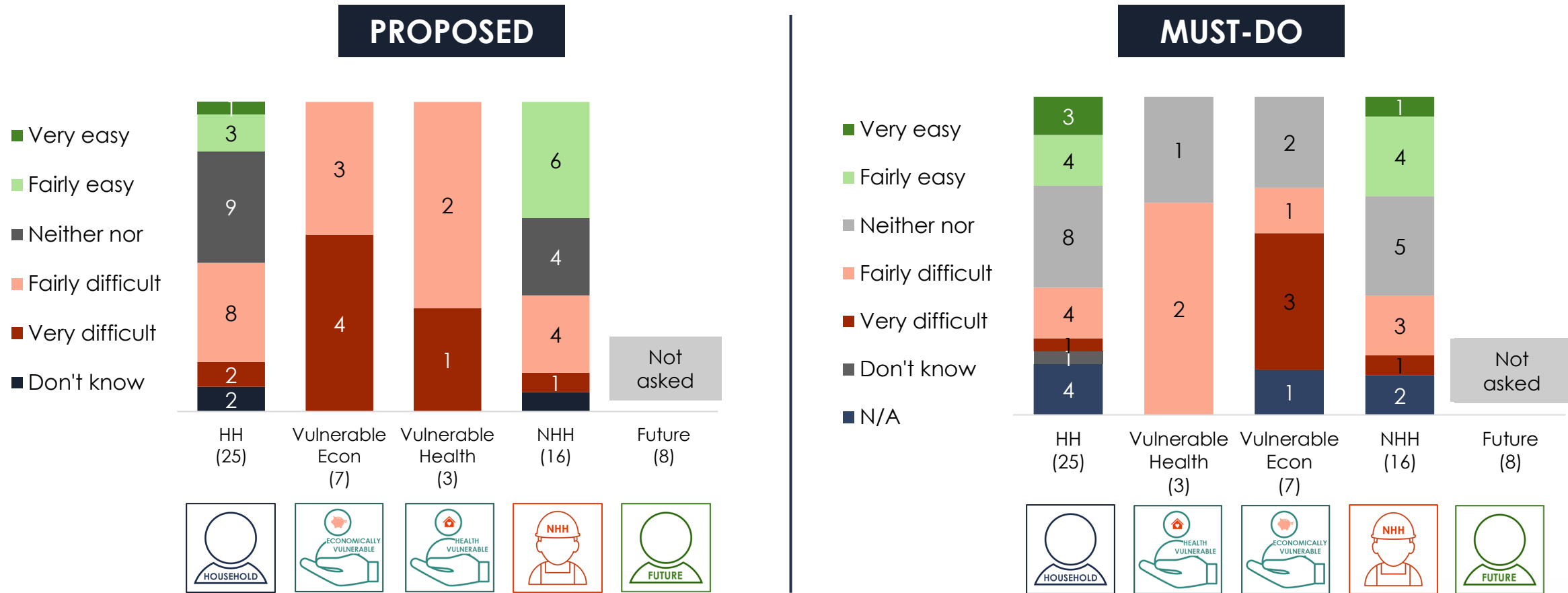
Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills for the proposed plan? Based on everything you have heard and read about the company's proposed business plan, how acceptable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

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



AFFORDABILITY

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

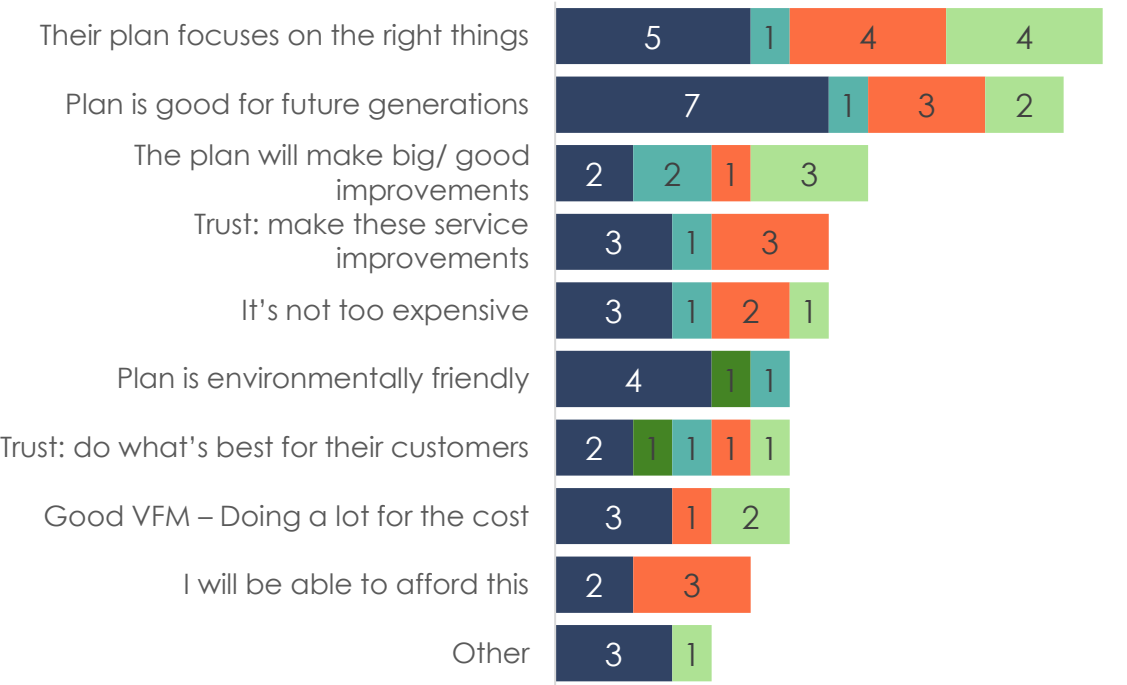


Source: Appendix A, B/C, D, E: Thinking about how your income may change in the future, how easy or difficult do you think it would be for you to afford the water and sewerage bills for the proposed plan? Based on everything you have heard and read about the company's proposed business plan, how acceptable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

Summary: Reasons for accepting/rejecting the Must-do plan

Like the proposed plan, those who accept it see it as a future thinking and believe it would make a notable improvement. This plan is largely rejected as customers believe water companies should pay more for the plan.

Reasons for accepting



■ Household (17) ■ Vulnerable Health (1) ■ Vulnerable Econ (4) ■ NHH (9) ■ Future (7)

Reasons for rejecting



■ Household (7) ■ Vulnerable Health (2) ■ Vulnerable Econ (3) ■ NHH (6) ■ Future (0)

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



Conclusions and recommendations

- Though customers are more or less willing to accept the proposed investments, there are strong feelings about funding coming entirely from customer bills – they need a better understanding of the water sector funding system. Customers also feel the bill impact is significant, and there are affordability concerns – often felt less for themselves but for others in a poorer financial situation.

Customers least supportive where the investments:

- Are going towards something that they perceive as basic provision e.g. clean and safe water, storm overflows
- Feels out of scope and should be paid by e.g. housing developers (nutrient removal) or government (water poverty)
- Appear to have greatest benefit to the company not the customers e.g. net zero and smart meters



Customers support the plans where the investments:

- Involve reducing sewer flooding and environmental pollution – customers feel strongly about putting this right esp. in the context of current media stories
- Relate to affordability – in the current economic climate investments to help those struggling is supported

What will improve plan acceptability & affordability?

- Potentially a more ambitious leakage performance commitment
- Other factors that will improve acceptability relate more to understanding the context of bill increases*
- Awareness of e.g. the role of government or other authorities for mandatory investments; the role of developers in paying for new infrastructure etc. Clearer understanding of why investments are funded through customer bills
 - A belief that incomes will keep up with inflation
 - Higher trust that companies are run efficiently, put customers before shareholders etc.

Acceptance, or lack of, not clearly and overtly driven by the Bristol Water or Wessex Water plans. Scepticism around bill increases was generic. In terms of acceptability, customers assessed each commitment on its own merits with little reference to who offered it.



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Additional segment analysis for Health Vulnerable and NHH customers





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 including disability
- **Recruitment:** 3 x list opt ins, 4 x free find

Consumer context

- Greatest challenges are primarily financial, but health issues often compound struggle to manage day-to-day finances
- Concerns around future living situations as health conditions deteriorate or need more care

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

- None are on social tariff schemes but 50% receive PSR support
- Those on PSR feel positively about the support they get, however some state that it doesn't make a significant difference
- The majority need more information about eligibility for social tariff

What needs do this segment have?

- Bill reductions as part of an economically vulnerable scheme
- Customers feel they shouldn't have to actively point out needs to company
- One customer felt if it wasn't for her own efforts to get in touch about PSR she would not have received the support – feels like vulnerable customers do not have a strong 'voice'





The business plan proposal for vulnerable customers – vulnerability strategy 18

Wessex Water will continue to follow their ethos: every customer matters



In future, Wessex Water and Bristol Water will continue to develop their goals across these 4 key themes:

<p>Using data wisely</p> <p>This helps Wessex Water to assess the effectiveness and uptake of their support and identify and target activity proactively and effectively</p>	<p>Growing partnerships</p> <p>This area is designed to increase the number and variety of Wessex Water's partners and to work with them in a way that suits them to best engage with their clients, i.e. you – the customer</p>	<p>Community engagement</p> <p>To extend their reach and engagement across communities, break down barriers to engagement and reach those who might otherwise not have been heard</p>	<p>Improving the customer journey</p> <p>To make it as easy as possible for customers to know about and access support through the channel of their choice and to have an excellent customer experience</p>
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Vulnerability strategy received positive views

- All customers regard the strategy as positive, with all four themes perceived as important areas to invest in
- Some think Bristol Water could 'step up' in regards to going the extra mile e.g. one customer suggested that a dedicated number for vulnerable people to get help could be useful
- There is a need for more information about how goals will be implemented
- Specific support for vulnerable customers considered to be an essential 'ethos' for water companies to have

The business plan proposal for vulnerable customers – customer service

Bristol Water's strategy for providing excellent customer service at every moment proposes to improve the following areas in 2025-2030

Improve their customer experience by:

- **Making customer journeys effortless**, automated and seamlessly flow across channels by developing a digital backbone.
- Making it easier to **pay clear and fair bills**.
- **Proactively** support any customer who needs **help to pay** and **avoid or escape debt**.
- Setup **new easy to use payment routes** such as an improved self-service portal
- Extending their **priority services register**.
- Support our **local community** through purposeful action and **build trust** by proudly showing who we are and what we do.
- **Value every drip and every drop of water**. Care for our environment by reducing water usage and leakage both today & in a smarter future.

*"It's good if what's being shown is actually happening. I would like to see the communications improve as they suggest."
Health Vulnerable*

*"Sounds good if that's what they intend to do. But they could do it a bit earlier than 2025, I mean I think the help is needed now."
Health Vulnerable*

Health Vulnerable – Affordability plans



The business plan proposal for vulnerable customers – affordability

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



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

Affordability plans viewed positively

- Generally, customers expected Bristol Water and Wessex Water to continue to fund these plans
- Many didn't realise all the things already in place and found the information useful to know so that they can look to use the schemes
- Overall, customers felt this is the right level of ambition, but that Bristol Water need to keep up with what they propose
- However, some felt debt will only continue to grow if this information doesn't go out early enough

Social Tariff – what is it?

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

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

To date, **Wessex Water** have helped more than **55,000 households** afford their ongoing water bills or repay their debt through a variety of low-rate tariffs and payment schemes. **Bristol Water** have helped more than **25,000 households** afford their ongoing water bills or repay their debt.

Some examples of Social Tariffs that Bristol Water & Wessex Water offer include:

<p>Reduced bill: Assist</p> <p>Assist is for customers who are struggling to pay their bills and need a discount.</p>	<p>Bill cap scheme: WaterSure</p> <p>WaterSure helps reduce water bills for households who use a lot of water for reasons beyond their control e.g. a medical condition</p>	<p>Discount for low income pensioners</p> <p>For customers who are in receipt of Pension Credit, or where the state pension is the only source of income for all adults in the household.</p>	<p>Discounted tariff: WaterCare</p> <p>For customers with a meter (or unable to have a meter) and whose water bill is greater than 5% of their income.</p>
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"I think it's a good idea. It would make life less of a burden and start to make things easier for people."
Health Vulnerable

"It's a good thing having a service like this but perhaps they could be doing it in house, rather than saying to people you need to go and talk to Citizens Advice. They could have a unit themselves which deals with these problems. Problem comes when they've left someone for so long accumulating debt, who then cannot get out of it."
Health Vulnerable

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

- Customers accepted the 2050 and discretionary long-term investments, but would find it difficult to afford without help they perceive they need as a vulnerable customer.

	2050 goals	Legally required Must do	5 year targets: customer feedback	Longer term investments: your input on how & when
Wessex Water's proposal	Effective sewerage system Halve the impact of sewer flooding on our customers	FOR YOU. FOR LIFE. Wessex Water Investing in Life	Reducing the number of sewage spills in 150 locations £23	Reducing internal and external sewer flooding £11
	Great river & coastal water • To restore the quality of rivers and coastal waters • Zero pollution incidents		Nutrient removal and river water quality monitoring £47	Reduce pollution incidents to 14 per 10k of sewer pipe £4
	Great customer experience Be a top 10 customer service provider in the UK			Reducing sewage spills in further 45 locations £11
	Net zero carbon & biodiversity Be a net zero carbon business by 2040			Removing everyone from water poverty £24
Bristol Water's proposal	Boosting water resources & supply resilience Resilience to climate change & higher population	b BRISTOL WATER	Reducing leakage by 8% £4	Smart meters and water efficiency support £2
	Maintain top quality drinking water supplies • Water that looks, tastes & smells great • Replace all lead pipes		Continue to deliver clean and safe tap water £2	Reduce contacts on taste, smell and appearance £3
	Biodiversity & nature recovery • Doubling nature on sites • Net zero operational emissions by 2030		Protect natural resources £1	Replace 30,000 lead pipes £2
	Trusted customer and community experiences Fair and affordable bills Excellent and innovative customer service			Net zero operational emissions £7
			Removing everyone from water poverty £3	

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

Deliberation centres around:

- A few felt customer bills should not be affected by legally required targets
 - In particular, customers considered it very unfair to pass on the bill for the sewage spill reduction plan – this is largely due to media attention around Weston-Super-Mare beach which customers were concerned about
- Affordability of plan was a concern for many vulnerable customers in the context of other increasing costs
 - There was a concern that the increase in bill doesn't 'fix' the problems in the system, but it is a lot of money for a gradual improvement in performance

"I don't think they should increase the money for what they should be doing in the first place. That's putting it on the doorstep of the customer..."
Health Vulnerable

Response to proposed plan:

- Individual long-term investment plans are acceptable, although some question why everything is being done over the next 5-year plan
 - One customer felt the overall increase to bills rang 'alarm bells', as they feel bills have been largely consistent until now
- 2050 goals were all accepted, and customers felt that they would *like* to be able to afford these goals, but there was a mixed response as to whether they could

"An increase of £31 a month is ridiculous. How do they expect people to be paying nearly £100 a month on a service that isn't performing in terms of the sewerage, leaks and pollution. I just don't get it. Sounds horrendous."
Health Vulnerable



Charlotte:

- **Age:** 63
- **Gender:** Female
- **Metering:** Metered
- **PSR status:** on PSR
- **Vulnerability:** arthritis, diabetes, high blood pressure
- **Summary:** find plans acceptable but unaffordable

Charlotte experiences arthritis, diabetes, and high blood pressure. Her health fluctuates day-to-day, so each day is different. The biggest challenge in Wendy's life is mobility. There are days where she can't leave her property, but she will host visitors instead. She also uses a mobility scooter to help manage her mobility issues. She is medically retired, widowed and lives alone.

The cost-of-living crisis has affected what Charlotte eats, and she thinks prices have gone through the roof. She feels like companies don't care about consumers.

Health conditions haven't affected Charlotte's water use or communication with water company. She is on PSR and has experienced help during water supply disruptions. She was happy with the service, including communications and receiving bottled water. She has considered going on a social tariff, but since her bill has halved since going on a water meter, she doesn't think it would make much difference.

Response to the plan for vulnerable customers:

- Charlotte supported the plan for vulnerable customers, and trusts water companies to carry out improvements. She supported the idea of water companies helping people who can't pay their bills, but hadn't asked them for help herself, and didn't know anyone else who had.
- Charlotte also thought that achieving the goals for vulnerable customers could be done before 2025, as people need help in the present moment. She likes the idea of a voluntary service but thought it could be improved if it was done in-house at water companies, so customers wouldn't have to go through a third party such as Citizen's Advice.

Response to plan on page:

- Charlotte thought a £31 monthly bill increase would be substantial, and some people wouldn't be able to afford it. She felt that this increase is taking advantage of the cost-of-living crisis and doesn't need to be this unnecessarily high. She suggested that shareholders should be paid less so that customers don't see their bills increase as much.
- She thought areas where improvements should be made anyway, such as improvements to sewage works, shouldn't come with an added expense for customers. However, she liked the plans to improve water quality, rivers, and flooding.





Joan:

- **Age:** 78
- **Gender:** Female
- **Metering:** Metered
- **PSR status:** on PSR
- **Vulnerability:** 2 long standing health conditions
- **Summary:** find plans acceptable but unaffordable

Joan lives alone in a small apartment within housing association accommodation. She suffers from two long standing health conditions which also cause her to use more water than she would ideally like.

Joan's bills have been steadily increasing as her health conditions get more severe and meant she was washing more and focusing more on hygiene. She decided to get in touch with Bristol Water and ask to be on the PSR. *"If I hadn't pointed out I need to be on the register I would not be getting a discount. I don't want anything more specific, I just want them to do better."*

Joan is now happy with the amount of her water bill, however, she thinks that the current levels of investment are not enough to keep her service the way it is. Therefore, she is concerned about the affordability of the investment plans but ultimately would support this if she is reassured that her own bill will be kept as low as possible through the PSR service.

Response to the plan for vulnerable customers:

- Joan supported the plan for vulnerable customers and wants the water companies to continue be proactive with sharing their investment plans with customers.

Response to plan on page:

- Joan thought that the plan on a page would be difficult to afford. She would need to see her bill remain at very similar levels and a continuation of the PSR to afford the increase.
- Joan did not support the plan to invest in water meters as she finds it unfair that she is paying a bill roughly equivalent to that of her friends in much bigger housing. She would also value advice in understanding her water usage as she feels she is being penalised by having a water meter at the same time as health conditions which require heavy water use.





Robert:

- **Age:** 29
- **Gender:** Male
- **Metering:** Metered
- **PSR status:** Not on PSR
- **Vulnerability:** mental health condition
- **Summary:** find plans acceptable but unaffordable

Robert experiences bouts of depression which can be compounded by looking after his 1 year old son and his wife who also suffers with postpartum depression. He is the main earner in the household and although he finds their situation manageable on his salary, he is cutting back on everything from food shops to treats to be able to afford to live.

Robert does not think he will have much disposable income over the next 5 years but he hopes that in 10 years time the government will have sorted out many problems to do with the cost of living crisis and his situation will look better.

Health conditions in his household haven't affected Robert's use of water and he is not on a PSR service. He doesn't currently think he is eligible for this but would benefit from advice as he thinks he might be eligible for a social tariff.

Response to the plan for vulnerable customers:

- Robert supported the plan for vulnerable customers. In particular, he was enthusiastic about the water company helping customers to understand their water usage and bills as he feels he had to work this out on his own to cut down.
- Robert supported the planned improvements to the customer journey as he has struggled to make contact in the past and it has caused him unnecessary stress which did not help his condition.

Response to plan on page:

- Robert thought that the overall increase was significant and unaffordable. *"I think a few pounds here and there would be okay, but this feels like a large amount that sets off alarm bells"*. He was surprised by the numbers set out, for example the amount of sewage spills, and this is what caused alarm as it made him feel like the system was very much in disrepair already.
- He thought areas where improvements should be made are to sewage works and the environment. However, he thinks it shouldn't all be an expense for customers as the overall bill increase is much larger than anticipated and other bodies (the government) should also be subsidising and paying for investment.





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

Customer context

- Whilst NHH customers are feeling the effects of the cost of living crisis at home, the majority were doing well in their businesses
- The biggest impact of the economic climate is the rising cost of materials and therefore having to charge their customers more
- At this point, NHH customers are feeling OK and have a sense that the decline is slowing and things will soon start to improve

"We are starting to struggle with not just the cost of living for home life but the cost of materials like the price of wood and things like that has skyrocketed."

NHH

"I like to think that where we are at the moment you know things will move forward in the right direction and the price will start coming down again."

NHH

"They're reducing the number of spills and they're saving themselves money on affordable clean ups...they're saving themselves money but putting our costs up."

NHH

NHH customers seek value for money

- NHH customers were more likely to assess the investments as a whole and assess impact vs. cost
- For example, water quality is a low cost investment that has a big and important impact whereas storm overflows are a high cost investment with a seemingly small impact



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

- Though NHH customers felt the investments outlined were worthwhile, cost was a barrier to choosing the proposed plan over the must-do
- NHH customers feel water companies should be paying for some of these investments out of their own profits

	2050 goals	Legally required Must do	5 year targets: customer feedback	Longer term investments: your input on how & when	
Wessex Water's proposal	Effective sewerage system Halve the impact of sewer flooding on our customers	LOOK YOU, TOK LIFE! Wessex Water THE GROUP WEE	Reducing the number of sewage spills in 150 locations £28	Reducing internal and external sewer flooding £13	
	Great river & coastal water • To restore the quality of rivers and coastal waters • Zero pollution incidents		Nutrient removal and river water quality monitoring £56	Reduce pollution incidents to 14 per 10k of sewer pipe £4	Reducing sewage spills in further 45 locations £14
	Net zero carbon & biodiversity Be a net zero carbon business by 2040				Operationally net zero £5 Remove carbon & pollutants from sewer sludge £9
Bristol Water's proposal	Boosting water resources & supply resilience Resilience to climate change & higher population	b BRISTOL WATER		Reducing leakage by 8% £9.50	Smart meters and water efficiency support £4.50
	Maintain top quality drinking water supplies • Water that looks, tastes & smells great • Replace all lead pipes		Continue to deliver clean and safe tap water £4.50	Reduce contacts on taste, smell and appearance £7	Replace 30,000 lead pipes £4.50
	Biodiversity & nature recovery • Doubling nature on sites • Net zero operational emissions by 2030		Protect natural resources £2.50		Net zero operational emissions £16.50
	Trusted customer and community experiences Fair and affordable bills Excellent and innovative customer service				Removing everyone from water poverty £7

"I'm not sure why I need to help pay for their shiny electric cars."
NHH

"After seeing both, would prefer the full plan seeing as there isn't a lot of difference."
NHH

Deliberation centres around:

- 5 year targets don't seem hugely ambitious – could be doing more in these areas
- NHH customers stress the importance of water quality, for both them and their customers
- Sewage spills is deemed an extremely important investment that water companies need to address as quickly as they can
- Pushback against paying for what the water company should be solely responsible for; specifically net zero, sewage spills

Response to proposed plan:

- Overall, NHH customers are in agreement with the investments in the proposed plan
- However, the overall percentage increase on the bill is shockingly high
- Some would like to see the 'extra' investments in the proposed plan funded by water company profits, and therefore opted for the 'must-do'
- NHH customers acknowledge that there is only a small difference between the proposed and must-do plan and some are willing to pay for the proposed for increased impact

"Damned if you do, damned if you don't."
NHH

"All this has shown me is that I'll have to pay a lot of money regardless."
NHH

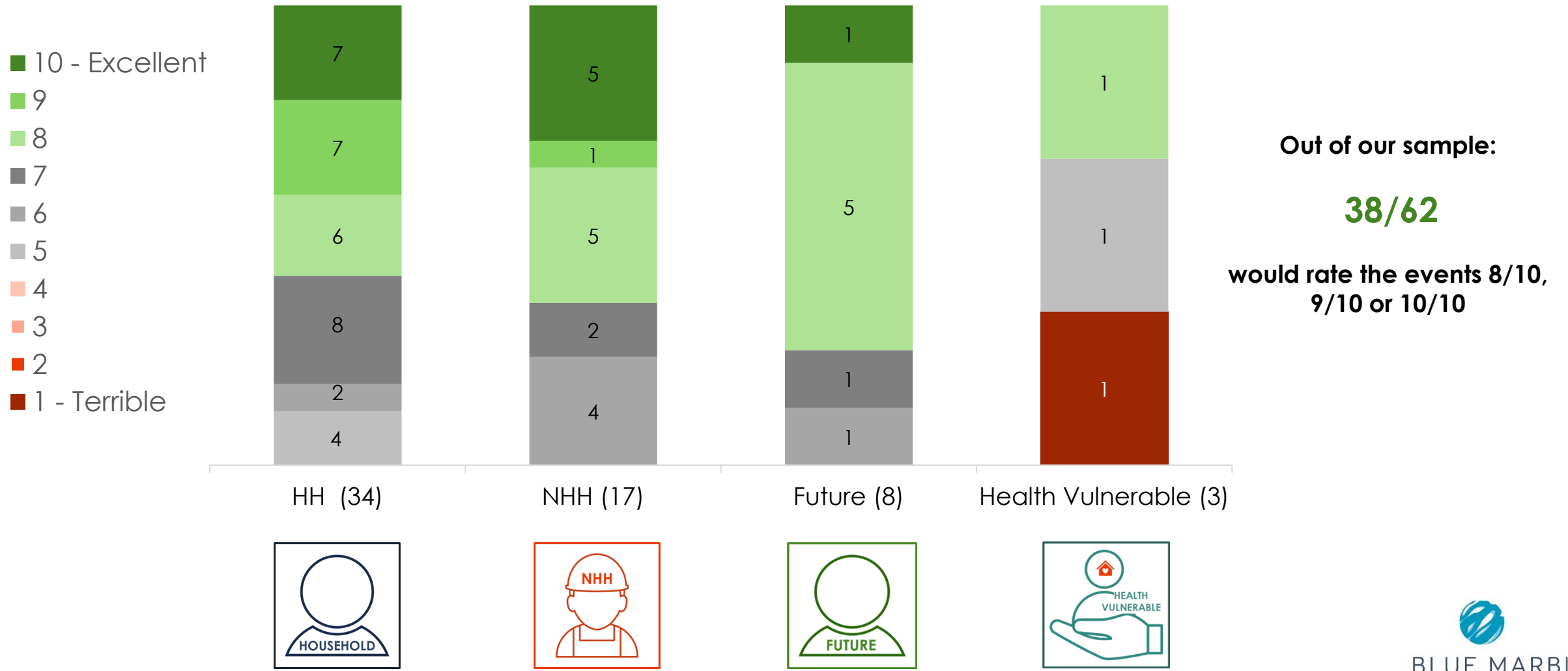
Event feedback



BLUE MARBLE

Event feedback: ratings of the deliberative events

Future customers were most likely to give positive feedback about the event. Most HH and NHH customers gave the events and interviews ratings between 8 and 10. Feedback from health vulnerable customers was least positive.



Event feedback: reasons for ratings

Participants who rated the events highly found them informative, gave positive feedback about staff, and appreciated being asked for customer input. Those giving lower ratings found it difficult to answer questions or thought the amount of information provided should be changed.

	Reasons for ratings of 10-8	Reasons for ratings of 1-7
HH	<ul style="list-style-type: none"> • Informative, interesting, learned a lot • Appreciate having a say in the future • Good balance of listening and participating • Enjoyed listening to others' views • Good mix of participants • Great staff and facilities 	<ul style="list-style-type: none"> • Sceptical of how feedback will be used • No representatives from BW or WW • Some information lacked detail • Not enough time or information to make decisions or reach consensus • Layout of room could've been better to see screen
NHH	<ul style="list-style-type: none"> • Good service and presentation • Positive feedback about facilitators • Gained knowledge about water industry • Appreciate being able to give input • Straightforward to take part 	<ul style="list-style-type: none"> • Information was difficult to digest • Questions about context weren't answered • Hard to predict the future
Future	<ul style="list-style-type: none"> • Insightful, engaging, informative event • Interesting mix of people, leading to good discussion 	<ul style="list-style-type: none"> • Complaints about other participants • Lack of context around questions being asked • Event too long, too much information
Health Vulnerable	<ul style="list-style-type: none"> • No reasons given 	<ul style="list-style-type: none"> • Questions don't have enough answer options, leading to perception of biased research

"The group I was in asked quite a few questions pertaining to the context of the research. Unfortunately, these questions couldn't be answered." NHH Answer: 6/10

"There was a lot of decisions to be made in the time we had, but we were asked to make decisions without having enough information on how things would be achieved and specifics as to what the investment would be put into." HH Answer: 5/10

"It was very informing and allowed customers and future customers to have insight on the continuity of the water industry." Future customer Answer: 10/10

"The event was organized well, the speaker & our team leaders were excellent. I have learned so much through this event." HH Answer: 10/10

"Q.14 does not give enough options. You are basically controlling the outcome. It is devious and what I expect from you." Health Vulnerable Answer: 1/10

"It's not the most interesting of subjects but it was delivered well." NHH Answer: 8/10



Event feedback: suggestions for improvements

The most common suggestions from HH and NHH participants involved changing the amount of information available or making the information easier to understand and digest. Other common suggestions included altering the timings of the events.

HH

- Some participants suggested allowing more time to digest or discuss information (e.g. through making the event longer, providing less information, sharing information earlier before the event)
- Some suggested providing more information or presenting it in a clearer way (e.g. more context on questions, improving graphs, providing handouts).
- A few suggested including a greater mix of people in group discussions (e.g. through mixing up groups or having a more diverse group overall)
- A few suggested making the timings more convenient (e.g. making the event shorter or on the weekend, having more breaks)
- A few thought the questions asked during the event should've been less biased

NHH

- A few participants suggested that company representatives should be present at the event to answer questions
- A few suggested making the information presented less complex or clearer
- A few suggested changes to the timings of the event, e.g. making the event longer or including more breaks

Future

- Some participants suggested changes to how the discussions were run (e.g. making them more structured, having bigger groups, asking for more input from participants)
- A few suggested changes to how the information was presented (e.g. providing more information about plans, providing more visuals related to the plans)

Health Vulnerable

- No suggestions about improving the events were made

"Provide more information up front from the water companies on what their plans are to achieve any investment proposals - with solid plans and outcomes for the proposed cost... Have someone from the water companies present so that specific questions could be targeted at them." HH Answer: 5/10

"Maybe more visuals and images of things they hope to improve." Future customer Answer: 8/10

"Possibly less information and statistics and more time to discuss the most important issues." HH Answer: 10/10

"It would be useful if someone from the company was available during the research to explain some of the points raised." NHH Answer: 6/10

"Making sure all the information is clear for customers to see the plans and the costs clearly." NHH Answer: 7/10

